

JC BUSINESS



HUB

TEACHER PLAYBOOK



Learning Outcome 3.4

3.4 Differentiate between different sources of government revenue and government expenditure

Summary of Qs asked 2019-2025 on Learning Outcome 3.4

2019 Sample Paper Q7 (a)	Identifying levels of government spending / revenue from a graph (the highest)	Reading a graph to identify a value	-
2019 Sample Paper Q7 (b)	Stating an example of capital and current expenditure by department (health)	Current / Capital expenditure by govt department	-
2019 Q13	Stating an example of capital or current expenditure by department (health, education and skills, transport tourism and Sport)	Current / Capital expenditure by govt department	6m
2023 (c) (i)	Prepare a National Budget and state if it is a surplus or deficit	Calculate National Budget from figures in a graph	11m
2023 (c) (ii)	Identifying levels of government spending / revenue from a graph (the highest)	Reading a graph to identify a value	4m
2023 (c) (iii)	Advise the Minister for Finance of what to do with a surplus	Recommend action based on a budget surplus/deficit	2m
2023 (c) (iv)	Stating an example of capital and current expenditure by department (dept education)	Current / Capital expenditure by govt department	4m
2025 Q16 (c) (ii)	Apart from taxation, explain two other sources of income for the Irish Government	Sources of government revenue/ income	6m

Key skills required so far answering the JC Exam:

1. Explain sources/examples of government revenue other than tax
2. Explain sources/examples of current and capital government expenditure
3. Read a graph with budget figures to identify the highest value
4. Calculate a National Budget and state surplus/deficit
5. Recommend government action for a surplus budget



Page 1 Intro Activity

Key ideas → Role of government in providing for Irish citizens, opportunity cost of decision making, uses of surplus revenue (a current economic situation), risk of relying on certain sources eg corporation tax (likely an extension beyond what may be needed at JC)

Suggested responses — Using extra revenue

Help with homelessness <ul style="list-style-type: none"> • Fund more social housing construction • Increase homeless support services • Expand rent supports 	Improve the health system <ul style="list-style-type: none"> • Hire more doctors and nurses • Reduce waiting lists • Invest in hospital equipment
Increase children playing sports <ul style="list-style-type: none"> • Fund school sports programmes • Build community sports facilities • Support local clubs 	Make travel easier without petrol/diesel cars <ul style="list-style-type: none"> • Invest in public transport • Expand cycling infrastructure • Support electric vehicle charging

Should government save some money?

Yes; reasons

- Prepare for future economic downturns / crisis / emergencies like COVID
- Build financial reserves
- Manage uncertainty in tax revenues
- Introduce idea of “rainy day fund”.

Risks of relying heavily on corporation tax

Could increase spending on eg doctors wages based on one source, that would leave us overspending if it was to reduce.

- Multinationals may relocate
- Profits can fluctuate
- Trump / Tax rule changes internationally
- Revenue becomes unpredictable

Extra government revenue creates choices and every decision involves trade-offs and priorities.



Page 5 / Class Activity 30.1 — Classify examples of government revenue

Key ideas → Current vs capital revenue. Sources of revenue. Reading tables/graphs. Calculating totals.

Part A — Graph questions

Largest source

- PAYE → Largest (main recurring tax income)

VAT percentage

- $\text{VAT} \div \text{total revenue} \times 100$ → Reinforces proportional thinking

Extension teaching note

- Emphasise that taxes dominate current revenue.

Part B — Revenue table

Total revenue

- Add all figures to get total planned revenue

Current revenue examples

- PAYE / VAT / Corporation Tax / Fees → Recurring income

Capital revenue examples

- Selling state company / EU loan → Non-recurring

Largest source

- PAYE

Activity Book → Q1–Q5



Page 8 / Class Activity 30.2 — Classify examples of government expenditure

Key ideas → Current vs capital expenditure. Department examples. Specific language.

Part A — Classification

- 1 Paying hospital staff → Current (day-to-day wages)
- 2 Building hospital → Capital (long-term infrastructure)
- 3 Buying textbooks → Current (operational cost)
- 4 New motorway → Capital (long-term project)
- 5 Funding Olympians wages → Current (ongoing support)
- 6 Velodrome → Capital (infrastructure)

Teaching note

Use rule: “Is it spending on something that will last for many years?” → Likely capital expenditure.

Part B — Department examples

Housing

- Current → Homeless services / maintenance
- Capital → Social housing construction

Social Protection

- Current → Jobseeker’s payments
- Capital → New welfare IT systems

Health

- Current → Paying nurses/doctors
- Capital → Building hospitals

Transport

- Current → Maintaining roads / paying drivers
- Capital → New rail or road projects

Activity Book → Q6–Q9



Page 13 / Class Activity 30.3 — Calculating a National Budget

Key ideas → Budget calculation. Surplus vs deficit. Interpreting pie charts. Policy responses.

Budget preparation

- Add expenditure categories
- Compare with total revenue/income

Outcome

- If revenue > spending → Surplus
- If spending > revenue → Deficit

Exam Tip: Give € sign, “bn” in answers

Largest spending sector

- Health (largest slice in chart)

Surplus actions

- Reduce national debt by paying some off
- Increase spending to improve public services eg hire more doctors in hospitals
- Cut taxes to improve peoples disposable incomes/standards of living
- Save, to be better prepared for any future emergencies

Department examples (Health)

- Current → Paying staff / running hospitals (energy bills, supplies, buying medicines)
- Capital → Building hospital / equipment investment (large one off equipment)

Activity Book → Q10–Q14

