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

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

(a) (Any **two**)
- Focus on solving social or community issues rather than making a profit.
- Any surplus profit is reinvested into the organisation's mission, not paid to owners.
- Run by boards or trustees, not private individuals or shareholders.
- May qualify for tax exemptions due to charitable status.
- Funded mainly through grants, donations and fundraising.
- Use a mix of paid staff and unpaid volunteers.
- Success is measured by social impact, not financial profit.

(b) (Any **two**)
- **Providing essential services:** deliver key supports like Meals on Wheels, mental-health services and youth activities where public services may fall short.
- **Creating employment:** offer paid jobs to local people in areas such as care work, administration, education and support services.
- **Encouraging volunteerism:** provide opportunities for individuals to contribute their time and skills to help others and strengthen community bonds.
- **Supporting vulnerable groups:** assist those in need, such as the homeless, elderly or people with disabilities, through direct services and advocacy.
- **Enhancing community wellbeing:** improve quality of life through initiatives in health, education, culture and community development.
- **Promoting inclusion and equality:** work to reduce discrimination and ensure equal access to services for all members of the community.
- **Stimulating the local economy:** spend locally, create jobs and provide training to boost economic activity and resilience.
- **Protecting the environment:** lead projects like community clean-ups, biodiversity programmes and recycling initiatives to support sustainability.

(c) **(i)** The purpose of regulation in business is to ensure that organisations operate in a fair, transparent and responsible manner, protecting the interests of stakeholders such as consumers, employees and the environment. Regulations help maintain market stability, promote ethical behaviour and ensure compliance with legal standards in areas like health and safety, consumer protection and environmental sustainability. They also prevent fraud, promote competition and foster trust between businesses and the public, ultimately contributing to a more ethical and functioning economy.

(ii) **Internally** (any **two**)
- **Board of directors/Trustees:** responsible for overseeing the organisation's operations, ensuring that it adheres to its mission, ethical guidelines and legal obligations.
- **Internal audits:** regular checks and reviews conducted within the organisation to ensure financial accuracy, legal compliance and operational effectiveness.
- **Policies and procedures:** organisations develop internal policies on areas like health and safety, conduct and performance, ensuring staff comply with set guidelines.

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- **Risk management:** internal systems are put in place to identify, assess and mitigate risks that could harm the organisation's operations or reputation.
- **Staff training and development:** ongoing internal training programmes ensure employees are well-versed in regulations and ethical standards, promoting compliance.

Externally (any **two**)

- **Government regulations:** laws and regulations enforced by government bodies, including tax laws, health and safety regulations and employment law.
- **Financial audits:** independent external auditors review the organisation's financial records to ensure they comply with accounting standards and tax laws.
- **Regulatory bodies:** organisations may be overseen by specific regulatory authorities, like the Charities Regulator for not-for-profits, or industry-specific regulators such as the Health Products Regulatory Authority.
- **Compliance with national and EU legislation:** adherence to broader regulations, such as data protection laws (GDPR), environmental policies and consumer protection laws.
- **External stakeholder oversight:** investors, donors and the general public hold the organisation accountable through transparency requirements, performance reports and public disclosures.

(d) (Any **two**)

- **Interest groups:** interest groups aggregate and articulate the views of their members, businesses, professionals or community organisations to ensure policymakers hear a unified voice.
- **Direct lobbying:** firms and representatives meet politicians and civil servants to argue for or against specific regulatory changes.
- **Trade unions:** trade unions represent employees and can influence policy by advocating for better working conditions, wages and labour laws through collective bargaining and political lobbying.
- **Trade associations:** groups like the Irish Business and Employers Confederation (IBEC) lobby government to adopt policies favourable to their sectors.
- **Media and public opinion:** the media plays a significant role in influencing policy by bringing attention to key business practices or societal issues, prompting public debate and pushing for regulatory changes. Business-led advertising and social media campaigns can build public support and pressure for policy change.
- **NGOs and social enterprises:** advocacy organisations mobilise public campaigns, submissions and media engagement to shape legislation on social and environmental issues.
- **Public consultations and submissions:** written submissions by stakeholders during official consultation periods provide evidence and proposals directly to legislators.

(e) **(i)** **Internal** (any **two**)

- **Organisational budget:** not-for-profits often operate on tight budgets, limiting salary offerings and affecting decisions about how many paid staff can be employed versus volunteer roles.
- **Mission and values:** the core purpose attracts individuals driven by a cause, so recruitment focuses on aligning candidates' values with the organisation's social or environmental goals.

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- **Leadership and management:** strong leaders set workforce priorities, effective managers improve staff retention through clear communication, performance feedback and empowerment.
- **Workforce skills and development:** identifying skills gaps leads to targeted training programmes, ensuring both staff and volunteers can deliver high-quality services and adapt to new challenges.
- **Employee turnover:** high turnover disrupts continuity; proactive succession planning and engagement strategies (e.g. mentoring, recognition) help retain experienced personnel.
- **Volunteer engagement:** volunteers require flexible scheduling, meaningful tasks and formal recognition schemes to maintain motivation and a reliable support base.

External (any **two**)

- **Economic environment:** recessions may reduce donations and grants, forcing hiring freezes, whereas economic growth can boost funding and increase demand for services and staff.
- **Labour market conditions:** in tight labour markets, not-for-profits compete with private-sector salaries; they must emphasise mission-driven rewards and development opportunities to attract talent.
- **Government policies and regulations:** changes in employment legislation, minimum wage or volunteer clearance requirements can increase costs and administrative burdens for workforce management.
- **Social trends:** rising awareness of issues like mental health or climate change can spike demand for specific services, necessitating rapid recruitment of skilled personnel.
- **Technological changes:** adopting new systems (e.g. virtual delivery platforms) requires training and possibly new specialist roles, impacting both recruitment and development plans.
- **Demographic changes:** an ageing population increases demand for eldercare services, while youth migration patterns may create volunteer shortages or influence skill availability.

(ii) (Any **three**)

- **Recognition and appreciation:** when employees' contributions are acknowledged, it boosts their morale and reinforces positive behaviour. Recognition can come in many forms: verbal praise, awards or public acknowledgement in team meetings, which makes employees feel valued and appreciated. This recognition not only increases job satisfaction but also encourages employees to continue working hard, as they understand their efforts are noticed.
- **Career development:** employees are motivated when they see opportunities for growth within an organisation. Providing pathways for advancement, such as promotions or cross-departmental roles, keeps employees engaged and eager to develop new skills. Offering training and professional development courses further nurtures personal growth, giving employees the tools to improve both personally and professionally.
- **Autonomy and empowerment:** allowing employees to make decisions about their work, including setting goals, choosing how to execute tasks and problem-solving independently, can be a powerful motivator. Empowering employees to take ownership of their roles enhances their sense of responsibility and accomplishment. This autonomy fosters creativity, innovation and a deeper connection to the work they are doing, increasing overall motivation and job satisfaction.

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- **Work–life balance:** when organisations offer flexible work arrangements, such as remote work options or flexible hours, employees are better able to balance their professional responsibilities with personal life. This flexibility reduces stress, improves job satisfaction and helps prevent burnout. When employees feel that their employer cares about their overall wellbeing, it strengthens their commitment to the organisation. A healthy work–life balance enhances both productivity and retention.
- **Training and development:** providing employees with ongoing training and development opportunities shows that the organisation is invested in their growth. Regular workshops, online courses, mentorship and skill development programmes not only improve employees' performance but also demonstrate that the company cares about their professional journey. This fosters a learning culture and helps employees feel equipped and motivated to take on new challenges within the organisation.
- **Job security:** when employees feel secure in their positions and believe that their jobs are stable, they can focus more on their work without the distraction of worrying about potential layoffs or economic instability. Clear communication about the organisation's stability and long-term goals enhances trust and reduces anxiety. Employees who feel secure are more likely to commit to their roles and put forth their best efforts, knowing that their contributions are valued and necessary.
- **Organisational culture:** a positive organisational culture that promotes collaboration, inclusivity and open communication can significantly influence employee motivation. Employees who feel part of a supportive, values-driven environment are more likely to be engaged in their work. Strong teamwork, clear communication and a focus on shared goals create a sense of belonging and collective purpose, which motivates employees to contribute towards the success of the team and the organisation.
- **Meaningful work:** employees are more motivated when they believe their work has a purpose and contributes to a larger cause. For example, employees in not-for-profits are often driven by the organisation's mission to make a difference in society. When employees understand the impact of their work, whether it's helping people, protecting the environment or advancing a social cause, it instils a sense of pride and meaning in their roles. This intrinsic motivation encourages employees to remain engaged and dedicated to their tasks.

(f) **(i)** (Any **two**)

- **Startup blueprint:** defines the venture's vision, objectives and market feasibility to guide launch decisions.
- **Operational framework:** details organisational structure, processes and resource requirements for day-to-day management.
- **Financial planning:** projects revenues, costs and cash flows to ensure viability and guide budgeting.
- **Funding tool:** serves as a persuasive document for securing loans, grants or investor capital.
- **Performance benchmark:** establishes measurable targets and milestones to monitor progress and performance.
- **Risk assessment:** identifies potential challenges and outlines mitigation strategies to protect the business.
- **Growth roadmap:** lays out strategies for scaling, new product development and market expansion over time.

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(ii)

- **Building trust and reputation:** ethical practices promote trust with customers, employees and stakeholders, enhancing brand loyalty and long-term success.
- **Attracting investment:** investors and stakeholders increasingly favour businesses that prioritise sustainability and ethical standards, viewing them as lower-risk and forward-thinking.
- **Compliance with regulations:** ethical and sustainable practices help businesses comply with growing environmental and social regulations, avoiding legal issues and penalties.
- **Long-term profitability:** businesses that focus on sustainability reduce waste, improve efficiency and create long-term value, which can lead to higher profitability.
- **Employee satisfaction and retention:** ethical practices, such as fair wages and inclusive policies, improve employee morale, leading to higher retention and productivity.
- **Risk mitigation:** sustainable business practices reduce exposure to environmental, social and governance risks, safeguarding the business against future challenges.
- **Consumer demand:** consumers are increasingly drawn to businesses that align with their values, particularly those focused on sustainability and ethical sourcing.

Question 2 **(70 marks)**

(a) **(i)** Globalisation is the growing interdependence and interconnectedness of the world's economies, cultures and populations arising from cross-border trade in goods, services, digital technology, and the movement of investment, people, data and information.

(ii)

Globalisation	Positive	Negative
Irish businesses gain access to larger markets, increasing their potential sales and profits.	✓	
Increased global competition may cause some small Irish businesses to close.		✓
Trading internationally can lead to higher carbon emissions due to transport and shipping.		✓
International trade helps to create more jobs in Irish exporting industries.	✓	
Greater demand for Irish goods and services encourages innovation and product improvement.	✓	

(b) **(i)** Leaders influence others through communication, emotional intelligence and motivation, often encouraging employees to exceed expectations. In contrast, management focuses on planning, organising and controlling the day-to-day operations of a business to ensure efficiency and goal achievement. Managers use formal authority and established procedures to direct activities, allocate resources and monitor performance. While leaders are more change-oriented and people-focused, managers tend to be task- and process-oriented. Both roles are essential for organisational success, with leadership driving long-term strategic direction and management ensuring short-term operational effectiveness.

(ii) (Any **one**)

Laissez-faire leadership (any **two**)

- **Empowers independence:** employees are trusted to make decisions and manage their work, promoting a culture of autonomy and innovation.
- **Encourages creativity:** a relaxed structure fosters an open environment where employees feel free to try new ideas and solve problems creatively.
- **Builds responsibility:** by delegating control, this style encourages a sense of ownership and accountability among staff.
- **Cultural impact:** the organisation tends to develop a flexible, entrepreneurial culture that attracts self-motivated individuals.

Democratic leadership (any **two**)

- **Promotes collaboration:** employees are actively involved in decision-making, creating a culture of teamwork and mutual respect.
- **Values input:** employees feel valued and heard, fostering a sense of belonging and shared purpose.
- **Encourages transparency:** open communication channels build a culture of trust and honesty.
- **Cultural impact:** the result is a participative culture that supports learning, morale, and long-term staff engagement.

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Autocratic leadership (any **two**)

- **Provides direction:** clear instructions and strong control establish a disciplined and structured workplace culture.
- **Reduces uncertainty:** in times of crisis or where tasks are routine, this style creates a culture of consistency and reliability.
- **Minimises conflict:** centralised decision-making reduces the risk of internal disputes, supporting a controlled environment.
- **Cultural impact:** the organisation often reflects a hierarchical culture with a strong emphasis on rules, efficiency and obedience.

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

- **Purpose of the loan:** it is essential to clarify why the money is being borrowed (e.g. for personal use, education, investment, business expansion or emergency expenses). The purpose affects the type of loan product chosen and its repayment structure. Borrowing for non-essential reasons can increase financial vulnerability.
- **Interest rates:** understanding whether the interest rate is fixed or variable is critical. Higher interest rates increase the cost of borrowing over time, while variable rates can fluctuate, leading to future uncertainty. Comparing rates across lenders is a vital step in making an informed decision.
- **Ability to repay:** a borrower must assess their current and future income levels, expenses and other financial commitments. Failure to repay on time can lead to penalties, additional interest or a damaged credit rating. This assumption of future stability must be realistic and conservative.
- **Loan term:** the duration of the loan impacts monthly repayment amounts and total interest paid. Longer terms usually reduce monthly payments but increase the overall cost. Borrowers must strike a balance between affordability and total expense.
- **Total cost of credit:** beyond interest, borrowers should examine hidden charges such as arrangement fees, insurance costs or early repayment penalties. These can significantly increase the actual cost of borrowing.
- **Credit rating and history:** lenders use credit scores to evaluate a borrower's reliability. A strong credit history can lead to more favourable borrowing terms, while a poor rating may result in loan rejection or higher rates. Understanding this relationship is vital before applying.
- **Collateral or security:** some loans require an asset (e.g. property or car) as security. Borrowers must examine the risk of losing this asset if repayments are missed. This ties directly into evaluating the consequences of defaulting.
- **Legal and contractual obligations:** the loan agreement outlines rights, obligations and recourse mechanisms. Borrowers must read and understand all terms to avoid hidden traps. This includes understanding variable clauses or penalties.

(ii)

- **Reduces cost:** switching can help consumers access lower interest rates, reduced fees or better repayment terms, particularly if they are carrying outstanding balances on credit cards or loans.
- **Improves financial control:** by switching to providers with clearer terms or better budgeting tools (e.g. spending trackers or repayment alerts), consumers can manage their finances more effectively and avoid debt spirals.
- **Increases value and benefits:** new providers may offer incentives such as cashback, loyalty points or lower introductory rates, which add financial value for the consumer.

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- **Avoids penalties:** consumers stuck with providers who impose high late fees or penalty interest rates may benefit by moving to more transparent and consumer-friendly options.
- **Access to enhanced services:** switching can give access to modern digital banking features (e.g. mobile banking apps, budgeting tools) or improved customer service, especially from fintech providers.
- **Responds to changing needs:** as financial circumstances evolve (e.g. employment changes, starting a family), a different provider may be better suited to the consumer's new requirements.
- **Encourages market competition:** when consumers switch, it pressures financial institutions to improve their offerings and pricing, which supports a more competitive and fair marketplace.

(d) **Business model canvas** (**one** from each category)

Customer segments
- Young professionals looking for convenient, quality baked goods
- Parents ordering treats for children's birthdays and celebrations
- Local foodies who enjoy supporting small, artisan businesses

Value proposition
- Freshly baked, handmade goods delivered to your door
- Customisable cakes and cookies for special occasions
- Use of high-quality, locally sourced ingredients

Channels
- E-commerce website with online ordering and delivery options
- Instagram and Facebook for product promotion and engagement
- Local food markets and pop-up events for sampling and promotion

Customer relationship
- Personalised service and quick response via social media DMs
- Loyalty programme offering discounts for repeat customers
- Email newsletter with updates, seasonal offers and baking tips

Revenue stream
- Online sales of baked goods (e.g. cakes, cookies, brownies, etc.)
- Custom orders for events (e.g. birthdays, weddings, corporate gifts)
- Occasional income from local food fairs or subscription boxes

Key resources
- Website with e-commerce functionality
- Baking equipment and high-quality ingredients
- Branding materials (e.g. logo, packaging, photography)

Key activities
- Baking, packaging and delivering fresh goods
- Managing social media marketing and customer communication
- Updating product offerings and managing inventory

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Key partners
- Local suppliers for flour, eggs and dairy
- Delivery services or local couriers
- Graphic designer or photographer for brand visuals

Cost structure
- Ingredient and packaging costs
- Website maintenance and hosting fees
- Marketing and advertising expenses

Question 3 **(70 marks)**

(a) **(i)** Balance of payments (current account): €18.2bn
(**Please note:** The balance of payments consists of three tables or accounts, the *current account*, the *capital account* and the *financial account*. The balance of payments (current account) is a measure of Ireland's economic flows with the rest of the world.)

(ii) FDI refers to when a company or individual from one country establishes or invests in a business in another country. This can involve setting up a new facility, such as a manufacturing plant or office, or purchasing an existing business.

(iii) (Any **two**)

- **Job creation:** FDI leads to direct employment through the establishment of foreign-owned companies, especially in sectors like technology, pharmaceuticals and financial services.
- **Increased tax revenue:** multinational companies pay corporation tax and other levies, boosting government revenue that can be reinvested in public services and infrastructure.
- **Transfer of skills and technology:** FDI introduces new technologies, global best practices and high-level training, enhancing the skills of the Irish workforce.
- **Boost to exports:** many foreign companies based in Ireland produce goods and services for international markets, helping to strengthen Ireland's export performance.
- **Development of local businesses:** Irish SMEs often benefit from supplying goods and services to multinational firms, creating local supply chain opportunities.
- **Regional development:** investment in less economically developed regions encourages balanced regional growth and reduces urban–rural economic disparities.
- **Innovation and research:** many FDI firms invest in R&D in Ireland, positioning the country as a hub for innovation and advanced manufacturing.
- **Enhanced global reputation:** strong FDI inflows raise Ireland's profile as a stable, business-friendly economy, attracting further international investment.

(b) **(i)** Government policy refers to the principles, guidelines and strategic plans developed by government officials to address public issues and achieve specific societal goals. It outlines the direction or approach the government takes on various matters like healthcare, education or the economy. Legislation, on the other hand, refers to laws passed by a legislative body, such as EU institutions. These laws are legally binding and set rules that must be followed. While policy provides a framework or strategy, legislation creates the legal foundation and enforcement mechanisms.

(ii) (Any **two**)

- The Council of the European Union
- The European Commission
- The European Parliament
- The European Central Bank

(c)

- **Communication and connectivity:** platforms such as email, social media and video conferencing enable real-time interactions across vast distances, connecting businesses and individuals worldwide. This connectivity allows for quicker decision-making, global collaborations and the expansion of trade and investment opportunities. However, not all regions have equal access to high-speed internet, creating a digital divide that limits the full potential of technology in some parts of the world.

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- **International trade and e-commerce:** e-commerce platforms like Amazon and Alibaba have expanded the reach of businesses, allowing them to sell goods and services globally. The development of payment systems, logistics networks and digital platforms has reduced trade barriers. As a result, small businesses and entrepreneurs can now reach international markets more easily. The challenge here is that not all economies are equipped with the infrastructure or policies to support cross-border e-commerce, which limits the inclusivity of global trade.
- **Supply chains and production networks:** technology has enabled more efficient supply chains, where businesses can source materials, manufacture products and distribute them globally. Technologies such as automation, AI and data analytics allow companies to optimise production and distribution networks, resulting in faster, cheaper and more efficient global supply chains. However, this interconnectedness can make supply chains vulnerable to global disruptions, as seen with the COVID-19 pandemic, which highlighted the fragility of just-in-time production systems.
- **Cultural exchange and media:** the internet and digital media have facilitated the rapid exchange of ideas, culture and information across borders. Streaming services like Netflix, music platforms like Spotify and social media apps enable the global spread of cultural content. This fosters a shared global culture but can also lead to too much focus on Western media and cultural products, and less on local cultures and traditions. Not all countries have the same level of digital infrastructure or access, leading to unequal cultural influence.
- **Labour and employment:** technology has led to the rise of remote work and outsourcing, enabling businesses to hire talent from around the world. Freelancers can offer their services to international clients, contributing to a more interconnected global labour market. However, this can also contribute to job insecurity and wage disparity, especially in developing countries where workers may be paid lower wages compared to those in developed nations.
- **Financial systems and digital banking:** digital technologies have transformed global finance, with innovations like mobile banking, cryptocurrencies and blockchain facilitating faster, cheaper and more secure transactions. These technologies have helped access to financial services, especially in developing countries. On the other hand, the lack of regulation and the anonymity of digital currencies pose risks, such as money laundering and fraud.

Overall evaluation

Technology has been a driving force behind globalisation, facilitating greater connectivity, economic integration and cultural exchange. It has empowered individuals, businesses and governments to operate on a global scale. However, the benefits of technology in globalisation are not evenly distributed, with significant gaps in access, infrastructure and regulation across the world. While technology has played a positive role in advancing globalisation, its impact is limited by factors like unequal access, digital divides and global economic inequalities. In my opinion, the future of globalisation will depend on how effectively the challenges of access and regulation are addressed, ensuring that technology serves as an inclusive and sustainable force for all.

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(d) **(i)** In the **gig economy / gig-based economy**, workers often have multiple jobs rather than permanent employment.

(ii) The four phases of design thinking are **clarify**, **ideate**, **develop** and **implement**.

(iii) **Fintech** involves the use of technology to provide financial services and products to consumers.

(iv) **Force-field analysis** is used to identify driving and restraining forces affecting change.

(e) **(i)** (Any **two**)

- Business owners
- Investors
- Employees
- Consumers
- Suppliers
- Local community
- Government

(ii)

- **Business owners and employees:** business owners rely on employees to carry out day-to-day operations and deliver goods or services to customers. In return, employees depend on owners for fair wages, safe working conditions and job security. If owners invest in employee training and professional development, staff are more likely to feel valued and perform well, contributing to business success. This creates a mutually beneficial relationship.
- **Government and businesses:** the government regulates businesses through legislation, tax policy and employment laws. In return, businesses contribute to the economy by paying taxes, providing employment and complying with regulations. A government might offer tax incentives to businesses that operate in disadvantaged regions, and businesses respond by setting up operations there, creating jobs and boosting local development.
- **Suppliers and businesses (owners):** suppliers provide raw materials, goods or services that businesses need to operate. Business owners depend on reliable suppliers to meet production schedules, while suppliers rely on regular orders and timely payment from businesses. If a supplier fails to deliver on time, it can delay production, affect customer satisfaction and damage the business's reputation. Strong supplier relationships are vital for business continuity.
- **Local community and business owners:** the local community provides businesses with a customer base and workforce. In turn, businesses contribute to the local economy through employment, sponsorship of events and community engagement. A business that supports local charities or environmental initiatives may build goodwill, leading to increased customer loyalty and a positive brand image in the community.

(iii) (Any **one**)

- **Business owners vs employees:** owners may seek to reduce costs by limiting wage increases or increasing working hours, while employees may demand higher pay, better conditions or job security. For example, a business introduces automation to improve efficiency, but employees fear job losses and resist the change.
- **Government vs business owners:** governments may introduce stricter environmental or employment regulations that increase compliance costs for businesses. For example, a new carbon tax raises operational costs for a manufacturing firm, which opposes the measure, while the government prioritises climate policy.

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- **Consumers vs business owners:** consumers may demand ethically sourced, eco-friendly or affordable products, while business owners may prioritise profit margins over sustainability or price reductions. For example, a business uses non-recyclable packaging to save money, leading to consumer backlash and reputational damage.
- **Suppliers vs business owners:** business owners may push for lower prices or delayed payments, while suppliers seek timely payments and fair pricing to maintain their own profitability. For example, a retailer delays payments during a downturn, placing financial strain on its small local suppliers.
- **Local community vs business owners:** the local community may be concerned about pollution, noise or traffic caused by business operations, while owners aim to expand and maximise efficiency. For example, a factory seeks planning permission to expand, but local residents object due to increased environmental and social disruption.

Question 4 **(70 marks)**

(a) **Ethical issues** (any **two**)

- **Work–life balance / mental health:** remote and blended working can blur the boundaries between personal and professional life, leading to overwork, burnout and mental-health challenges for employees.
- **Data privacy and security:** employees may use personal devices and unsecured networks to access company information, raising concerns about the security of sensitive data and privacy breaches.
- **Equity and access to technology:** not all employees have equal access to high-speed internet or suitable technology, creating an ethical issue of fairness and unequal work conditions.
- **Social isolation and employee engagement:** remote work can lead to feelings of loneliness and disconnection, affecting employee morale and engagement with the company.
- **Job security and employment contracts:** remote and flexible work arrangements can increase reliance on temporary or freelance workers, leading to job insecurity and lack of benefits for employees.
- **Workplace inclusivity:** while remote work can benefit some groups (e.g. people with disabilities), it may also exclude others who need in-person support or have unsuitable home environments for work.
- **Impact on organisational culture:** maintaining a strong organisational culture can be challenging with remote work, leading to potential disengagement from company values and goals.

Sustainability issues (any **two**)

- **Reduced commuting emissions:** fewer people commuting leads to a significant drop in greenhouse gas emissions and air pollution.
- **Increased home energy consumption:** higher energy use for heating, cooling and powering equipment at home may offset environmental gains, especially in less energy-efficient buildings.
- **Office space and resource use:** unused office spaces still consume energy and resources unless downsized or optimised, leading to unnecessary environmental waste.
- **Electronic waste and device usage:** greater reliance on personal devices may increase the production and disposal of electronics, contributing to e-waste and environmental degradation.
- **Long-term sustainability of remote work:** without proper management, remote work could undermine corporate responsibility for employee welfare, potentially leading to lower employee retention, disengagement and reduced organisational success.

(b) (Any **three**)

- **Income tax bands and rates:** changes to income tax thresholds can determine how much of a worker's income is taxed at lower or higher rates, directly affecting take-home pay.
- **Universal Social Charge (USC):** adjustments to USC rates or thresholds can increase or reduce the amount workers contribute, especially for those on middle or lower incomes.
- **Pay As You Earn (PAYE) system:** budget changes may affect tax credits or how PAYE is calculated, which impacts the amount deducted from a worker's wages.
- **Tax credits:** increases in personal, PAYE or earned income tax credits reduce the amount of income tax workers must pay, effectively increasing net pay.

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- **Minimum wage changes:** if the minimum wage is raised, it directly increases the earnings of lower-paid workers and may affect wage structures across sectors.
- **Pay Related Social Insurance (PRSI):** adjustments to PRSI rates or income limits affect the contributions made by both workers and employers, influencing net pay and social welfare entitlements.
- **Public-sector pay:** the budget may include provisions for public-sector wage increases or freezes, directly impacting workers employed by the state.
- **Childcare subsidies or benefits:** expanded supports can reduce financial pressure on working parents, improving disposable income and work–life balance.
- **Commuting and transport:** changes to transport subsidies, fuel tax or public transport costs can affect how much workers spend commuting.

(c) **(i)** Strategic planning is the process by which an organisation defines its long-term goals and outlines the actions and resources needed to achieve them. It involves analysing the current situation, setting clear objectives and developing a roadmap to guide decision-making and resource allocation over time. Strategic planning helps ensure that all parts of the organisation are aligned towards a common vision and can adapt effectively to changes in the external environment.

(ii) (Any **two**)

- **Provides clear direction:** helps set long-term goals and guides daily decision-making, ensuring everyone works towards the same objectives.
- **Improves resource allocation:** ensures time, money and staff are used effectively by focusing efforts on priority areas.
- **Enhances decision-making:** offers a structured framework to assess opportunities and risks, leading to more informed and confident decisions.
- **Boosts organisational alignment:** aligns departments and teams around shared goals, improving collaboration and communication.
- **Encourages proactive thinking:** helps the organisation anticipate changes in the market and respond effectively rather than reacting too late.
- **Measures progress:** establishes performance indicators and milestones, making it easier to track success and adjust strategies when needed.
- **Increases competitiveness:** helps the organisation stay ahead by focusing on strengths and identifying areas for growth and innovation.

(d) **Opportunities for employees**

- **Skill development:** teamwork fosters communication, problem-solving and collaboration skills, helping employees grow personally and professionally.
- **Shared responsibility:** working in teams can reduce pressure on individuals, as tasks and responsibilities are shared.
- **Learning from others:** employees gain exposure to different perspectives, knowledge and approaches, promoting innovation and continuous learning.
- **Increased motivation:** being part of a supportive team can boost morale and motivation, as individuals feel valued and included.

Challenges for employees

- **Conflict and miscommunication:** differences in personalities or communication styles can lead to misunderstandings or tension.

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- **Uneven workloads:** some team members may contribute less than others, leading to frustration or burnout among more active participants.
- **Dependence on others:** individual performance may be affected by the weaknesses or mistakes of teammates, especially in tightly integrated tasks.
- **Reduced autonomy:** decision-making in teams may be slower and may limit personal freedom, which can be challenging for more independent workers.

Opportunities for employers

- **Higher productivity:** well-managed teams often perform better, combining diverse skills to complete tasks more efficiently and effectively.
- **Innovation and creativity:** diverse perspectives lead to more innovative solutions, giving the company a competitive edge.
- **Stronger culture:** team environments promote a collaborative and supportive workplace culture, which can improve employee retention and satisfaction.
- **Flexibility:** teams can adapt quickly to change, distributing workload and responsibilities dynamically.

Challenges for employers

- **Team dynamics management:** employers must actively manage interpersonal issues and ensure team cohesion, which can be time-consuming.
- **Training and supervision:** effective teams often require investment in training and ongoing support, increasing management demands.
- **Accountability issues:** it can be harder to measure individual performance in team settings, complicating appraisals and feedback.
- **Risk of groupthink:** without strong leadership, teams may conform too quickly to one idea, limiting critical thinking and innovation.

(e)

	Statement	True	False
1	Interest is the extra money you pay back on top of a loan.	✓	
2	A positive cash flow means that a business has more money going out than coming in.		✓
3	The shadow economy includes illicit economic activity existing alongside a country's official economy.	✓	
4	A CBDC is issued and regulated by a country's central bank.	✓	
5	Interdependence means that economies or groups function completely independently.		✓

Question 5 **(70 marks)**

(a) Costs (negative impacts)

- **Job losses and uncertainty:** approximately 5% of Meta's global workforce will be affected, causing distress, reduced morale and insecurity among remaining staff, including those in Ireland.
- **Reputation damage:** cutting jobs, especially in high-profile firms, can damage Meta's public image and employer brand, potentially discouraging future talent from applying.
- **Loss of skills and knowledge:** reducing the workforce may result in the departure of skilled and experienced staff, even if labelled 'low performers,' impacting team dynamics and institutional knowledge.
- **Reduced productivity in the short term:** remaining employees may feel overburdened, distracted or disengaged, leading to short-term dips in performance and innovation.
- **Economic impact on Ireland:** with 2,000 Meta employees in Ireland, even a small proportion of layoffs could affect local economies, especially in Dublin, where many tech workers are based.

Benefits (positive outcomes)

- **Cost savings:** reducing the workforce lowers wage and benefit expenses, helping Meta manage operational costs more efficiently and improve profit margins.
- **Performance optimisation:** removing underperforming staff may boost overall productivity and efficiency if higher-performing individuals are retained or promoted.
- **Strategic restructuring:** Meta may be positioning itself for future growth by streamlining teams and making space to hire new talent in areas aligned with its strategic goals (e.g. AI or VR).
- **Market confidence:** investors may view the move as a sign of financial discipline, possibly leading to improved stock performance and shareholder confidence.
- **Future recruitment opportunities:** Meta has stated its intention to rehire later in 2025, potentially bringing in new talent with updated skills better suited to evolving technology demands.

Overall, the proposed workforce reduction by Meta involves short-term costs such as job losses, reputational damage and reduced morale, but offers potential long-term benefits in terms of cost savings, improved efficiency, and strategic growth. The overall success of the move will depend on how it is implemented and communicated, and whether rehiring is effectively aligned with Meta's future business needs.

(b) (i)

1. *360-degree approach*
2. Self-appraisal
3. Formative appraisal
4. Summative appraisal

(ii) (Any **three**)

1. 360-degree appraisal: the 360-degree appraisal motivates employees by providing comprehensive feedback from multiple sources, including managers, peers and sometimes clients. This broad perspective helps employees feel seen and appreciated across all levels of the organisation. It encourages them to

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improve interpersonal and professional skills, knowing their contributions are recognised by various stakeholders. This inclusive feedback process can boost confidence, enhance self-awareness and foster a stronger commitment to team and organisational goals.

2. **Self-appraisal:** self-appraisal allows employees to reflect on their own achievements, challenges and goals, encouraging greater self-awareness and ownership of their performance. This process can be motivating as it involves the employee in their development journey, making them active participants rather than passive recipients of feedback. When employees assess their progress, they often become more invested in setting personal goals and improving performance, particularly when their self-evaluation is acknowledged and supported by their managers.
3. **Formative appraisal:** formative appraisal provides ongoing, constructive feedback throughout the year, which can significantly enhance motivation by addressing performance in real time. Regular check-ins allow employees to feel supported and guided, rather than judged after the fact. This continual feedback loop helps them correct issues early, celebrate small wins and remain engaged with their work. Knowing that progress is being monitored and encouraged can foster a growth mindset and a sense of development, which are key drivers of motivation.
4. **Summative appraisal:** summative appraisal is typically conducted at the end of a period, such as annually and offers a comprehensive evaluation of an employee's overall performance. This method can be highly motivating when it is linked to tangible rewards like promotions, bonuses or career progression opportunities. It gives employees clear feedback on whether they've met expectations and where they stand within the organisation. When delivered fairly and constructively, it reinforces accountability, goal-setting and a sense of achievement, encouraging employees to maintain or improve their performance.

(c) (Any **one**)

- **Inflation:** inflation refers to the general increase in prices over time. Moderate inflation can signal a growing economy, but high inflation increases business costs (e.g. wages, materials), which can reduce profit margins and limit investment in growth. It may also reduce consumers' purchasing power, leading to lower demand for goods and services.
- **Employment rates:** high employment rates often indicate a strong economy and lead to higher consumer spending, which can drive business sales and expansion. However, very low unemployment can create skills shortages and drive-up wage costs, which might make it harder for businesses to hire or retain staff affordably.
- **Economic growth and development:** economic growth, measured by GDP, reflects the health of a country's economy. When growth is strong, businesses are more likely to invest, expand operations and develop new products due to increased consumer demand. Conversely, economic downturns can lead to reduced sales, lower profits and more cautious investment decisions.
- **Exchange rates:** exchange rates affect the cost of importing and exporting goods. A strong domestic currency makes imports cheaper but can make exports more expensive and less competitive abroad. A weak currency benefits exporters but increases the cost of imported goods and materials, potentially squeezing margins.

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- **Consumer confidence:** consumer confidence reflects how optimistic people are about their financial situation and the economy. When confidence is high, people are more likely to spend, supporting business revenue and encouraging expansion. When confidence falls, spending drops, making businesses more cautious about investment and hiring.

(d)

- **Ethical considerations in marketing practices:** ethical marketing promotes truthful, transparent and socially responsible practices in advertising, ensuring businesses avoid misleading claims, protect consumer interests and align with social values, contributing to long-term credibility and customer satisfaction.
- **Impact of ethics on consumer trust:** by adhering to ethical practices, companies build consumer trust, which fosters brand loyalty and encourages repeat business, especially when ethical values align with consumer expectations for sustainability, fairness and transparency.
- **Legal and regulatory compliance:** ethical marketing ensures businesses comply with advertising laws and regulations, such as truth-in-advertising and consumer protection, reducing legal risks, penalties and damage to reputation while safeguarding against consumer lawsuits.
- **Long-term business success:** adopting ethical marketing practices contributes to a company's long-term success by enhancing its reputation, building stronger relationships with stakeholders and positioning the brand for sustained growth in a competitive and socially conscious market.
- **Ethical marketing and product development:** ethical marketing influences product development by encouraging the creation of socially responsible, high-quality products that meet consumer demand for environmentally friendly, safe and ethically sourced goods, enhancing the brand's appeal.
- **Consumer awareness and advocacy:** as consumer activism and social media accountability rise, businesses are more scrutinised for ethical behaviour; ethical marketing practices mitigate the risk of backlash and boycotts, contributing to positive public perception and brand advocacy.
- **Limitations of evidence:** the effectiveness of ethical marketing can be limited by consumer prioritisation of price or convenience over ethics, cultural differences in ethical expectations and challenges in quantifying the direct financial impact of ethical practices.

Overall evaluation and opinion

Ethical marketing is crucial for building consumer trust, ensuring legal compliance and driving long-term business success, though its direct financial impact may be difficult to measure. While not all consumers prioritise ethics, companies that adopt ethical marketing practices position themselves for sustainable growth, making it a strategic and reputational asset.