



**International Trade & Business
Business Past Exam Questions
Higher Level**

2013

Section 1 - Question 8

8. Column 1 is a list of economic terms. Column 2 is a list of possible explanations for these economic terms. *(One explanation does not refer to any of the economic terms)*

Column 1 - Terms	Column 2 - Explanations
1. Exchange Rate	A. The increase in the value of goods and services produced in an economy from one year to the next.
2. Interest Rate	B. Is measured by the Consumer Price Index (CPI).
3. Taxation	C. Is measured by the live register.
4. Economic Growth	D. Can be progressive or regressive.
5. Inflation	E. The price of one currency expressed in terms of another currency.
	F. The cost of borrowing money.

Match the two lists by placing the letter of the correct explanation under the relevant number below:

1	2	3	4	5

Section 3 - Question 3

(A) Read the information below, supplied by the CSO and answer the questions which follow:



	Balance of Trade	Balance of Invisible Trade
	€m	€m
Quarter 2, 2012	10,004	(6,769) deficit
Quarter 2, 2011	9,660	(9,192) deficit

- (i) Explain the terms 'Balance of Trade' and 'Balance of Payments'.
- (ii) Calculate the Balance of Payments figures for both years from the above data.
- (iii) Illustrate what is meant by the term 'invisible exports' with reference to the Irish economy. (20 marks)

(B) Discuss the opportunities **and** challenges for large indigenous companies, such as Kerry Group plc, in exporting to non EU countries. (20 marks)

(C)

Ireland's Presidency of the Council of the European Union is an opportunity to play an active part in shaping Europe's future.

Discuss the benefits for the Irish economy of on-going membership of the EU. (20 marks)

(60 marks)

2012

Section 1 - Question 9

9. Illustrate your understanding of the term *Trading Bloc*.

Section 3 - Question 3B

(B) "*Protectionism is a Government policy of placing barriers on free trade.*"
Describe, using examples, barriers to free trade between countries.

(20 marks)

2011

Section 1 - Question 5

5. (a) Illustrate what is meant by the term 'invisible imports', with reference to the Irish economy.

- (b) Using the following data, calculate (i) Balance of Trade, (ii) Balance of Payments. State in **each** case whether it is a surplus or deficit. (Show your workings.)

Visible Exports	€50bn	Workings
Invisible Imports	€40bn	
Visible Imports	€30bn	
Invisible Exports	€35bn	

ANSWER BOX		Surplus OR Deficit
(i)Balance of Trade	€	
(ii)Balance of Payments	€	

Section 3 - Question 3 A

A significant improvement in export performance is critical to the recovery of the Irish economy.

- (A) Discuss how the changing nature of the international economy affects Irish exporters.

(20 marks)

2010

Section 1 - Question 3

3. (a) Explain what is meant by the term 'Exchange rate'.

- (b) Outline **two** impacts on Irish Exporters to the UK market, if the euro (€) increases in value relative to the UK pound sterling (£).

(i) _____

(ii) _____

Section 1 - Question 8

8. Distinguish between a *Quota* and a *Tariff* as **barriers** to free trade between countries.

Section 3 - Question 3

Ireland is ranked the third most globalised nation behind Singapore and Hong Kong.

- (A) (i) Explain what is meant by the term 'Open Economy'.
(ii) Illustrate your understanding of the terms, 'Balance of Trade' **and** 'Balance of Payments'.

(20 marks)

2009

Section 3 - Question 3 B

- (B)** (i) Explain the term 'global marketing' **and** name **two** global businesses.
- (ii) "A business involved in global markets faces additional marketing challenges."
Discuss these challenges, using examples to support your answer.

(30 marks)

Applied Business Question

Fruit First Ltd

Fruit First Ltd produces a range of 'smoothies', a fruit drink made from crushed fruit. Mary Ryan, a food scientist in the food industry, identified a gap in the market for an Irish supplier of natural fruit drinks. In her spare time she produced a batch of smoothies, supplying samples to local shops. Encouraged by the favourable responses, she left her job and set up Fruit First Ltd in 2001.

The business, based in the midlands, sources fresh fruit locally and from abroad. Bringing new investors on board in 2006 enabled Fruit First to invest in larger premises, doubling its production capacity. Profits are approaching €1million and the business now employs thirty full-time workers.

The chilled drink products come in attractively designed cartons of different sizes, supplied by a local firm. Fruit First vans deliver the products to retail outlets, nutrition shops and fitness centres nationwide. Mary's focus on producing a quality product has allowed her command a higher price than her competitors. Annual investment in research and development has led to a widening of the product range and development of a green image for the business. Initially Mary used local supermarkets to encourage consumers to taste the products. Over time Fruit First's marketing strategies expanded and the brand has now become associated with 'National Healthy Heart Day'.

As the leading Irish supplier of smoothies, further expansion in the small Irish market is unlikely. Mary sees the potential to grow the business and she is considering entering the UK market initially and subsequently the wider EU market. While recognising the high cost base in Ireland and the perishable nature of the product, Mary has begun developing an export strategy. Fruit First is in discussion with a leading food retailing chain in relation to supplying shops throughout the UK. Mary views this as an opportunity and a necessary step before entering the wider EU marketplace.

- (A) Evaluate the elements of the marketing mix for Fruit First Ltd. (30 marks)
- (B) Discuss how Fruit First Ltd benefits the local **and** national economy. Refer to the above text in your answer. (25 marks)
- (C) You have been appointed to advise Fruit First Ltd on entering international markets. Outline your analysis of the opportunities **and** challenges facing Fruit First Ltd and make an appropriate recommendation. (25 marks)
(80 marks)

Section 3 - Question 2 A

- (A)**
- (i) Explain the term 'Transnational Company' (TNC).
 - (ii) Discuss the reasons for the development of transnational companies in Ireland.
- (20 marks)

2007

Section 1 - Question 6

6. (a) What is a trading bloc? _____

- (b) Give **two** examples: (i) _____
(ii) _____

Section 3 - Question 3

The Irish economy is an open economy and is greatly affected by economic influences from abroad. These influences create both opportunities and challenges for Irish business.

- (A) Discuss the opportunities provided by international trade for Irish business. (25 marks)
- (B) Explain the term 'global marketing' and its role in international business. (25 marks)
- (C) Outline, using an example, the role of 'interest groups' in the European Union. (10 marks)
- (60 marks)**

2006

Section 1 - Question 6

10. (a) Explain the term 'invisible exports':

- (b) Using the following information, calculate the (i) Balance of Trade and (ii) Balance of Payments:

Total Imports €16 billion

Total Exports €19 billion

Invisible Exports €11 billion

Invisible Imports €9 billion

(i) Balance of Trade _____

(ii) Balance of Payments _____

Workings

Section 3 - Question 3 C

- (C) Analyse how changes in the international economy are impacting on Irish business.
Use relevant examples to illustrate your answer. (15 marks)