

# JC BUSINESS



HUB

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# STUDENT WORKBOOK



Chapter 30 Keyword Summary	
<b>The National Budget</b>	The National Budget is the government’s <b>annual financial plan</b> showing how much money it expects to collect (revenue) and how it plans to spend it (expenditure) in the year ahead.
<b>Government Revenue</b> All income collected by the government	<p><b>Current Revenue</b> - Income collected on a <b>recurring basis</b> each year. It funds <b>day-to-day</b> government activities. Examples: PAYE, VAT, Corporation Tax, Fees, Profits from State Companies</p> <p><b>Capital Revenue - Non-recurring income</b> received, used to fund <b>major projects</b> or cover large costs like developing <b>infrastructure</b>. Examples: Sale of State Assets, EU grants that do not need to be repaid</p>
<b>Government Expenditure</b> All spending by the government	<p><b>Current Expenditure - Recurring spending</b> required each year to operate <b>day to day</b> public services.. Examples: Paying teachers, Social welfare payments (pensions), Running costs of schools and hospitals (utilities, supplies).</p> <p><b>Capital Expenditure – Non-recurring spending</b> on major projects and <b>infrastructure</b> that provide benefits over many years. Examples: Building schools, hospitals, roads, social housing</p>
<b>Surplus Budget</b>	<p>Occurs when <b>government revenue exceeds government expenditure</b>.</p> <p>The Minister for Finance could use a surplus to:</p> <ul style="list-style-type: none"> <li>• Reduce our national debt by paying some off</li> <li>• Increase public spending to improve public services</li> <li>• Reduce taxes to increase disposable incomes and improve standard of living</li> <li>• Save some revenue for future emergencies</li> </ul>
<b>Deficit Budget</b>	<p>Occurs when <b>government expenditure exceeds government revenue</b>.</p> <p>The Minister may need to:</p> <ul style="list-style-type: none"> <li>• Borrow money, increasing our National Debt</li> <li>• Increase taxes, reducing our standard of living</li> <li>• Reduce government spending, cutting public services</li> </ul>
<b>Balanced Budget</b>	<p>Occurs when <b>government revenue equals government expenditure</b>.</p> <ul style="list-style-type: none"> <li>• No additional borrowing required</li> <li>• Services continue as planned</li> </ul>



**Different types of Government Revenue**

**Q1** Explain the difference between:

- (a) Current revenue
- (b) Capital revenue

Give one example of each in your answer.

<b>(a) Current Revenue:</b>
<b>Example:</b>

<b>(b) Capital Revenue:</b>
<b>Example:</b>

**Q2** Place a ✓ in the correct column to indicate whether each example is Current Revenue or Capital Revenue.

Statement	Current Revenue	Capital Revenue
PAYE collected from workers		
Sale of a government building		
VAT collected on goods sold by businesses		
EU Grant received for a new motorway		
Passport fees collected for issuing Irish passports		

**Q3** 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.

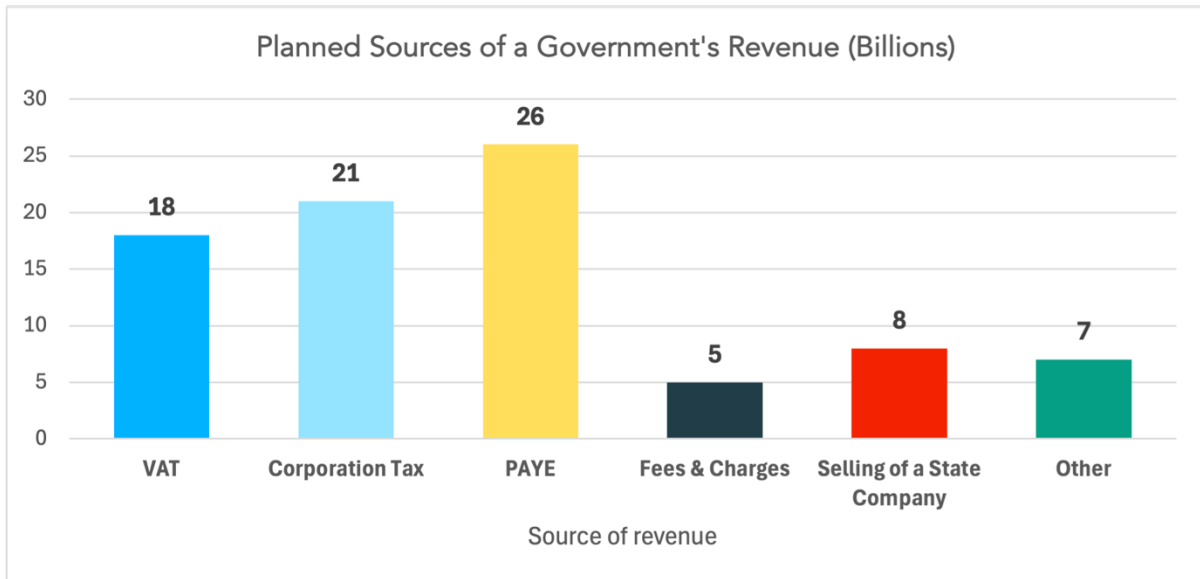
1.
2.

**Q4** The Irish Government sells land it owns for €2 billion.

- (a) Circle the type of revenue received: **Current / Capital**
- (b) Explain your answer




Q5



(a) What is the largest source of revenue for the government in 2026? \_\_\_\_\_

(b) Add the figures from the graph in to the table below to calculate the total planned revenue for the government. Show your workings.

Source of Revenue	€ Billions
VAT	
Corporation Tax	
PAYE	
Fees & Charges	
Selling of a State Company	
Other	
<b>Total Revenue:</b>	

(c) Calculate the percentage of total revenue that Corporation Tax makes up

Hint: Use the formula ->  $\text{Value of corporation tax} \div \text{value of total revenue} \times 100$

(d) Identify one source of current revenue and one source of capital revenue in the figures above. Explain your choices.

**Current Revenue:**

**Explanation:**

**Capital Revenue:**

**Explanation:**



**Different types of Government Expenditure**

Q6 Explain the difference between:

- (a) Current expenditure
- (b) Capital expenditure

Give one example of each in your answer.

(a) <b>Current Expenditure:</b>
<b>Example:</b>
(b) <b>Capital Expenditure:</b>
<b>Example:</b>

Q7 Place a ✓ in the correct column to indicate whether each example is Current Expenditure or Capital Expenditure.

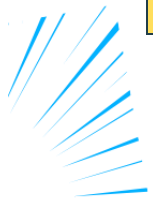
Statement	Current Expenditure	Capital Expenditure
Building a new primary school		
Providing State pensions		
Paying prison officers		
Installing new IT systems in hospitals		
Developing a new public transport app		

Q8 State one example of **capital and current** expenditure for each Government Department

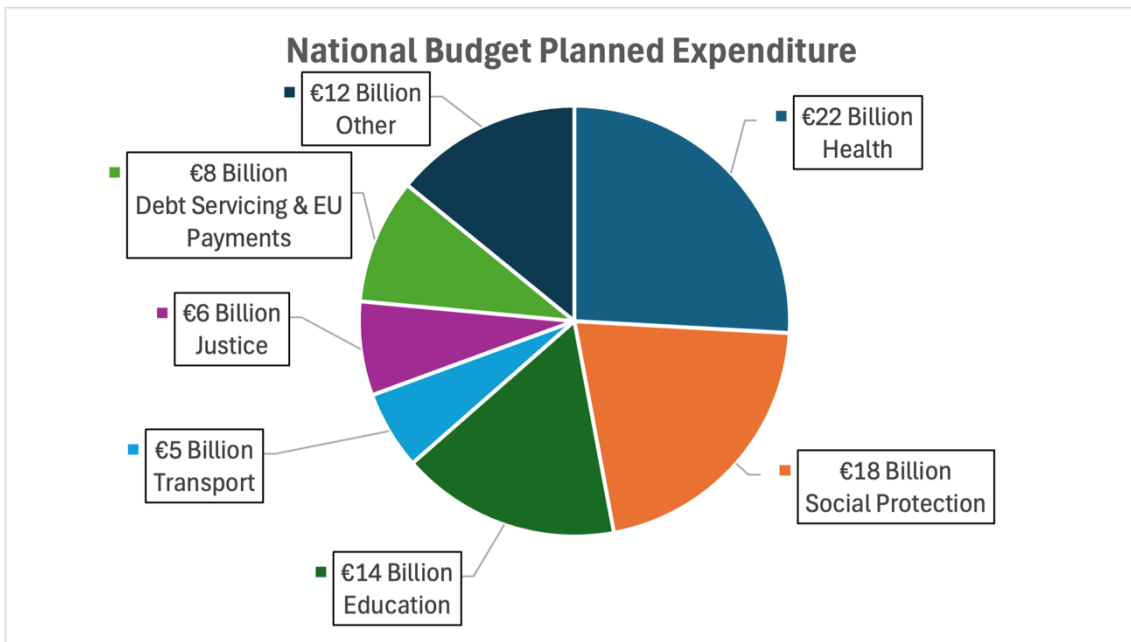
Government Department:	Capital Expenditure	Current Expenditure
1. Health		
2. Education and Youth		
3. Transport		
4. Social Protection		
5. Housing		



**Top Tip: When dealing with government expenditure in different departments, do not just write "pay workers". Be specific, for example: "Paying nurses in hospitals" or "Funding Irish athletes to train for the Olympics". Similarly for social welfare payments, be specific and write "Jobseeker's Allowance".**



Q9



(a) Using the information from the pie chart above calculate the total government expenditure for the government using the table below:

Total Government Expenditure	
	€ Billions
<b>Expenditure</b>	
Health	
Social Protection	
Education	
Transport	
Justice	
Debt Servicing & EU Payments	
Other	
<b>Total Expenditure:</b>	

(b) What is the largest source of expenditure for the government?

(c) Identify one example of capital expenditure and one example of current expenditure for the Department of Health

<b>Current Expenditure:</b>
<b>Capital Expenditure:</b>

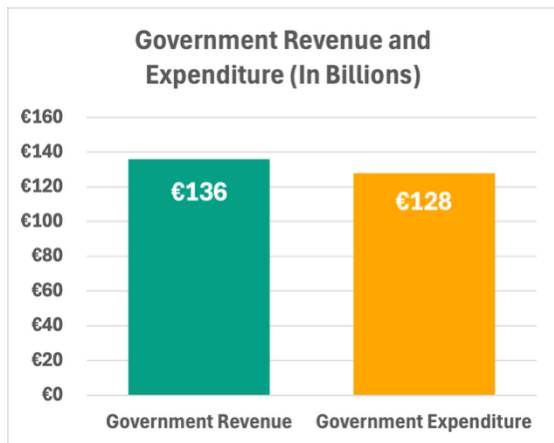


**Surplus, Deficit and Balanced Budgets**

**Q10** Place a ✓ to indicate whether each statement is TRUE or FALSE.

Statement	TRUE	FALSE
A surplus occurs when government revenue is greater than government expenditure		
The government would need to increase borrowing when they have a budget surplus		
A deficit occurs when government revenue is greater than government expenditure		
A balanced budget occurs when government revenue equals expenditure		
The government can use a budget surplus to reduce the national debt.		
If there is a budget deficit, the government may need to borrow money.		

**Q11** Answer the questions based on the graph below

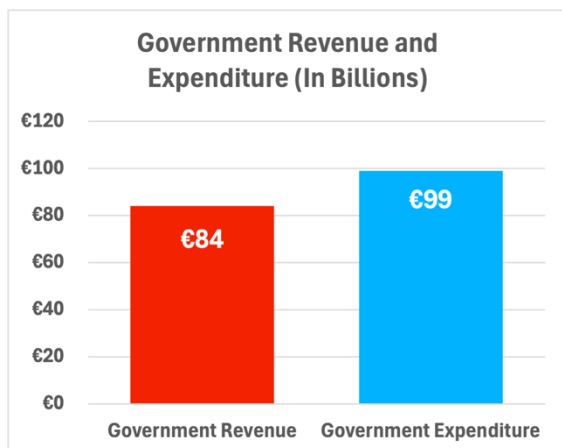


Calculate the government budget for the year, and state whether it is a **deficit** or **surplus**

Workings:

Answer: \_\_\_\_\_ surplus / deficit

**Q12** Answer the questions based on the graph below



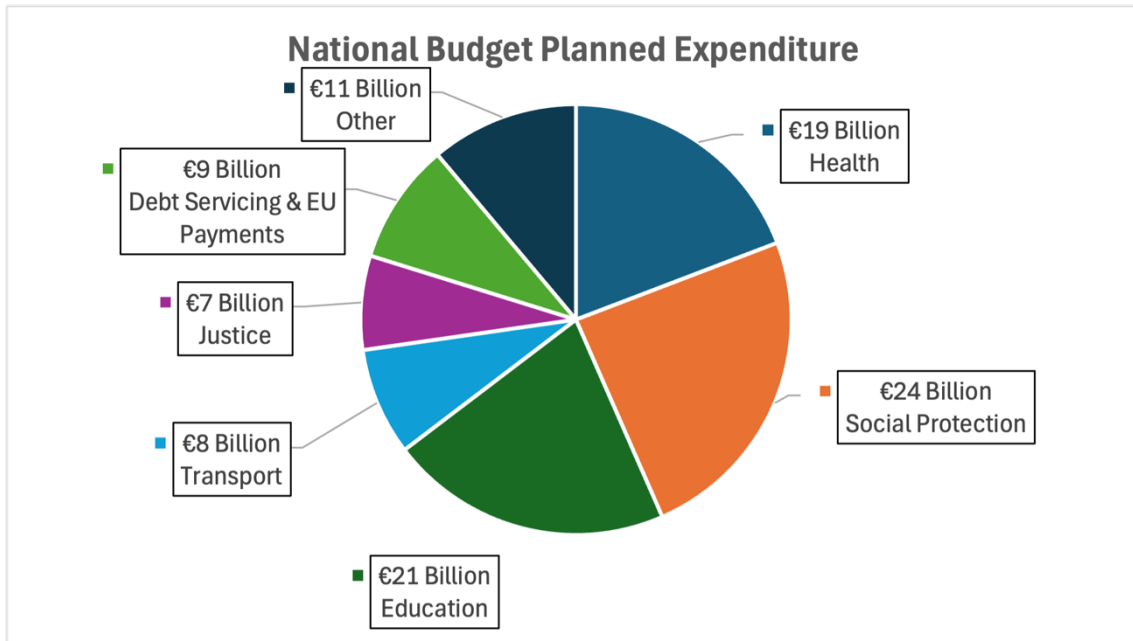
Calculate the government budget for the year, and state whether it is a **deficit** or **surplus**

Workings:

Answer: \_\_\_\_\_ surplus / deficit



Q13



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

National Budget for the year		
	€ Billions	€ Billions
<b>Total Income</b>		<b>121</b>
<b>Expenditure</b>		
Health		
Social Protection		
Education		
Transport		
Justice		
Debt Servicing & EU Payments		
Other		
<b>Total Expenditure</b>		
	<b>Answer:</b>	
Is the government budget for the year a Surplus or Deficit?		



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

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

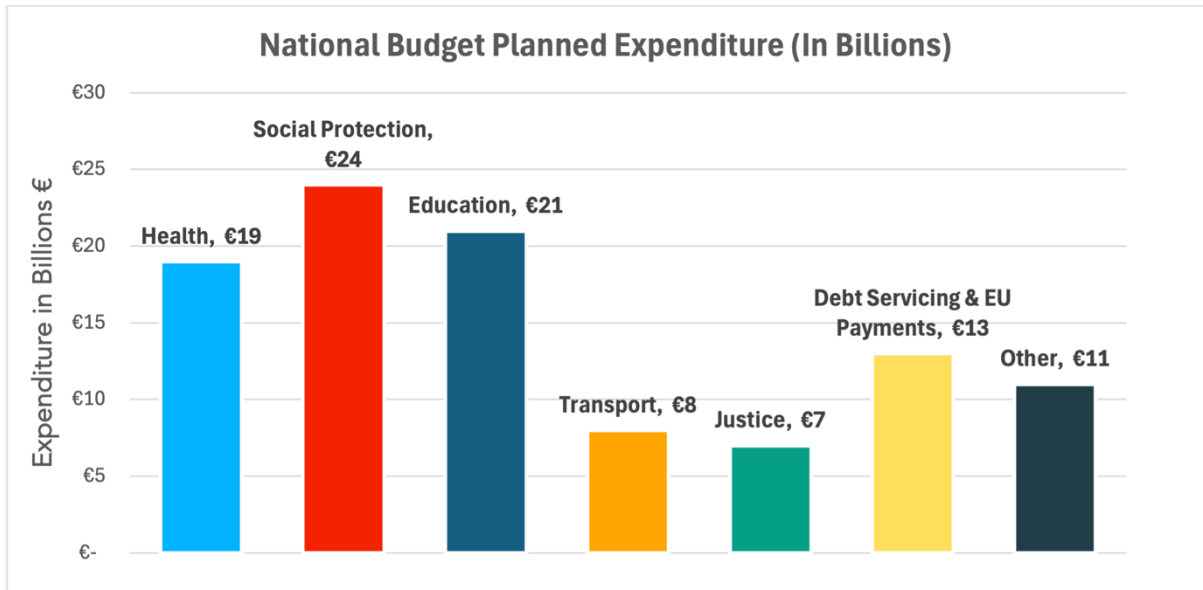
1.
2.

(iv) Identify one example of **capital expenditure** and one example of **current expenditure** for the Department of Education and Youth.

Current Expenditure:
Capital Expenditure:



Q14



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

National Budget for the year		
	€ Billions	€ Billions
<b>Total Income</b>		101
<i>Expenditure</i>		
<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.

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

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(iv) In the event of a **deficit in the National Budget**, advise the Minister for Finance on two possible ways to cover the shortfall of money.

1.
2.

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

Current Expenditure:
Capital Expenditure:

