



**Taxation**

**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

2012

Section 1 - Question 3

3. Explain the difference between the terms *tax rates* and *tax credits*.

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Section 3 - Question 2 B

- (B) Outline how the Irish Government's policy of increased taxation and decreased public expenditure is impacting on business. (20 marks)

**2011**

**Section 3 - Question 5 B**

- (B) Pay As You Earn (PAYE), Value Added Tax (VAT), and Corporation Tax are examples of taxes relevant to a business.
- (i) Explain **each** tax underlined above.
  - (ii) Evaluate the implications of **each** tax for a business.

(25 marks)

**2010**

**Section 3 - Question 5 B**

10. (a) From the following figures calculate the net pay of Hazel Dunne.

Gross Pay €50,000, Tax Credits €6,000

Standard Tax Rate 20%

Higher Tax Rate 41%

Cut-off Point €36,400

<b>Workings</b>
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(b) State **two** tax credits a person may be entitled to.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

2009

Section 1 - Question 1

1. Distinguish between the following taxation forms: Form P45 and Form P60.

(a) Form P45 is:

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(b) Form P60 is:

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Section 3 - Question 2 C

(C) Discuss how the Irish Government could use the tax system to create a positive climate for business in Ireland. Use examples to illustrate your answer.

(20 marks)

**2008**

**Section 1 - Question 1**

- (A) "Managing a business is similar to managing a household in the areas of finance and taxation."  
Discuss this statement, using examples to support your answer. (20 marks)

**2007**

**Section 3 - Question 5**

**Question 5**

- (A) Distinguish between the following taxation forms: *Form P21* and *Form P60*. (20 marks)
- (B) From the following information, calculate the net annual take-home pay of Ms. Joan McCormack.  
Joan McCormack is an employee of Lynch Printers Ltd and earns a gross annual salary of €84,000.  
She is allowed the following tax credits: Single Person credit of €1,760 and PAYE credit of €1,760. The income tax rates are: 20% on the first €34,000 (standard rate cut-off point) and 41% on the balance. The employee PRSI rate (including the health levy) is: 6% on the first €48,800 and 2% on the balance. (20 marks)
- (C) Explain the term TQM and describe how it can be of benefit to an organisation. (20 marks)
- (60 marks)**