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| Name |
| Date |
| Grade |

**LONG QUESTIONS (40%) – Answer BOTH**

**(Q1)**

1. Discuss the functions of the Human Resource Manager in an organisation.(25m)
2. Using a table, Outline the **similarities** and **differences** between a Business and a Household in relation to **taxation**. (30m)

**(Q2)**

1. Explain any FIVE of the important principles of Insurance. (25m)
2. Indirect taxation by the Government does not come directly from a persons income (e.g. wage; salary). It is paid and collected through different taxes such as **VAT** and **Capital Gains Tax**. Explain clearly how both taxes operate in Ireland. (15m)
3. Calculate the NET Take Home Pay below (15m)

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
| Salary |  |  |  |
| SRCOP |  |  |  |
| Higher Rate |  |  |  |
| Gross Tax |  |  |  |
| Less: Tax Credits |  |  |  |
| Total Tax |  |  |  |
| PRSI |  |  |  |
| USC |  |  |  |
| Take Home Pay |  |  |  |

Key figures in the Answer

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **35,200@20%** | **Tax Credits: 3,300** | **Salary: 40,400** |
|  |  |  |
| **5,200@40%** |  |  |
|  |  |  |
| **PRSI: 40,400@4%** |  |  |
|  |  |  |
| **USC: 40,400@2%** |  |  |

**SHORT QUESTIONS (60%) – Answer ALL**

1 The clause in an insurance policy that points out the occasions when the insurance company will not pay out on the policy is known as:

(a) A third party clause

(b) An excess clause

(c) An exclusion clause

(d) An indemnity clause

2 This type of insurance covers a producer against claims from customers injured by their products:

1. Employers liability
2. Product liability
3. Public liability
4. Fidelity Guarantee

3 The person who calculates the degree of risk involved and sets the premium is:

(a) The actuary

(b) The assessor

(c) The underwriter

(d) The proposer

4 A proposal form is:

(a) A form filled out by a person joining the local credit union

(b) An application form filled out by a person applying for insurance

(c) A form filled out by a man who is about to become engaged to his girlfriend

(d) A form filled out by a the proposer of a motion at a meeting

5 A person or company that sells insurance policies on behalf of one insurance company only is known as:

(a) An insurance broker

(b) An insurance agent

(c) A general insurance company

(d) An insurance representative

6 An increase in the standard premium due to an extra risk involved in a particular policy is known as:

(a) A penalty clause

(b) A surcharge

(c) A discount

(d) A loading

7 The price paid for insurance cover is called:

(a) The premier

(b) The premium

(c) The previous

(d) The primer

8 A reduction in the standard premium if the insured person has not made a claim against the policy for a given period of time is known as:

(a) A no claims bonus

(b) A loyalty bonus

(c) A discount bonus

(d) A goodwill discount

9 This type of insurance protects an employer against claims from workers injured in the workplace:

1. Employers liability
2. Product liability
3. Public liability
4. Fidelity Guarantee

10 Using the figures below, calculate the **Debt/Equity ratio (Gearing)**. for 2020. **(Show your formula and workings.)**

Reserves €130,000

Long-term Loan €700,000

Ordinary Share Capital €220,000

|  |  |
| --- | --- |
| **(Show your formula and workings)** | Answer |

**(b)** Outline whether the company is highly geared or lowly geared **and** the possible effect this result has on the business and its shareholders.

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11 This type of insurance covers a business against fraud or theft by employees

1. Public liability
2. Fidelity Guarantee
3. Product Liability
4. Income Protection

12 A condition included in insurance policies that limits the value of a claim if you are under-insured is known as:

(a) The mean clause

(b) The multiplier clause

(c) The average clause

(d) The subtraction clause

13 An insurance policy that covers loss of profit arising from the occurrence of an insurable risk is known as:

(a) Professional indemnity insurance

(b) Public liability insurance

(c) Fidelity bond insurance

(d) Consequential loss insurance

14 Professional indemnity insurance covers:

(a) Claims against people in professional practices for negligence arising out of their professional work

(b) Claims by professional sports people against injuries that could result in them having to retire from that sport

(c) Claims, by professional acting companies, for loss of profits due a temporary closure of its theatre

(d) Claims for injuries suffered by the employees arising from their employment

15 CAT stands for:

(a) Capital Acquisitions Tax

(b) Current Acquisitions Tax

(c) Capital Applied Tax

(d) Capital Associated Tax

16 What is a tax credit:

|  |  |
| --- | --- |
| **STATEMENT** | **True OR False** |
| **1.** Customs Duty is a tax on goods imported from outside the European Union. |  |
| **2.** Corporation Tax is applied to profits made by every business in Ireland. |  |
| **3.** A P45 is given to employees when their employment is terminated. |  |
| **4.** The existence of Tax Credits reduces the amount of Universal Social Charge to be paid. |  |
| **5.** Capital Acquisitions Tax is a tax on the profits made on the sale of assets. |  |

17 Attracting a group of suitable candidates to apply for a position is known as:

1. Recruitment
2. Manpower planning
3. Workplace relations
4. Team building

18 Which of the following is not an Internal source of recruitment

1. Existing employees
2. Managers recommendations
3. Agencies
4. CV’s on file

19 Which of the following is not an External source of recruitment

1. Consultants
2. Third Level colleges
3. Advertising
4. CV’s on file

20 A realistic preview of the job in order to attract the right people is known as:

1. Job title
2. Job Description
3. Person Specification
4. Special features
5. An in-depth description of the personal attributes required for a job is known as:
6. Special aptitudes
7. Curriculum Vitae
8. Job Description
9. Person Specification
10. Eliminating unsuitable applicants and narrowing the search is known as:
11. Screening
12. Training and Development
13. Interviewing
14. Selecting

23. In the context of business, what do the following letters stand for?

|  |  |
| --- | --- |
| PAYE |  |
| USC |  |
| PRSI |  |
| DIRT |  |
| CGT |  |

**24**. (a) Using the figures below, calculate the **Net Profit Percentage (Margin)** of O’Neills Ltd for **2020:**

Sales €50,000

Net Profit €12,000

|  |  |
| --- | --- |
| **(Show your formula and workings)** | Answer |

(b) If the Net Profit Percentage for **2013** was 25%, outline how management could use this

information in making decisions.

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25. Match the terms with the explanations below:

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| --- | --- | --- | --- |
|  | Terms |  | Explanations |
| 1 | Leasing | A | A facility on a current account that allows you to access funds to an agreed limit above your actual balance |
| 2 | Hire Purchase | B | A financial contribution given by an organisation for a specified  purpose, provided certain conditions have been met. |
| 3 | Overdraft | C | Selling a trade debt to a third party at a discount. |
| 4 | Grant | D | Purchasing an asset by instalments over time. |
| 5 | Trade Credit | E | Renting an asset but never owning it. |
|  |  | F | Receiving goods from suppliers and paying for them later |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **1** | **2** | **3** | **4** | **5** |
|  |  |  |  |  |