

# JC BUSINESS

HUB

---

## CLASS EXAM & SOLUTIONS



**Chapter 30 – Class Exam**

Name: \_\_\_\_\_

Score: \_\_\_\_\_/50

**Answer all questions**

**Suggested Exam Length: 25 minutes**

Student Input (Pre-exam)



How confident are you about this exam?

What topic am I worried about before I look at the exam? Why?

---

---

What strategies did you use to study for this exam? What was the best one?

---

---

Which activities in class did you most enjoy for this topic?

---

---

Student Reflection (Post-exam)



How happy were you with your result?

What were the hardest questions? Why?

---

---

Is there any exam technique I should change/use again for my next exam?

---

---

What topics should I look over again?

---

---



Q1 State one example of **capital** and **current** expenditure for each Government Department

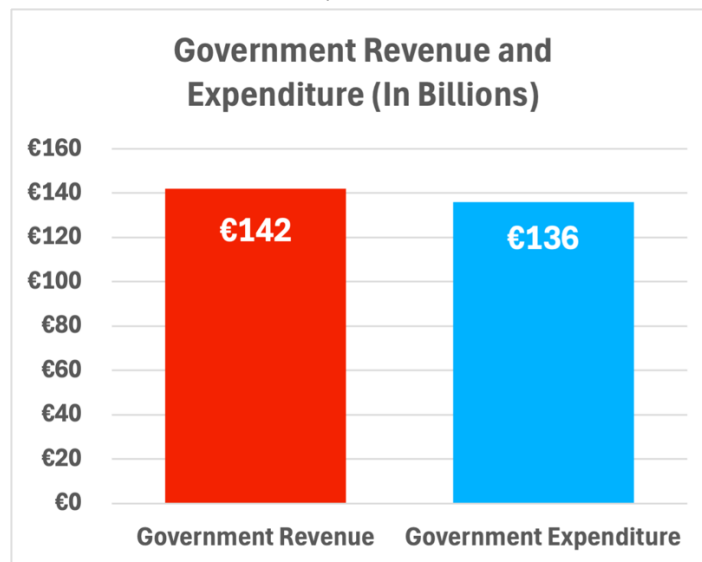
Government Department:	Capital Expenditure	Current Expenditure
1. Education and Youth		
2. Transport		
3. Social Protection		

Q2 Taxation is the main source of income in Ireland’s National Budget.

Apart from taxation, explain two other sources of income for the Irish Government.

1.
2.

Q3 Answer the questions based on the graph below

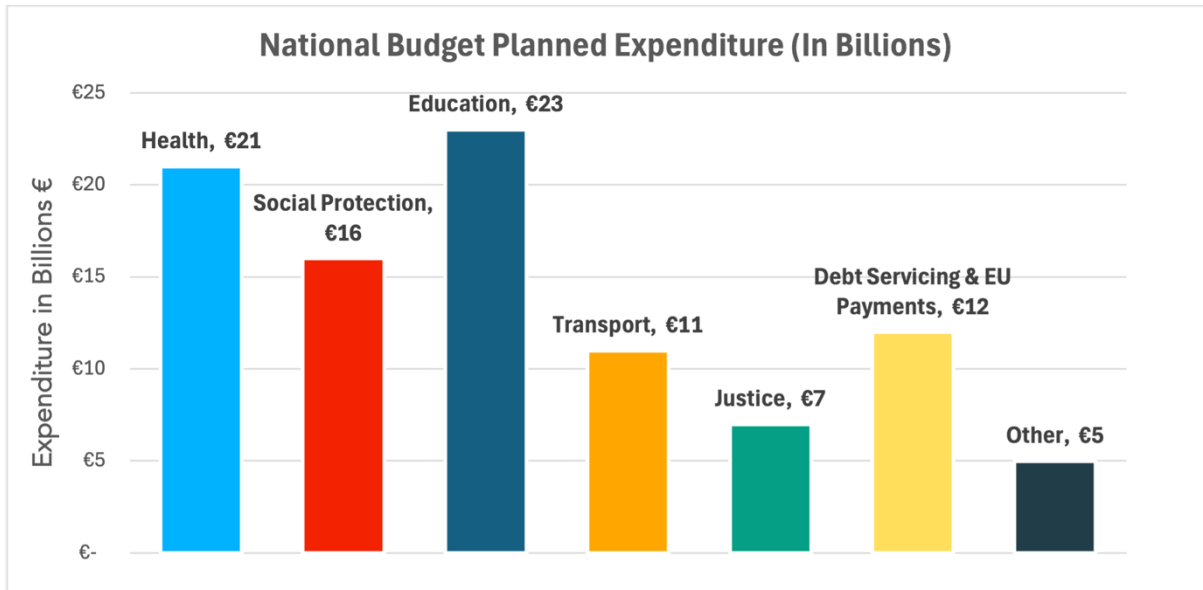


Calculate the government budget for the year, and state whether it is a **deficit** or **surplus**

<b>Workings:</b>
<b>Answer:</b> Surplus / Deficit



Q4



(i) Using the information from the chart above prepare the National Budget for the following year.

National Budget for the year		
	€ Billions	€ Billions
<b>Total Income</b>		107
<b>Expenditure</b>		
<b>Total Expenditure</b>		
	<b>Answer:</b>	
Is the government for the year a Surplus or Deficit?		



(ii) Identify the sector the government plans to spend the **most** money on next year.

--

(iii) Identify the sector the government plans to spend the **least** money on next year.

--

(iv) In the event of a **surplus in the National Budget**, advise the Minister for Finance what to do with the surplus money.

1.
2.

(v) Identify one example of **capital expenditure** and one example of **current expenditure** for the Department of Health.

Current Expenditure:
Capital Expenditure:



Total marks = 50 marks

Q1 State one example of **capital and current** expenditure for each Government Department

MS: 12 marks – 2m for each correct answer, no marks for “pay wages” without specifying a type of job relevant to that department.

Government Department:	Capital Expenditure	Current Expenditure
1. Education and Youth	Building new schools	Paying teachers’ wages
2. Transport	Building new roads / rail lines	Paying bus drivers’ wages
3. Social Protection	Building a new welfare IT system	Paying Jobseeker’s Allowance / State (public) pensions

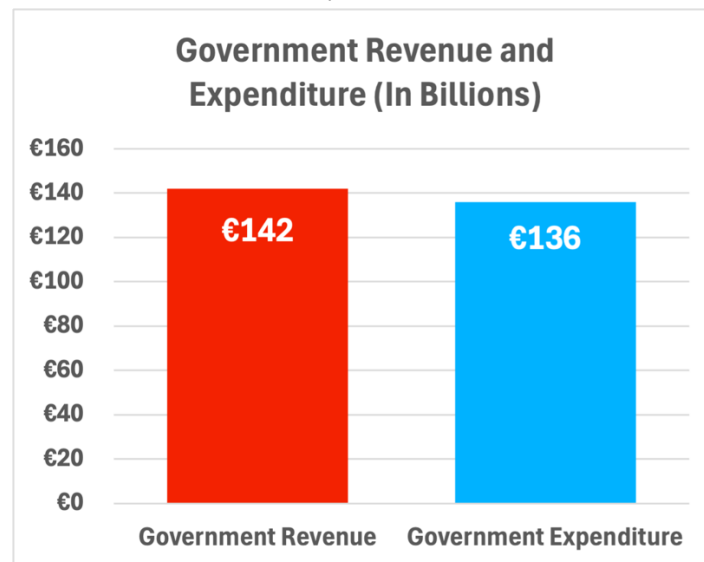
Q2 Taxation is the main source of income in Ireland’s National Budget.

Apart from taxation, explain two other sources of income for the Irish Government.

MS: 6m (2@3m, 2m for naming a source, 1m for development)

1. EU Grants – Money received from the European Union for specific projects that does not have to be repaid.
2. Sale of State Assets – Selling government-owned land, buildings or companies to raise once-off income.
3. Fees and fines collected by the State eg passport fees

Q3 Answer the questions based on the graph below



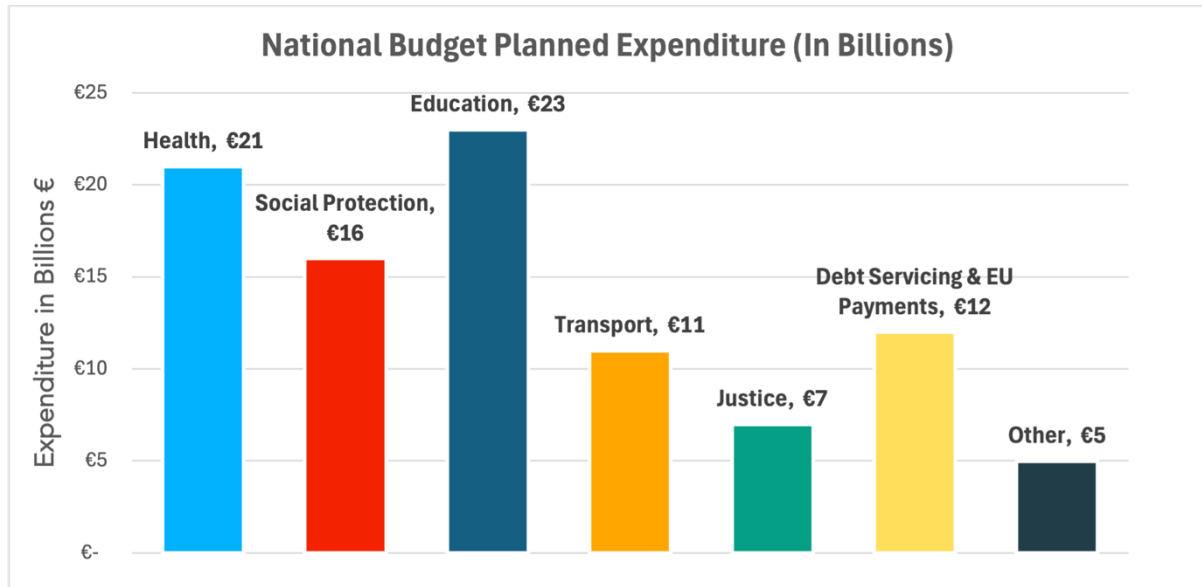
Calculate the government budget for the year, and state whether it is a **deficit** or **surplus**

MS: 6m; Full marks without workings, 1m for “€”, 1m for “bn” 1 mark for “6”, 3m “surplus”

Answer: €6bn surplus
----------------------



Q4 (26 marks)



(i) Using the information from the chart above prepare the National Budget for the following year.

National Budget for the year		
	€ Billions	€ Billions
<b>Total Income</b>		107
<b>Expenditure</b>		
Health	21	
Social Protection	16	
Education	23	
Transport	11	
Justice	7	
Debt Servicing & EU Payments	12	
Other	5	
<b>Total Expenditure</b>		€95bn
	<b>Answer:</b>	€12bn
Is the government for the year a Surplus or Deficit?		Surplus

MS: 12m - 7 x 1m for each item, 1m for total expenditure, 2m answer, 2m for surplus/deficit



(ii) Identify the sector the government plans to spend the **most** money on next year.

MS: 2m

Education

(iii) Identify the sector the government plans to spend the **least** money on next year.

MS: 2m

Other

(iv) In the event of a **surplus in the National Budget**, advise the Minister for Finance what to do with the surplus money.

MS: 6m (2@3m, 2m for naming action, 1m for development/reason/impact)

1. Repay some of our National Debt to reduce our borrowing

2. Improve public services by increasing public spending on health or education

3. Reduce taxes as we don't need as much revenue, to increase people's disposable income / improve their standard of living

(v) Identify one example of **capital expenditure** and one example of **current expenditure** for the Department of Health.

MS: 4m (2@2m)

Current Expenditure: Paying doctors/nurses to work

Capital Expenditure: Building a new hospital

