



**Business
Leaving Certificate
Ordinary Level**

**Past Exam Questions on
Managing Finances**

Q10 Section 1 2013

10. Outline two advantages of leasing as a medium term source of finance:

(i) _____

(ii) _____

Q6 Section 2 2013

Read the information supplied and answer the questions which follow.

<p>Liscarrig Equestrian Centre</p> 
<p>The Liscarrig Equestrian Centre provides individual and group horse riding lessons. It has a café and an activity centre for children.</p> <p>There are 12 full-time staff and 10 seasonal staff employed. Susanne Carey is the Office Manager and she looks after all the finances in the business. Liscarrig Equestrian Centre wants to purchase eight acres of land to expand the Centre and Susanne is currently preparing a Business Plan and a Cash Flow Forecast to assist its application for a bank loan.</p>

- (A) Outline four types of insurance you would expect Liscarrig Equestrian Centre to have. (20 marks)
- (B) Outline two responsibilities Liscarrig Equestrian Centre has towards its employees. (10 marks)

Liscarrig Equestrian Centre CASH FLOW FORECAST JULY-SEPT 2013			
2013	July	August	September
Total Receipts (A)	42,000	40,000	26,000
Total Payments (B)	35,000	34,000	20,000
Net Cash (A-B)	7,000	6,000	6,000
Opening Cash	2,000	9,000	15,000
Closing Cash	9,000	15,000	21,000

- (C) List two items that would be included in the payments section of the above Cash Flow forecast. (10 marks)
- (D) Explain two factors a bank should consider before giving Liscarrig Equestrian Centre a bank loan. (15 marks)
- (E) Based on the Cash Flow forecast above, would you advise the bank to give Liscarrig Equestrian Centre the loan? Outline two reasons for your answer. (20 marks)
(75 marks)

Q14 Section 1 2012

14. Outline two advantages for a business of preparing a Cash Flow Forecast:

- (i) _____

- (ii) _____

Q3 Section 1 2011

3. Indicate by means of a tick (✓) the appropriate source of finance for the following:

	Short term	Medium term	Long term
Delivery van			
Purchase of stock			
Extension to a factory			
Payment of electricity bill			

Q6 Section 1 2010

6. State two effects of high interest rates on business.

- (i) _____

- (ii) _____

Q10 Section 1 2009

10. Explain the term 'bank overdraft'.

Q4 Section 2 2007

Study the information supplied and answer the questions which follow:

Cathal and Joan Lyons and their three school-going children live in Cork city. Their household income totals €3,000 a month. They regularly prepare a household budget to help them manage their finances.

Lyons Household Budget (Summary)			
	July	August	September
	€	€	€
A. Income	3,000	3,000	3,000
B. Expenditure	2,100	2,900	4,800
Net Cash (A-B)	900	100	(1,800)
Opening Cash	100	1,000	1,100
Closing Cash	1,000	1,100	(700)

- (A) Explain **three** benefits to a household of preparing a budget. (15 marks)
- (B) (i) Identify **three** items that could be included in the 'Income' section of the household budget.
- (ii) Suggest **two** ways in which the Lyons household could overcome the expected deficit in September. (25 marks)
- (C) In the context of banking, explain **three** features of a current account. (15 marks)
- (D) Name **two** types of insurance that are important for a household to have and explain **one** of them. (20 marks)
- (75 marks)**

Q6 Section 2 2006

Study the information supplied and answer the questions which follow:

Anita and Mark Doyle have been in partnership running their own DIY/hardware business for the last eight years and they currently employ seven salespeople and three van drivers.

They own a warehouse in a local business park and a retail outlet in the centre of town.

They have decided to extend the retail outlet and have applied to the bank for a loan.

- (A) Outline **four** factors that the bank would take into account when deciding on whether to grant a loan to Anita and Mark. (20 marks)
- (B) Describe **three** methods of advertising that Anita and Mark might use to promote their business. (15 marks)
- (C) (i) Explain the term 'partnership'.
(ii) Give **two** benefits of a partnership as a type of business organisation. (15 marks)
- (D) Describe **four** different types of insurance policies the business should have and give a reason for each one. (25 marks)
- (75 marks)**