



**Business  
Leaving Certificate  
Ordinary Level**

**Past Exam Questions on  
Taxation**

### Q3 Section 2 2013

Read the information supplied and answer the questions which follow.

**The following information relates to the main sources of taxation received by the Irish Government in 2012:**

Income Tax	€15 billion
VAT	€10 billion
Corporation Tax	€ 4 billion
Excise Duties	€ 5 billion

- (A) Draft a Bar Chart to represent the above information. (15 marks)
- (B) Outline **three** reasons why the Government collects tax. (15 marks)
- (C) Outline **two** effects on Irish business of increases in taxation. (10 marks)
- (D) Outline **two** advantages to Ireland of membership of the European Union (EU). (15 marks)
- (E) Name **two** EU institutions **and** explain the role of **one** of them. (20 marks)
- (75 marks)**

### Q5 Section 1 2010

5. Column 1 is a list of business terms. Column 2 is a list of explanations for these terms. (One explanation has no match)

Column 1: Terms	Column 2: Explanations
1. PAYE	A. Paid by a self-employed person.
2. Value Added Tax (VAT)	B. Tax charged on interest earned on savings accounts.
3. P45	C. Tax charged on the wages earned by an employee.
4. Self-Assessment Income Tax	D. Tax on gifts or inheritances received by people.
5. Deposit Interest Retention Tax (DIRT)	E. This is given to an employee if he or she leaves his or her job during the tax year.
	F. Tax charged on the sale of goods or services.

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

1	2	3	4	5

## Q7 Section 2 2007

Study the information supplied and answer the questions which follow:

*Michael Brennan has recently completed his degree in Administration and Marketing. He has started his first job as overall Marketing Manager with Stewart Chemists Ltd, a national franchise of chemist shops. His first task is to carry out market research for the business. He is looking forward to both the financial and non-financial rewards of his position.*

- (A) Explain the term 'franchise'. (10 marks)
- (B) Outline **three** reasons why businesses carry out market research. (15 marks)
- (C) Using examples, explain the terms (i) field research and (ii) desk research. (20 marks)
- (D) Outline **one** financial reward and **one** non-financial reward that Michael may receive in his job. (10 marks)
- (E) Form P21, Form P60 and Form P45 are three forms used in PAYE taxation. Outline the purpose of **two** of these forms. (20 marks)
- (75 marks)**

## Q9 Section 1 2006

9. A limited company has a taxable profit of €68,400. Tax is charged at a rate of 12.5%.

- (i) Calculate the amount of tax to be paid:  
(Show your workings.)
- Answer: € \_\_\_\_\_
- (ii) Fill in the missing word in the following sentence:  
The tax paid on profits of a limited company is called \_\_\_\_\_ tax.

WORKINGS