Leaving Certificate Business Educate.ie Sample Paper A Higher Level Solutions

Question 1 **The Business World** **(90 marks)**

(a)

- **Business ownership structure:** a sole trader business is owned and operated by one individual who makes all decisions and is personally responsible for all business debts.
- **Liability:** sole traders have unlimited liability, meaning personal assets can be used to pay off business debts, while private limited company owners have limited liability and are only liable for the capital they invest.
- **Ownership and control:** a private limited company is owned by shareholders, and decisions may require agreement among directors, unlike a sole trader who has complete control.
- **Profit distribution:** in a sole trader business, all profits go directly to the owner, whereas in a private limited company, profits are distributed as dividends among shareholders.
- **Continuity of the business:** a sole trader business may cease to exist if the owner leaves or passes away, while a private limited company has separate legal identity and can continue to operate regardless of changes in ownership.
- **Raising finance:** private limited companies can raise capital by issuing shares to investors, offering greater expansion potential than a sole trader who relies on personal funds or loans.

(b) (Any **one**)

- **Personal savings:** Jessie used her personal savings to fund part of the business start-up. This source of finance is internal and does not involve any repayment or interest. It reflects her commitment to the business and allows her to retain full control without outside interference. Personal savings are a low-risk source of finance but may limit the amount available for growth or unexpected costs.
- **Small loan:** Jessie obtained a small loan, likely from a financial provider such as a bank or credit union. This external source of finance provided her with additional working capital to purchase stock, pay rent and set up her shop. The loan would have required regular repayments with interest, making it important for Jessie to manage cash flow effectively. Accessing credit at an early stage showed financial planning and helped her bridge the gap between available savings and total start-up costs.

(c)

- **Identifying viability:** a feasibility study helps determine whether a business idea is realistic and achievable by assessing factors such as market demand, competition, costs and potential profitability.
- **Reducing risk:** by identifying potential challenges and weaknesses early on, a feasibility study allows entrepreneurs to make informed decisions, reducing the financial and operational risks involved in starting or expanding a business.
- **Financial planning:** it provides a clearer understanding of the costs involved, funding requirements and expected revenue, enabling more accurate budgeting and financial forecasting.
- **Supporting funding applications:** a well-conducted feasibility study can strengthen applications for loans or grants by showing potential investors or financial institutions that the business idea is grounded in research and planning.

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- **Informing strategic decisions:** the study helps entrepreneurs decide whether to proceed with the idea as planned, modify it or abandon it altogether, ensuring that time and resources are used effectively.
- **Enhancing credibility:** for businesses like Jessie's, especially when expanding or transitioning online, a feasibility study demonstrates professionalism and commitment, helping to build trust with stakeholders such as employees, partners and funders.

(d) Product or service

Any item of clothing or accessories, personalised accessories (e.g. monogrammed bags or scarves), sustainable fashion lines (e.g. eco-friendly materials), occasion wear rentals (e.g. for weddings or events), youth/teen fashion range, limited-edition seasonal collections, subscription-based fashion boxes, virtual styling consultations, online fashion workshops or live-streamed styling events.

Marketing mix

Marketing mix for 'virtual styling consultations' (service)

Product

- A one-to-one online styling session where customers receive personalised fashion advice based on their preferences, body shape, lifestyle and occasion.
- Delivered via video call, with a follow-up style guide and product links.
- Adds value beyond clothing by offering expertise and customer engagement.

Price

- Premium pricing strategy to reflect personalisation and exclusivity (€25–€50 per session).
- Occasional free sessions as part of a promotion with purchase.
- Bundle pricing for multiple sessions or subscription packages.

Promotion

- Targeted social media ads on Instagram and TikTok showcasing customer transformations.
- Influencer marketing partnerships to generate buzz.
- Email campaigns to existing customers highlighting benefits.
- Testimonials and before/after style reels on the website.

Place

- Delivered entirely online through the company's website or video platforms (Zoom/Teams/Google Meet).
- Booking and payment system integrated into the website.
- International access, so it is not limited by location.

People

- Qualified and trained fashion consultants with strong communication and digital skills.
- Customer service team available via live chat and email for queries.
- Friendly, expert support designed to build trust and loyalty.

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Process
- Customers complete a short questionnaire before their session.
- A stylist prepares in advance and leads a 30–45 minute session.
- Customers receive follow-up style recommendations and direct shopping links.

Physical evidence (packaging)
- Digital brochures with sample looks and outfit boards.
- Branded follow-up documents, including a PDF style plan.
- Positive customer reviews and video testimonials on the website.

Marketing mix
Marketing mix for 'eco-friendly recycled denim jacket' (product)

Product
- A stylish unisex denim jacket made from 100% recycled materials.
- Designed for fashion-conscious and environmentally aware consumers.
- Features include modern fit, customisable patches and branded eco-labelling.
- Part of LouthStyle's sustainable product line.

Price
- Mid-to premium pricing strategy (€75–€90), justified by sustainable sourcing and quality.
- Value-based pricing to reflect long-term wear and ethical production.
- Occasional discounts during online campaigns (e.g. Earth Day promotions).

Promotion
- Social media campaigns with environmental messaging (e.g. #WearTheChange).
- Influencer partnerships promoting slow fashion.
- Blog posts and short-form videos explaining the product's eco impact.
- Collaborations with environmental charities or tree-planting initiatives.

Place
- Sold primarily through LouthStyle's website.
- Listed on eco-conscious online fashion marketplaces.
- Available for delivery across Ireland and internationally.
- Highlighted in a dedicated 'Sustainable Edit' section online.

People
- In-house sustainability advocate featured in promotions.
- Customer service team trained to answer questions about materials and care.
- Stylists offering advice on how to wear the jacket in different settings.

Process
- Smooth and transparent checkout process, with delivery tracking.
- Eco-friendly packaging used for shipping.
- Clear information on sizing, materials and care instructions.

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Physical evidence (packaging)
- Branded, recyclable packaging with eco-certification labels.
- Thank-you cards highlighting the environmental impact of each purchase.
- Customer-generated content showing the jacket in use.
- Positive product reviews displayed on product pages.

Include all 7Ps for the relevant product/service.

Unique selling point (USP)
USP of the virtual styling consultation (service)
- Personalised, expert fashion advice delivered directly to your screen, tailored to your style, your body and your life.
- Combines expert human interaction with digital convenience, offering a premium, accessible service that enhances the online shopping experience.
- Stands out in the market by adding human connection to e-commerce and addressing a common online retail challenge: helping customers feel confident in their choices.

USP of the eco-friendly recycled denim jacket (product)
- Style meets sustainability – wear a jacket that looks great and helps the planet.
- LouthStyle's recycled denim jacket offers fashionable design with a reduced environmental footprint, appealing to ethically minded customers.
- The USP lies in its combination of trend appeal, personal identity expression and ethical consumer values – a rare blend in mainstream fashion retail.

Must be a suitable USP of the chosen product or service.

(e) **(i)** Current business model: Retail

New business model: Marketplace

(ii) **Similarities**
- **Revenue generation:** both digital and non-digital business models are designed to generate revenue and may use similar structures like one-time sales or subscriptions.
- **Subscriptions:** both types of businesses can operate subscription models, whether digitally (e.g. Netflix) or through physical delivery (e.g. print magazine).
- **Customer loyalty focus:** both models aim to build customer loyalty through value, branding and consistent service delivery, whether through loyalty cards in stores or email marketing on digital platforms.
- **Business objectives:** both aim to meet customer needs, grow market share and generate profit, regardless of delivery method.
- **Compliance and legal obligations:** all businesses, whether digital or traditional, must comply with consumer protection laws, tax regulations, employment law and data protection standards.
- **Use of branding:** both rely on strong brand identity to create market recognition and trust, whether through in-store signage or online visuals.
- **Product and service development:** both models must research, develop and refine their products or services based on customer feedback and market trends.

Differences
- **Customer interaction:** non-digital models (e.g. retail stores, franchises) involve direct, face-to-face interaction, while digital models (e.g. marketplaces, affiliate sites) rely on online platforms and automated engagement.

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- **Scalability:** digital business models can scale rapidly and globally with lower marginal costs, whereas non-digital models face limits due to physical space, logistics and staffing.
- **Initial setup and costs:** traditional models like manufacturing demand high capital investment in equipment and staff; digital models often need lower upfront investment but require spending on platform development and digital tools.
- **Distribution channels:** non-digital businesses use physical delivery and in-person services, while digital businesses rely on online platforms and third-party logistics or digital delivery.
- **Location:** traditional businesses need physical premises or storefronts, while digital businesses can operate entirely online without owning stock or real estate (e.g. Etsy).
- **Marketing strategy:** digital models focus on data-driven strategies like SEO, targeted ads and social media, whereas non-digital businesses often use in-person promotions, flyers or local media.

(f) (Any **three**)

- **Self-appraisal:** this method allows employees to assess their own performance against specific targets or responsibilities. At LouthStyle, self-appraisal could be used to encourage employees to reflect on their contributions to areas such as website updates or digital marketing campaigns. It gives staff a voice in their development and promotes self-awareness and autonomy. When employees feel trusted to evaluate their work, they are more likely to take responsibility for their progress, which can boost motivation and confidence.
- **Formative appraisal:** formative appraisal involves providing continuous, informal feedback throughout the year rather than waiting for a formal review. At LouthStyle, this could be especially useful in a dynamic, digitally focused environment where staff roles evolve rapidly. For example, regular check-ins with the digital marketing employee could help adjust strategies in response to online trends. This approach ensures that employees are supported in real-time, which helps reduce stress, keeps them focused and motivates them to improve performance as they go.
- **Summative appraisal:** this is a formal evaluation of an employee's overall performance over a defined period, often linked to key performance indicators (KPIs) or objectives. At LouthStyle, summative appraisals could be used annually to review goals such as increased website traffic, customer engagement or sales conversion rates. This method is important for making decisions about promotions, bonuses or professional development opportunities. When performance outcomes are fairly measured and linked to tangible rewards, it enhances employee motivation by recognising hard work and success.
- **360-Degree appraisal:** this method collects performance feedback from various sources, including peers, supervisors and possibly customers or suppliers. At LouthStyle, this could provide valuable insights for both the IT and marketing team members, especially in a collaborative setting where teamwork and communication are crucial. Receiving constructive feedback from different perspectives can build trust, improve interpersonal relationships and help employees better understand their role in the wider organisation. It also promotes fairness and inclusiveness in the evaluation process, which supports motivation and morale.

Question 2 **(70 marks)**

(a) **(i)** Design thinking is an innovative, non-linear approach to the development of products and services that focuses on solutions for the end user.

(ii)

Phase	1	2	3	4
Description	B	D	C	A

(b) (Any **two)**

Challenges

- **Cultural and language barriers:** cultural differences, such as business etiquette, negotiation styles or marketing preferences, can complicate communication. Language barriers can also lead to misunderstandings or ineffective advertising campaigns.
- **Regulatory compliance:** every country has its own set of laws, tax policies, product safety standards and employment regulations. Adapting to each can require legal advice and increase operational costs. Failure to comply can lead to fines or loss of business licences.
- **Currency fluctuations:** when dealing with multiple currencies, changes in exchange rates can unpredictably affect profits. For example, if the euro strengthens against the dollar, Irish exporters may find their products become more expensive for US consumers.
- **Logistics and supply chain issues:** delivering goods across borders can involve long lead times, customs procedures, higher shipping costs and even political disruptions. These issues can affect reliability and increase costs.
- **Increased competition:** global trade opens markets not just for Irish businesses, but also for foreign competitors. Irish firms may face strong competition from multinational corporations with greater resources, brand recognition and economies of scale.

(Any **two**)

Benefits

- **Increased market access:** trading internationally gives Irish businesses access to much larger customer bases beyond the small domestic market. This can significantly increase sales opportunities and allow businesses to scale up faster.
- **Economies of scale:** as production volume increases to meet international demand, businesses can benefit from lower average production costs. These cost savings can make products more competitive both at home and abroad.
- **Innovation and learning:** operating in multiple countries exposes firms to different market trends, consumer behaviours and new technologies. This can inspire innovation, lead to the development of new products and improve overall business practices.
- **Improved brand recognition:** expanding into international markets increases brand visibility. A strong international presence can improve a company's credibility, attract new investors and enhance trust among consumers.
- **Diversification:** by operating in multiple countries, businesses reduce their reliance on any one market. This can protect them from local economic downturns or changes in consumer demand in a single country.

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(c) **(i)** (Any **three**)

- **Preference for eco-friendly products:** consumers are increasingly choosing products with minimal environmental impact, such as reusable items, biodegradable packaging or sustainably sourced materials.
- **Support for ethical brands:** shoppers may favour companies that uphold fair labour practices, treat workers fairly and avoid exploitative supply chains (e.g. no child labour or unfair wages).
- **Influence of certifications and labels:** ethical and environmental certifications (e.g. Fairtrade, Rainforest Alliance or Organic Certified) help consumers make informed choices that align with their values.
- **Impact of social media and campaigns:** online activism and awareness campaigns highlight unethical business practices, leading consumers to boycott certain brands and support more responsible alternatives.
- **Demand for transparency:** consumers expect clear information about how products are made, including sourcing, manufacturing processes and carbon footprints, and may avoid brands that are not transparent.
- **Shift towards circular economy behaviours:** consumers are increasingly engaging in second-hand shopping, recycling and upcycling as a response to sustainability concerns.

(ii)

- **Market differentiation and innovation:** a competitive advantage allows a business to stand out in the market through unique products, services or operational efficiencies. To capitalise on this, a business should continuously invest in research and development (R&D), ensuring it stays ahead of competitors by introducing new products, services or technologies that enhance its market position.
- **Customer loyalty and enhanced experience:** competitive advantage helps build a loyal customer base by offering superior products or services. To leverage this, businesses should focus on delivering exceptional customer experiences, using personalised services, loyalty programs or improved user interfaces to enhance satisfaction and retention.
- **Higher profit margins and cost leadership:** a competitive advantage enables businesses to command higher prices due to perceived added value, resulting in increased profit margins. To capitalise on this, businesses can improve operational efficiencies, streamline supply chains and achieve economies of scale, allowing them to offer competitive prices without sacrificing profitability.
- **Market leadership and strategic partnerships:** a sustainable competitive advantage positions a business as a leader in the market, making it difficult for competitors to challenge its dominance. To maintain and grow this advantage, businesses can form strategic partnerships or alliances with other companies, suppliers or technology providers, thus expanding resources, distribution channels and product offerings.
- **Barriers to entry and brand strength:** competitive advantages such as brand recognition or intellectual property create significant barriers to entry for competitors. Businesses can capitalise on this by expanding into new markets or introducing complementary products, leveraging their strong brand reputation to attract more customers and increase overall sales.
- **Targeted marketing and leveraging USPs:** with a competitive advantage, businesses can differentiate themselves through marketing campaigns that highlight their USPs. To capitalise on this, businesses should target marketing efforts towards specific customer segments that value the unique benefits the company offers, leading to greater market penetration and sales growth.

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To fully capitalise on a competitive advantage, businesses must continuously innovate, enhance customer experiences, improve operational efficiency, form strategic alliances and leverage brand strength. Marketing efforts should highlight the unique aspects of the business that set it apart from competitors. By focusing on these areas, a business can not only maintain its competitive edge but also expand its market share and ensure long-term success.

(d) (Any **three**)

- **Financial risks:** securing sufficient funding for the business can be challenging, and the risk is that cash flow issues or inability to meet financial obligations may lead to bankruptcy or loss of personal assets.
- **Market competition:** entering a competitive market and differentiating from competitors is difficult, with the risk being that failure to establish a unique position can result in low sales, customer loss and business failure.
- **Uncertainty and economic factors:** economic changes like inflation or recessions can impact business performance, and the risk is that market instability may undermine profitability or lead to financial difficulties.
- **Legal and regulatory challenges:** complying with complex regulations, such as licensing and taxation, can be burdensome, and the risk is facing fines, lawsuits or business closure due to non-compliance.
- **Operational risks:** managing day-to-day operations efficiently is challenging, and the risk is that poor operational management could lead to wasted resources, customer dissatisfaction or damaged reputation.
- **Talent acquisition and retention:** attracting and retaining skilled employees can be difficult, and the risk is that high turnover or inability to recruit the right talent could harm business performance and growth.
- **Intellectual property risks:** protecting business ideas and trademarks can be complex, and the risk is that competitors may copy business innovations, leading to lost competitive advantage and revenue.
- **Time and personal sacrifice:** entrepreneurship often requires long hours and significant personal sacrifice, and the risk is that burnout or stress may compromise both business success and personal wellbeing.
- **Technological risks:** keeping up with technological advancements can be resource-intensive, and the risk is falling behind competitors who adopt more efficient systems, leading to missed opportunities.
- **Customer acquisition and retention:** gaining and retaining customers is a major challenge, and the risk is that failure to attract or keep customers may result in poor sales and business failure.

Question 3 **(70 marks)**

(a) **(i)** When purchasing goods or services online within the EU, you have a right to withdraw from a purchase within **14** days.

(ii) A strong corporate **wellness** strategy nurtures a more inclusive and healthy workplace culture.

(iii) **International trade** is the exchange of goods and services across national borders.

(iv) **Conciliation** and **arbitration** are external approaches to conflict resolution.

(b)
- The key partners a business may have.
- The key activities of the business.
- The key resources.

(c) **(i)** Yes

The image provided is from the official Revenue Commissioners in Ireland, which is the government body responsible for collecting taxes and enforcing tax laws. This makes the report highly credible for the following reasons:

- **Official source:** the data originates from the Revenue Commissioners, an official government agency.
- **Transparency:** the information is presented in a clear and structured manner, with transparent data such as tax receipts, employee characteristics and sectoral data.
- **Up-to-date:** the graphic references data for Income Tax 2024, making it current and relevant for users looking for up-to-date insights into the Irish tax system.
- **Methodology:** the report uses official government data and likely adheres to rigorous data collection and analysis standards, further bolstering its credibility.

(ii) (Any **two**)
- In what ways does Ireland's income tax policy influence the nation's economic growth?
- What is the relationship between income tax rates and employment levels in Ireland?
- How do different income tax rate bands influence consumer spending and saving behaviour in the Irish economy?
- How does Ireland's income tax structure compare to that of other EU member states in terms of rates, exemptions and reliefs?
- What are the advantages and disadvantages of the Irish tax system in terms of attracting foreign investment compared to other EU countries?
- What are the effects of tax credits and allowances on low-income households versus high-income households in terms of tax burden?
- How prevalent is tax avoidance in Ireland, and what measures can be introduced to reduce it?
- What is affecting the difference in average gross pay between different sectors, specifically in Wholesale and Retail versus Information and Communication?

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(iii) (Any **three** from **three** sectors)

1. Agriculture, forestry and fishing
   - **Policy:** Common Agricultural Policy (CAP) and Rural Development Programme (RDP).
   - **Impact:** the CAP provides financial support to Irish farmers and landowners, promoting sustainable farming practices, environmental protection and rural development. The RDP targets rural areas by improving the competitiveness of agriculture, fostering innovation and creating jobs in the rural economy.
   - **Government actions:** grants, subsidies and low-interest loans to farmers, along with incentives for organic farming and diversification of agricultural activities.
2. Industry
   - **Policy:** Industrial Development Agency (IDA) Ireland Policy Support and Enterprise Ireland Support Schemes.
   - **Impact:** these agencies provide financial support, training and research initiatives aimed at enhancing industrial productivity, innovation and global competitiveness. The policy encourages foreign direct investment (FDI) into Ireland's manufacturing and technology industries.
   - **Government actions:** tax incentives, grants and research funding to promote industrial growth, innovation and international competitiveness.
3. Construction
   - **Policy:** Housing for All – A New Housing Plan for Ireland (2021).
   - **Impact:** this policy is designed to address the housing shortage in Ireland by increasing the supply of affordable housing and ensuring better access to housing for all citizens. It also focuses on the sustainable development of the construction industry.
   - **Government actions:** provision of funding for social housing, incentives for private developers to build affordable housing and regulatory frameworks for sustainable building practices.
4. Distribution, transport, hotels and restaurants
   - **Policy:** National Development Plan (NDP) 2021–2030.
   - **Impact:** the NDP aims to improve national infrastructure, which directly benefits the transport and distribution sectors by enhancing connectivity and efficiency. The hospitality sector is supported through policies to boost tourism.
   - **Government actions:** investments in transport infrastructure (roads, rail, ports), subsidies for sustainable transport initiatives and support for the tourism and hospitality industries, including tax reliefs and marketing grants.
5. Information and communication
   - **Policy:** Digital Strategy for Ireland – Harnessing Digital: The Digital Ireland Framework (2022).
   - **Impact:** the government aims to develop Ireland as a leading digital economy by supporting the growth of the tech sector, enhancing digital literacy and encouraging the development of cutting-edge technologies such as artificial intelligence (AI) and the internet of things (IoT).
   - **Government actions:** grants and funding for digital infrastructure, tax incentives for tech companies and programmes to encourage innovation and digital upskilling.

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6. Financial and insurance activities
   - **Policy:** Ireland for Finance: The Strategy for the Development of Ireland's International Financial Services Sector to 2025.
   - **Impact:** this strategy focuses on enhancing Ireland's position as a global hub for financial services, particularly in areas like fintech, insurance and asset management. The government aims to foster a competitive and innovative financial sector.
   - **Government actions:** regulatory frameworks to encourage investment, tax relief for the financial services sector and international trade agreements that support financial sector growth.
7. Real estate activities
   - **Policy:** Rebuilding Ireland – Action Plan for Housing and Homelessness (2016).
   - **Impact:** this policy supports the real estate market by addressing issues such as affordable housing, land use and urban regeneration. It aims to improve the housing market and reduce homelessness.
   - **Government actions:** investment in housing projects, urban renewal schemes and support for developers to build residential and commercial real estate in underdeveloped areas.
8. Professional, administrative and support services
   - **Policy:** Innovation 2020 – Ireland's Strategy for Research and Development, Science and Technology.
   - **Impact:** the Innovation 2020 policy promotes research and development and fosters collaboration between businesses and educational institutions, boosting innovation within the professional services sector.
   - **Government actions:** investment in R&D tax credits, funding for universities and research centres, and initiatives to develop a highly skilled workforce in professional services.
9. Public administration, education and health
   - **Policy:** Sláintecare – A Ten-Year Plan to Transform Ireland's Health and Social Care Services (2017).
   - **Impact:** Sláintecare is a government policy aimed at transforming Ireland's health service, with a focus on providing universal health coverage and reducing waiting times.
   - **Government actions:** investment in public healthcare infrastructure, increased funding for mental-health services and healthcare reform initiatives to ensure greater access to public health services.
10. Arts, entertainment and other services
    - **Policy:** Creative Ireland Programme (2017).
    - **Impact:** the Creative Ireland programme aims to support and develop Ireland's creative industries, including arts, culture and entertainment. It focuses on promoting Irish culture globally and supporting creative entrepreneurship.
    - **Government actions:** grants and funding for cultural projects, tax incentives for film production and the arts and promotional support for Irish cultural exports.

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- Other possible policies include:
  - Agriculture, Forestry and Fishing: Food Vision 2030 Strategy, Ireland's Forest Strategy 2023–2030
  - Industry: Climate Action Plan 2024
  - Construction: Project Ireland 2040
  - Distribution, Transport, Hotels and Restaurants: Tourism Policy Framework 2025–2030

(d) **(i)**
- Employment Equality Acts 1998–2015
- Unfair Dismissals Acts 1977–2015
- Minimum Wage Act 2000
- Maternity Protection Acts 1994–2004
- Parental Leave Acts 1998–2019
- Protection of Employees (Part-Time Work) Act 2001
- Protection of Employees (Fixed-Term Work) Act 2003
- Safety, Health and Welfare at Work Act 2005
- Organisation of Working Time Act 1997
- Terms of Employment (Information) Acts 1994–2014

(ii) **Legislation:** Employment Equality Acts 1998–2015

Employees' rights (any **two**)
- **Right to equal treatment in employment:** employees are entitled to be treated equally in all aspects of employment, including recruitment, pay, training, promotion and dismissal. There must be no discrimination on any of the nine protected grounds.
- **Right to equal pay for equal work:** employees doing the same or similar work as others are entitled to equal pay, regardless of gender or other protected characteristics.
- **Right to a workplace free from harassment and sexual harassment:** employees have the right to work in an environment free from bullying, harassment and sexual harassment. Employers are legally required to prevent and address this.
- **Right to complain and seek redress:** if an employee believes they've been discriminated against, they can file a complaint with the Workplace Relations Commission (WRC). They may seek compensation, reinstatement or other remedies.
- **Right to reasonable accommodation (for people with disabilities):** employers must take appropriate measures to accommodate the needs of employees with disabilities, unless this imposes a disproportionate burden.

Employees' responsibilities (any **two**)
- **Respect the rights of others:** employees must not engage in discriminatory behaviour, harassment or bullying of co-workers or others in the workplace.
- **Report discrimination or harassment:** employees are encouraged to report any incidents of discrimination or harassment they witness or experience, to support a safe and fair work environment.
- **Comply with workplace policies:** employees should follow any equality or anti-harassment policies implemented by their employer, including attending relevant training or induction sessions.
- **Contribute to an inclusive workplace:** employees are expected to foster a culture of respect, diversity and inclusion in the workplace.

(e)
- **Provides strategic direction and identity:** a strong culture gives an organisation a clear identity and a sense of purpose. It ensures that employees understand the company's goals, mission and values, which helps align efforts and decision-making with long-term

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strategy. For example, Google's culture of innovation encourages employees to think creatively and take initiative, helping it maintain its leadership in the tech industry.

- **Enhances employee engagement and motivation:** organisational culture fosters a sense of belonging and pride among staff. When employees feel valued and supported, they are more engaged, motivated and committed to their work. Companies with inclusive, positive cultures tend to experience lower absenteeism and higher productivity.
- **Improves teamwork and communication:** a healthy culture promotes open communication, collaboration and trust among employees and management. It creates an environment where teams can work efficiently towards common goals. In contrast, a toxic culture may result in internal conflict, mistrust or poor communication, harming overall performance.
- **Encourages innovation and adaptability:** organisations with a forward-thinking culture are more likely to adapt to change and embrace new ideas. This is especially important in dynamic industries where staying competitive requires innovation. For example, companies like Tesla foster cultures that support rapid experimentation and adaptability to remain ahead of competitors.
- **Attracts and retains talent:** a positive organisational culture is a key factor in attracting skilled employees and retaining them. In competitive labour markets, potential hires often choose workplaces with strong values, work–life balance and a supportive environment. High staff retention reduces recruitment costs and ensures consistency and knowledge retention within teams.
- **Supports ethical behaviour and compliance:** culture shapes ethical standards within an organisation. When values such as integrity, transparency and accountability are embedded in the culture, employees are more likely to act responsibly and comply with legal and regulatory requirements.

(f) (Any **one**)

- **Automation and efficiency improvements:** digital tools such as robotics, AI and software automation reduce the need for manual labour in routine tasks, leading to faster production and lower costs.
- **Enhanced communication and collaboration:** technology enables real-time communication and collaboration through tools like video conferencing, cloud computing and instant messaging platforms.
- **E-commerce and online sales channels:** the rise of digital platforms has shifted consumer behaviour towards online shopping, requiring businesses to build e-commerce websites or sell through online marketplaces.
- **Data analytics and decision-making:** businesses can gather and analyse large volumes of data to better understand customers, forecast trends and improve strategic decision-making.
- **Digital marketing and customer engagement:** social media, email campaigns and targeted online advertising allow businesses to connect directly with customers and personalise their marketing efforts.
- **Remote working and flexible work models:** cloud-based tools and communication apps have enabled employees to work remotely, changing workplace structures and increasing flexibility.
- **Innovation and new business models:** technology enables new digital-based business models such as apps, platforms and subscription services that disrupt traditional markets.

Question 4 **(70 marks)**

(a) **(i)** (Any **three**)

- **Be cautious with personal information:** consumers should avoid sharing sensitive information such as bank account numbers, PINs or PPS numbers through email, phone or unfamiliar websites.
- **Use strong, unique passwords:** passwords should include a mix of letters, numbers and symbols, and should not be reused across different accounts. Updating passwords regularly adds extra protection.
- **Enable two-factor authentication (2FA):** adding a second form of verification (such as a text code or authentication app) increases account security and helps prevent unauthorised access.
- **Monitor bank and credit card statements:** regularly checking account activity helps identify any suspicious or unauthorised transactions early.
- **Be aware of phishing and scam communications:** consumers should be cautious with emails, texts or calls asking for sensitive details or containing suspicious links. Official organisations will never ask for details in this way.
- **Shop safely online:** use trusted websites with secure payment systems, and avoid making transactions over public Wi-Fi. Credit cards or secure payment platforms offer extra safety.
- **Keep devices and software updated:** installing the latest updates and using antivirus software helps protect against malware and security breaches.
- **Use credit over debit where possible:** credit cards provide stronger fraud protection and offer chargeback options if something goes wrong with a purchase.

(ii) (Any **two**)

- **Automation and cost efficiency:** automated tools such as robo-advisors for investment and AI-driven underwriting reduce manual intervention, lower operational costs and enable providers to offer products at more competitive prices.
- **Enhanced accessibility and convenience:** mobile apps and online platforms allow customers to open accounts, apply for loans or trade assets 24/7 from any location, removing the need for physical branch visits.
- **Personalisation through data analytics:** big data and machine-learning algorithms analyse individual behaviour and risk profiles to tailor product features, pricing and recommendations to each customer's needs.
- **Improved security measures:** advanced technologies like biometric authentication (fingerprint or facial recognition), 2FA and end-to-end encryption enhance the protection of customer data and reduce fraud.
- **Faster transactions and real-time processing:** payment networks and blockchain solutions facilitate instant settlements and real-time account updates. Automated credit scoring and data analytics speed up the approval process for loans, mortgages and other credit products, often providing instant decisions.
- **Innovation of new products and services:** fintech developments have given rise to peer-to-peer lending platforms, digital wallets, cryptocurrencies and 'buy now, pay later' schemes, expanding the range of available financial products.
- **Cost reduction for providers:** cloud computing and API-driven integrations streamline infrastructure, lower IT maintenance expenses and enable financial institutions to scale their services rapidly.

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- **Fintech and digital platforms:** new technology-driven financial companies (FinTechs) offer services such as digital wallets, peer-to-peer lending and robo-advisors, providing alternatives to traditional banks. Services such as Apple Pay, Revolut and Google Pay allow for fast, cashless payments, changing how consumers and businesses handle transactions.
- **Personalised financial services:** AI and data analysis allow financial providers to offer personalised recommendations, insurance quotations and investment advice based on customer profiles and behaviour.

(b)

	Statement	True	False
1	Volunteers in a not-for-profit organisation are not covered by the same employment legislation as paid employees.		✓
2	Planning is only important at the start of a business's operations and can be ignored once the business is up and running.		✓
3	International trade helps to create more jobs in Irish exporting industries.	✓	
4	Secondary sources of information involve original documents or first-hand information.		✓
5	Crowdfunding is a way for businesses to raise money from a large number of people, typically via the internet.	✓	

(c) **Positive impacts of globalisation on Irish organisations**

- **Access to larger markets:** by trading internationally, Irish businesses can tap into larger customer bases beyond their domestic market, significantly increasing sales and revenue. This international market expansion helps to reduce dependence on the domestic economy, mitigating risks associated with local economic downturns. For example, Irish companies like Kerry Group and Glanbia have expanded their reach into the global dairy and food markets, allowing them to grow and diversify their product offerings.
- **Economies of scale:** as Irish companies expand into international markets, they can increase their production volumes, which lowers the average cost per unit. This allows them to operate more efficiently, reduce costs and become more competitive in terms of pricing. For example, construction companies can spread their fixed costs across larger production runs, leading to cost savings and higher profit margins.
- **Increased innovation and competitiveness:** exposure to global markets and international competition compels Irish organisations to improve their products and services to meet international standards and consumer expectations. For example, the tech sector in Ireland has seen substantial innovation due to competition from global tech giants like Google and Facebook, forcing local companies to adapt and innovate. This increased competition fosters a culture of continuous improvement and ensures that Irish companies remain at the cutting edge of technological advancements.
- **Attracts FDI:** Ireland's participation in global trade has made it an attractive location for foreign multinational corporations to establish operations, leading to significant FDI. For example, companies like Google, Pfizer and Apple have chosen Ireland as their European headquarters, creating high-paying jobs, fostering innovation and boosting the national economy. The presence of these multinationals has also contributed to the development of Ireland's financial and service sectors, creating a multiplier effect on the economy.

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Negative impacts of globalisation on Irish organisations

- **Increased competition:** as Irish companies enter global markets, they face competition from larger multinational corporations with more resources, bigger economies of scale and stronger brand recognition. This is particularly evident in industries like retail and technology, where international players like Amazon and Samsung have a significant market presence. Smaller Irish businesses, particularly those in the retail sector, may struggle to maintain their competitive edge when faced with such formidable competition, potentially resulting in reduced market share and profitability.
- **Dependency on external markets:** while globalisation presents opportunities for Irish businesses, it also creates a dependency on foreign markets. Economic slowdowns, changes in trade policies or political instability in key markets, like Brexit in the UK, can severely impact Irish companies. For example, Irish food exporters that rely heavily on the UK market faced increased costs and logistical challenges after Brexit, including customs duties and border checks, making them more vulnerable to fluctuations in global trade policies and economic conditions.
- **Loss of local identity or control:** as Irish companies expand internationally, they may lose some of their local identity or management control, especially when they are acquired by foreign multinational corporations. For example, when Irish businesses were acquired by global corporations, these acquisitions brought capital and expertise; they also meant that strategic decision-making was influenced by non-Irish stakeholders, potentially compromising the company's connection to its roots and local values.
- **Ethical and environmental pressures:** globalisation forces Irish companies to align with international standards, which can present challenges in terms of ethical and environmental practices. As companies scale internationally, they must navigate complex legal frameworks, regulatory compliance issues and corporate social responsibility (CSR) expectations, which can increase operational costs. For example, global pressure to reduce carbon emissions and adopt sustainable practices can lead to higher production costs, especially for industries that rely on energy-intensive manufacturing processes.

Overall evaluation

Despite the challenges posed by globalisation, it remains largely beneficial to Irish organisations, provided they adopt strategies that allow them to mitigate risks. By diversifying their markets, embracing innovation and maintaining strong ethical practices, Irish companies can thrive in the global marketplace. It's essential that businesses remain adaptable to global changes while protecting their local identity and values. A balanced approach to globalisation can lead to sustained growth and success.

(d) (Any **two**)

- **Right to clear information:** consumers must be provided with clear and comprehensive information before making an online purchase. This includes the product's main characteristics, total price (including taxes and delivery costs), payment methods and the trader's contact details. This ensures that consumers are fully informed before committing to a purchase.
- **Right to a 14-day cooling-off period:** consumers in the EU have the right to cancel most online purchases within 14 days of receiving the goods, without providing a reason. This 'cooling-off period' allows consumers to return items if they change their mind, and they are entitled to a full refund, including standard delivery costs. However, the buyer must cover the return shipping costs unless the seller has agreed to pay them.

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- **Right to a full refund:** if a consumer cancels their online order within the cooling-off period, they are entitled to a full refund of the price they paid for the item, including standard delivery costs. The seller is required to process the refund within 14 days of receiving the returned goods or the consumer's cancellation notice. The refund must be made using the same method as the original payment unless agreed otherwise.
- **Right to return faulty or misdescribed goods:** if the goods delivered are faulty, damaged or not as described, consumers have the right to request a repair, replacement or full refund. These rights apply in addition to the cooling-off period and ensure that consumers are protected against defective products. If a product is not as advertised, the consumer can also demand a remedy.
- **Right to cancel services:** if a consumer has purchased services online (e.g. subscriptions or digital content), they have the right to cancel the service within 14 days, as long as the service has not already been fully performed. If the service has been provided or consumed within that period, the consumer may lose the right to cancel.
- **Right to prove delivery:** in the case of disputes regarding delivery, the seller must provide proof that the goods have been delivered. If the product is lost or damaged during shipping, it is the seller's responsibility to resolve the issue. The EU rules ensure that consumers are not left at a disadvantage if a product does not arrive as expected.
- **Right to protection against unfair commercial practices:** EU regulations also protect consumers from unfair commercial practices, such as aggressive or misleading marketing tactics, which are more common in online transactions. Traders are prohibited from using misleading or hidden charges, deceptive advertising and other practices that could mislead consumers into making an unwanted purchase.
- **Right to secure payment:** consumers are entitled to secure online transactions. EU rules ensure that online payment systems, like credit card payments or PayPal, must comply with high standards of security, reducing the risk of fraud. This includes strong customer authentication measures as part of the Payment Services Directive 2 (PSD2).
- **Right to a standardised complaint procedure:** consumers have the right to a transparent and easy-to-use complaints procedure when purchasing online. If a dispute arises, EU regulations require traders to provide a simple process for addressing complaints, including offering an online dispute resolution (ODR) platform. This allows consumers to resolve issues without needing to engage in costly or lengthy legal procedures.

(e) Opportunities (any **three** for each category)

Opportunities for employees

- **Increased flexibility:** remote and blended working models offer employees greater control over their schedules, enabling them to balance work and personal life more effectively. This flexibility can improve job satisfaction and reduce stress.
- **Improved work–life balance:** remote work eliminates commuting time, allowing employees to spend more time with family or engage in personal activities. This can lead to higher productivity and better mental health.
- **Geographical freedom:** employees can work from anywhere, which opens up opportunities to live in areas with a lower cost of living or to work for companies based in different locations without the need to relocate.
- **Cost savings:** employees save on commuting costs, such as petrol, public transport fares or work attire. This can provide significant financial benefits over time.
- **Increased autonomy:** remote work often allows employees to take more control over their working environment, enabling them to create a space that suits their productivity needs and personal preferences.

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Opportunities for employers

- **Access to a broader talent pool:** remote and blended working arrangements allow employers to recruit talent from a wider geographical area, rather than being restricted to local candidates. This enables companies to hire from a more diverse and skilled pool of candidates.
- **Cost savings:** employers can reduce overhead costs associated with maintaining large office spaces, such as rent, utilities and office supplies. This can result in significant savings for businesses, particularly in high-rent areas.
- **Increased productivity:** many studies have shown that remote workers often experience increased productivity due to fewer distractions, the ability to design their own workspace and greater flexibility in when and where they work.
- **Improved employee retention:** offering remote or flexible work options can be an attractive benefit for employees, improving retention rates and reducing turnover. Employees are more likely to stay with companies that offer work–life balance and flexibility.
- **Environmental benefits:** reducing the need for employees to commute can lower the company's carbon footprint, contributing to sustainability goals and a reduction in the overall environmental impact.

Challenges (any **three** for each category)

Challenges for employees

- **Isolation and loneliness:** working remotely can be isolating, as employees miss out on the social interaction and camaraderie that comes with being physically present in an office. This can lead to feelings of loneliness and disengagement.
- **Lack of clear boundaries:** the absence of a clear separation between home and work life can lead to burnout. Employees might find it difficult to 'switch off' after work hours, leading to increased stress and longer working hours.
- **Communication barriers:** remote working can create challenges for communication, as employees may miss out on spontaneous conversations or team collaboration that typically occur in a physical office setting. This can affect the flow of information and impact team cohesion.
- **Limited career progression opportunities:** employees working remotely may feel 'out of sight, out of mind', which could lead to fewer opportunities for promotions or career development due to less visibility with management and colleagues.
- **Technology challenges:** employees may face issues with technology, including poor internet connectivity, inadequate hardware or software difficulties, which can impact their productivity.

Challenges for employers

- **Management and supervision issues:** managing a remote or blended workforce can be challenging, as employers may struggle to monitor employee performance and ensure that work is being done to the expected standards. This can require new systems of performance measurement and accountability.
- **Collaboration and teamwork challenges:** while technology enables remote communication, it can be difficult to replicate the natural collaboration and idea-sharing that happens in face-to-face settings. Building a strong team culture remotely may require additional effort and investment in communication tools.

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- **Technology and security concerns:** employers must ensure that employees have the necessary tools and resources to work remotely, including secure systems for data protection. Cybersecurity risks increase when employees access company systems from various locations, making it essential for businesses to invest in robust IT security solutions.
- **Decreased innovation:** in-person interactions often stimulate creativity and innovation. Remote work can hinder spontaneous brainstorming sessions or cross-departmental collaborations, which are often more effective when done face-to-face.
- **Equity and fairness:** ensuring fairness between employees who work remotely and those who work in-office can be challenging. There may be concerns about unequal access to opportunities, such as promotions or bonuses, leading to potential feelings of inequity among employees.

Question 5 **(70 marks)**

(a) **(i)** Risk tolerance refers to the degree of risk an individual is willing to take when making financial decisions. In the context of acquiring financial products or services, it is essential for consumers to understand their own risk tolerance as it impacts their financial wellbeing and the sustainability of their financial decisions.

(ii) (Any **three**)

- **Market risk** occurs when the value of financial products, such as stocks and bonds, decreases due to changes in the overall market or economic conditions.
- **Credit risk** is the risk that a borrower will fail to meet their debt obligations, leading to a potential loss for the investor or consumer.
- **Inflation risk** happens when the purchasing power of money decreases due to inflation, reducing the real value of returns on savings or investments.
- **Liquidity risk** refers to the difficulty of selling an asset quickly without significant loss in value, which can cause problems if consumers need immediate access to cash.
- **Interest rate risk** arises when changes in interest rates affect the value of financial products like bonds or loans, which may cause losses or higher borrowing costs.
- **Fraud and scams risk** involves consumers being misled or deceived into financial loss through fraudulent schemes, such as Ponzi schemes or identity theft.
- **Operational risk** occurs when a financial institution's internal processes, systems, or controls fail, leading to potential problems for consumers, such as unauthorised transactions.
- **Regulatory and legal risk** involves changes in laws or regulations that can affect financial products or services, potentially altering their attractiveness or terms for consumers.
- **Currency risk** occurs when fluctuations in exchange rates affect the value of international investments, leading to potential losses for consumers holding foreign assets.
- **Risk of misselling** refers to when consumers are sold financial products that are unsuitable for their needs or financial situation, often due to misleading advice or lack of understanding.

(iii) (Any **two**)

- **Reputation of the source:** consumers should rely on well-established and trusted institutions, such as government agencies, major financial institutions and reputable financial media outlets, as these organisations are more likely to provide accurate and credible information.
- **Regulatory oversight:** information from sources that are regulated by financial authorities (e.g. the Central Bank of Ireland, Financial Conduct Authority) is more likely to be reliable, as these organisations are held to strict standards and oversight.
- **Expert credentials:** reliable financial information is often provided by professionals with relevant qualifications (e.g. certified financial planners, economists or investment advisors) who have a track record of expertise in the field.
- **Transparency of sources:** trustworthy financial sources clearly disclose their methodology, data sources and any potential conflicts of interest. Consumers should be cautious of sources that lack transparency or fail to explain where their information is coming from.

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- **Independent reviews and testimonials:** consumers can verify the reliability of financial advice by seeking independent reviews, testimonials or third-party assessments that evaluate the source's trustworthiness.
- **Consistency across multiple sources:** reliable financial information is often consistent across various trusted sources. Consumers should cross-reference information to ensure accuracy and avoid relying on single, unverified sources.
- **Up-to-date information:** financial information should be current and reflect recent changes in the market, regulations or economic conditions. Consumers should be wary of outdated or stale financial advice.
- **Avoidance of sensationalism:** consumers should be cautious of sources that use sensationalist language or make exaggerated claims about returns, risks or financial opportunities, as these can indicate unreliable or biased information.

(b) **(i)** Human capital management (HCM) refers to the strategic approach organisations use to manage and develop the competencies, skills, knowledge and potential of their employees. It involves investing in people to maximise their productivity and ensure they can fully realise their potential, ultimately benefiting both the individual and the organisation.

(ii)
- **Organisational culture:** the shared values, beliefs and behaviours within an organisation shape a positive work environment, encouraging collaboration, learning and growth, which in turn supports the development of human capital.
- **Leadership and management style:** effective leadership and management provide clear guidance, mentorship and support, helping employees to develop skills, grow professionally and reach their potential.
- **Work environment and resources:** a well-equipped work environment with access to technology and resources enables employees to be more productive, enhancing their ability to develop new competencies.
- **Training and development opportunities:** organisations that offer continuous learning, workshops and professional development opportunities help employees improve their skills, stay competitive and contribute more effectively.
- **Employee engagement and motivation:** a motivated and engaged workforce is more likely to actively participate in development opportunities, leading to personal growth and overall organisational success.
- **Organisational structure:** a clear and flexible structure allows employees to understand their roles and career paths, supporting the development of their skills and providing opportunities for growth.
- **Innovation and change management:** an organisation that embraces innovation and change allows employees to adapt, learn new skills and engage in forward-thinking projects, enhancing human capital development.
- **Work–life balance and employee wellbeing:** organisations that support a healthy work–life balance and employee wellbeing create a productive environment where employees can focus on skill development and achieve their potential.

(c) **Identification** (any **two**)
- **Social media and job boards:** online platforms like LinkedIn, Indeed and Glassdoor to identify potential candidates by posting job ads and searching for profiles that match the required skills.

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- **Applicant tracking systems (ATS):** ATS software allows organisations to streamline the identification process by sorting through resumes and matching keywords to relevant job qualifications.
- **AI and data analytics:** AI tools can analyse market trends and workforce data to identify the types of skills needed, helping businesses pinpoint talent gaps.

Application (any **two**)
- **Online application forms:** candidates can submit applications via online portals, which are often integrated with an ATS for automatic processing and tracking.
- **Mobile applications:** with the use of mobile apps, candidates can apply for jobs directly from their smartphones, increasing accessibility and convenience.
- **Resume software:** technology can help break down resumes into structured data, making it easier to match candidates' qualifications to job requirements.

Selection
- **Video interviews:** platforms like Zoom and specialised video interview software enable remote interviews, allowing employers to assess candidates from any location.
- **AI-assisted screening:** AI-powered tools can assess video and text responses to interview questions, analysing speech patterns, body language and responses for insights into a candidate's fit.
- **Online assessments and tests:** employers can use online tools to administer skills tests, personality assessments or cognitive ability tests, helping them evaluate candidates' competencies objectively.

(d) The economy
- **Access to a larger market:** Ireland benefits from tariff-free access to the EU single market, supporting strong export growth, especially in sectors like pharmaceuticals, agri-food and technology.
- **FDI:** EU membership makes Ireland an attractive destination for multinational companies, especially US firms, due to its EU access, low corporation tax and English-speaking workforce. This boosts employment and GDP.
- **EU funding and grants:** Ireland has received significant EU funding (e.g. Common Agricultural Policy, regional development funds) which has supported rural development, infrastructure, and education.
- **Economic stability and regulation:** as part of the Eurozone, Ireland benefits from a stable currency and economic governance, though it also faces limitations in monetary policy flexibility (cannot set its own interest rates).
- **Limitations:** membership reduces national control over trade policies and agriculture, as EU laws and directives must be followed. This can be restrictive during global crises or when national interests differ from EU policies.

Businesses
- **Ease of trade:** businesses can trade goods and services across the EU without customs checks or tariffs, reducing costs and encouraging business expansion across borders.
- **Common standards and regulations:** harmonised product and safety standards make it easier for Irish businesses to sell across the EU, but complying with these regulations can be costly for smaller enterprises.

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- **Labour mobility:** free movement of workers allows Irish businesses to recruit from a wider talent pool across Europe, filling skill shortages in sectors like healthcare, construction and IT.
- **EU funding for innovation and growth:** Irish businesses, particularly SMEs, can access EU grants and programmes such as Horizon Europe, supporting research and development.
- **Limitations:** increased competition from other EU firms can challenge Irish businesses, especially in sectors like retail and agriculture. Compliance with EU regulations can also be complex and costly for small enterprises.

Consumers

- **Greater choice and lower prices:** EU membership allows consumers access to a wide variety of goods and services from across the EU, often at lower prices due to reduced import costs and increased competition.
- **Consumer rights and protections:** Irish consumers benefit from strong EU protections, including the right to return goods bought online, safety standards and guarantees, which enhance consumer confidence.
- **Travel and roaming benefits:** free movement within the EU means easier and cheaper travel. The abolition of mobile roaming charges across the EU has also been a major benefit for Irish consumers.
- **Limitation – EU decisions impacting costs:** some EU policies (e.g. environmental levies or agricultural rules) can influence product availability or increase prices in specific sectors such as food or energy.

Overall evaluation

Ireland's membership of the EU has brought significant advantages across the economy, businesses and for consumers. It has opened access to a large single market, attracted foreign investment, and improved infrastructure and consumer rights. While there are limitations, such as reduced national policy control and regulatory burdens, overall, the evidence strongly supports the judgement that EU membership has been positive for Ireland. It has positioned the country as a dynamic, open economy within Europe, providing stability, opportunity and protection for all stakeholders.

(e) **(i)** In **Porter's Five Forces** model, the Threat of New Entrants can be high if there are low barriers of entry for new companies, while the Rivalry Among Existing Competitors increases when there are many firms in the industry.

(ii) An EU **directive** allows for flexibility in how member states choose to implement the law.

(iii) A **business Model Canvas** includes the key partners, activities and resources, the value proposition, customers, customer relations and channels, costs, and revenues of a business.

(iv) A STEEPLE analysis is used to evaluate the external environment of a business by considering factors such as social, technological, economic, **environmental**, political, **legal**, and ethical influences.