



**Monitoring a Business**  
**Business Past Exam Questions**  
**Higher Level**

**2011**

**Section 3 - Question 4 C**

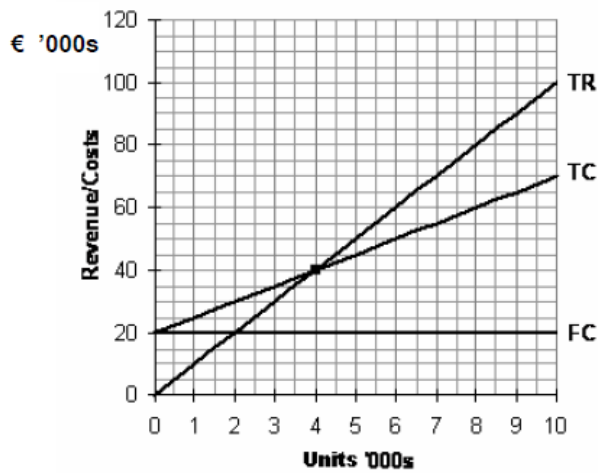
(C) Describe how 'stock control' **and** 'quality control' achieve efficiencies in business.

(20 marks)

Section 1 - Question 6

6. Study the break-even chart below and answer the following questions in the Answer Box provided:

- (i) Break-even point (BEP) in units and in euros
- (ii) The Profit at Forecast Sales (10,000units) in euros.
- (iii) Margin of safety (MOS) in units.



Answer Box

BEP in units and in euros	Units: _____ €
Profit at Forecast Sales in euros	€
Margin of safety in units	Units: _____

**Section 3 - Question 4**

- (A) (i) Explain what is meant the term *performance appraisal*.  
(ii) Outline the benefits of performance appraisal for a business.

(20 marks)

- (B) From the figures given below for **2009** calculate the following for CES Ltd.:

- (i) Net profit margin; (iii) Acid Test ratio;  
(ii) Current ratio; (iv) Debt Equity ratio.

Information for 2009	
Sales	€135,000
Net profit	€33,750
Current Assets ( including closing stock)	€84,500
Current Liabilities	€65,000
Closing Stock	€39,000
Ordinary Share Capital	€300,000
Long Term Debt	€192,000
Retained Earnings	€20,000

RESULTS 2008	
Net profit margin	32%
Current ratio	2:1
Acid test ratio	1.1:1
Debt Equity Ratio	0.4:1

(20 marks)

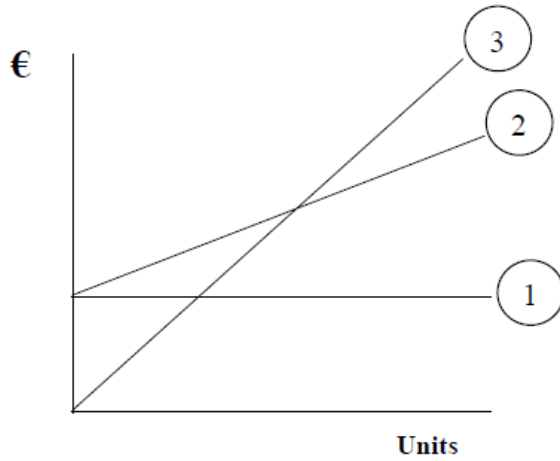
- (C) Analyse the significance of the trends over the two years (2008/2009) for the following stakeholders:  
(i) Investors/shareholders;  
(ii) Suppliers;  
(iii) Employees.

**NOTE:** Results for **2008** are already calculated above.

(20 marks)

Section 1 - Question 9

9. Below is a diagram used in business. In the answer box beside this diagram, name the diagram and insert the appropriate labels for the numbered lines in the diagram:



Answer Box

Name	
Label 1	
Label 2	
Label 3	