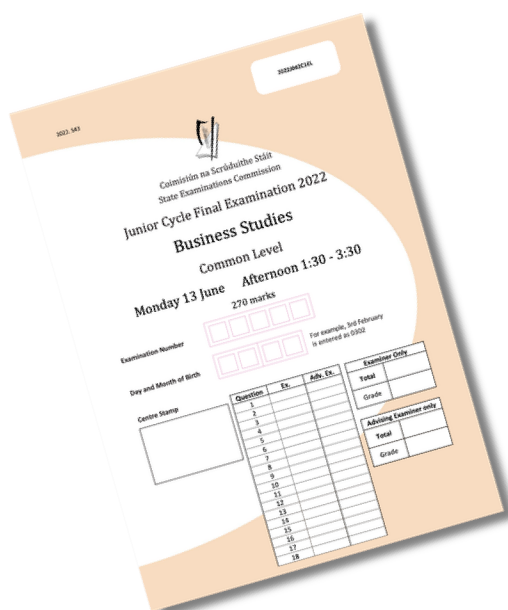


JC BUSINESS

HUB

JC PAST PAPERS WITH SOLUTIONS



Learning Outcome 3.9

3.4 Explain the relevance of economic indicators such as inflation, employment rates, interest rates, economic growth, national income and national debt for individuals and the economy

Summary of Qs asked 2019-2025 on Learning Outcome 3.9

2019 Sample Paper Q2	(a) Use a graph to find the highest inflation value (b) One impact of high inflation on consumer	Identifying a value from a graph, impact of indicator	-
2019 Q18 (c)	(i) Use a graph to indicate good or bad trend (ii) One impact of unemployment trend on individual and economy	Identifying trend from a graph, impact of indicator	12m
2022 Q7	(i) Definition 'interest' (ii) Impact of low interest on borrowing	Definition, impact of indicator	6m
2022 Q14	Use a graph to identify trends	Identifying trends from a graph	6m
2023 Q18 (a)	(i) Use a graph to find the highest inflation value (ii) State how inflation is measured (CPI) (iii) One impact of high inflation on individual and business	Identifying a value from a graph, definition, impact of indicator	12m
2024 Q5	Two benefits/positive impacts of higher employment on the economy	Impact of indicator	6m
2025 Q3	(i) Identify data/trend from an infographic (ii) One benefit/positive impact of higher employment on the economy	Identifying trends from an infographic, impact of indicator	6m
2025 Paper Q16 (c) (iii)	Impact of a rise in interest rates on savings and borrowing	Impact of indicator	6m
2025 Q18 (i) (ii)	(i) Use a graph to find the highest inflation value (ii) Explain one cause of inflation	Identifying a value from a graph, cause of inflation	8m

Key skills required so far answering the JC Exam:

1. Reading a graph to identify values or trends for economic indicators
2. Explaining the impact of a change in an economic indicator on an individual, business or economy (government)
3. Defining or explaining an indicator, how an indicator is measured, or how it is caused

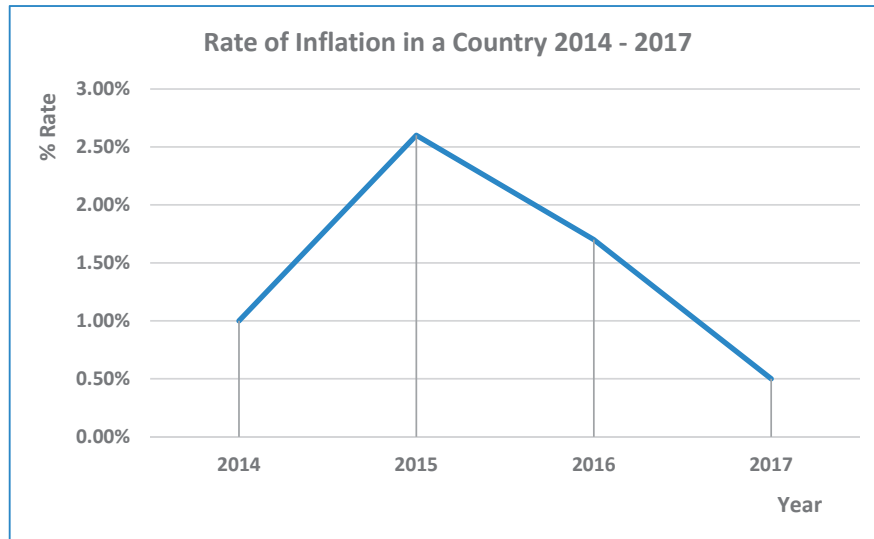
Employment 4, Inflation 3, Interest Rates 2, Economic Growth 1



2019 Sample Paper Q2

Question 2

The rate of inflation in a country over four years is shown in the graph below.



Using the above information answer the following questions.

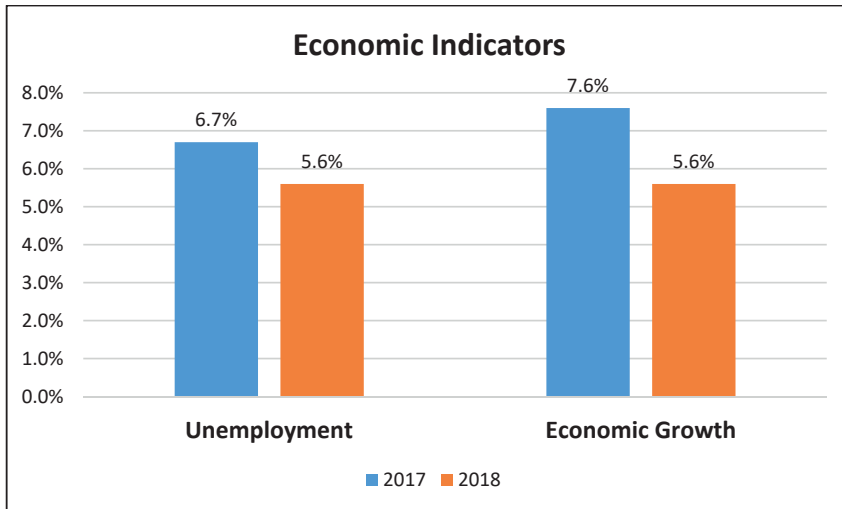
- (a) Which year has the highest rate of inflation?

- (b) State **one** way in which a large increase in the rate of inflation may affect consumers in an economy.



2019 Paper Q18 (c)

(c) Given that Mary’s husband John is unemployed, she is interested in finding out how the economy is doing. On the graph below, the economic indicators for unemployment and economic growth are shown for Ireland for 2017 and 2018.



(i) Indicate in each case whether the change in the indicators is a good or bad trend for the Irish Economy. Tick (✓) the correct box below.

Economic Indicator	Good Trend	Bad Trend
Unemployment		
Economic growth		

(ii) Explain the impact of the above trend in **unemployment** on individuals like John and on the economy.

Impact on individuals:
Impact on the economy:



2022 Paper Q7

Question 7

When interest rates are high, it encourages saving and when interest rates are low, it encourages borrowing.



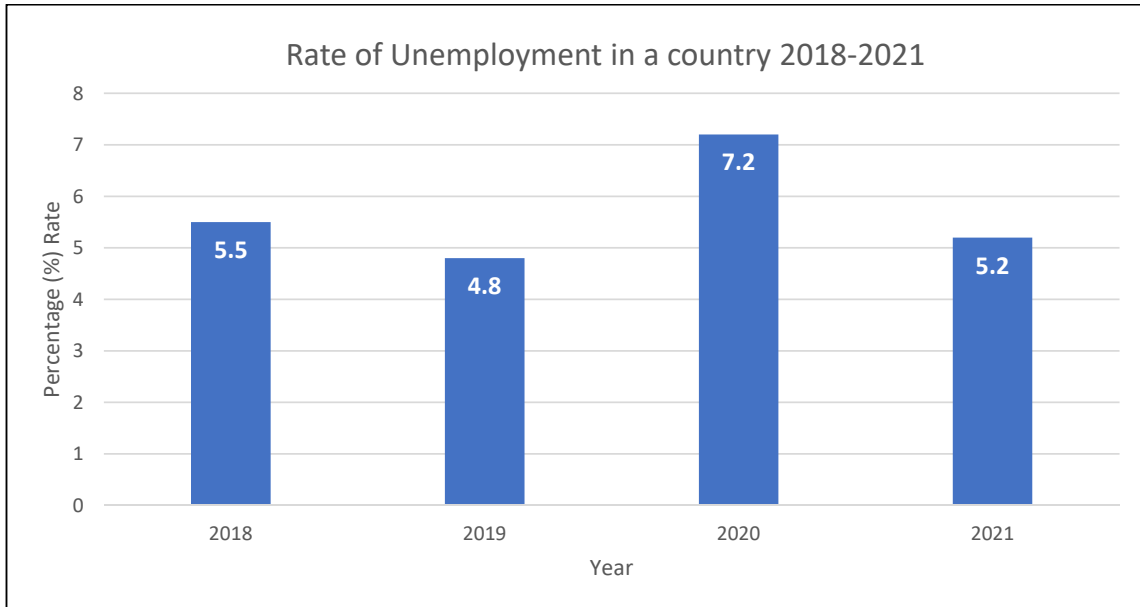
(i) What is interest?

(ii) Outline **one** reason why low interest rates encourage borrowing.



2022 Paper Q14

Question 14



Based on the graph above indicate whether the following statements are true or false.

Tick (✓) the correct box.

Statement	True	False
The unemployment rate was closest to full employment in 2019.		
The unemployment rate decreased in 2020 from the previous year.		
There was a positive trend in the unemployment rate for 2021 when compared with the previous year.		

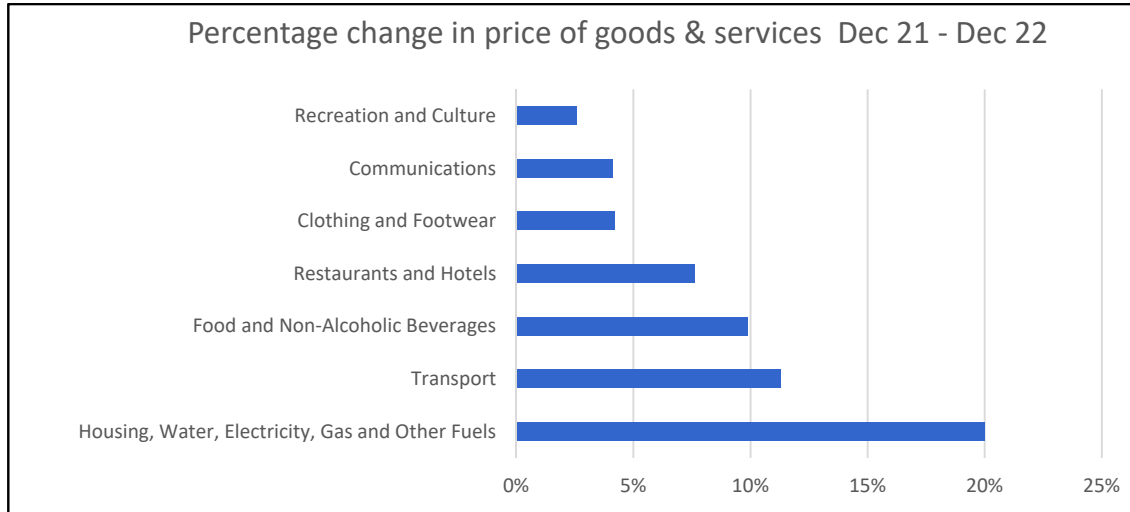


2023 Paper Q18 (a)

Question 18

The Central Statistics Office (CSO) conducts inflation measurement in Ireland.

(a) Using the information given below answer the questions that follow.



adapted from cso.ie

(i) Identify which category of goods and services shows the largest increase in price.

(ii) State the official measure of inflation in Ireland.

C _____	P _____	I _____
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(iii) Explain one impact a rising level of inflation can have on an individual and a business in your local area.

An individual:
A business in your local area:



2024 Paper Q5

Question 5

The number of people at work in the Irish economy increased by 4.1% in Q1 2023 (the first quarter of 2023).

Adapted from www.cso.ie

Outline **two** benefits for the Irish economy of this increase in the number of people at work.



1.
2.



2025 Paper Q13

Question 3

The Labour Force Survey graphic below, from the Central Statistics Office, shows the employment and unemployment figures for Quarter 1 2022 and Quarter 1 2023.



CSO Labour Force Survey Q1 2023

(i) What does the info graphic show about the change in employment in Ireland from Quarter 1 2022 to Quarter 1 2023?

(ii) Outline **one** benefit to the economy of the change in employment.

2025 Paper Q16 (c) (iii)

(iii) The European Central Bank (ECB) interest rates rose to a 22 year high in 2022.

Describe **one** impact that a rise in interest rates could have on each of the following:

Savings:
Borrowing:



2025 Paper Q16 (c) (iii)

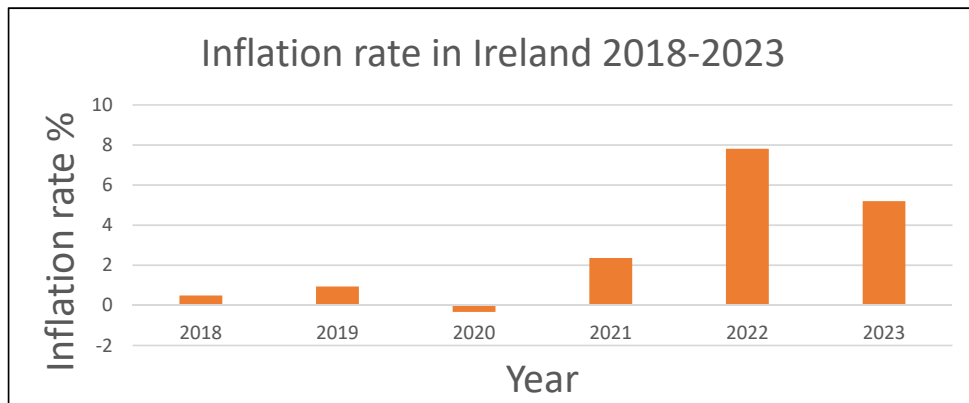
(iii) The European Central Bank (ECB) interest rates rose to a 22 year high in 2022.

Describe **one** impact that a rise in interest rates could have on each of the following:

Savings:
Borrowing:

2025 Paper Q18 (c) (i) & (ii)

(c)



Adapted from *cso.ie*

(i) Using the information in the bar chart above, what year had the highest inflation rate?

Year:

(ii) Explain **one** cause of inflation.



2019 Sample Paper Q2

- (a) 2015 (inflation rate of 2.5%)
- (b) Inflation would reduce a consumer’s disposable income/purchasing power so they would not be able to buy as many goods or services as before / reducing their standard of living due to higher prices.

Be sure to show the cause and effect – reduced purchasing power as prices are higher -> lower standard of living

2019 Paper Q18 (c)

- (c) (i) Indicate in each case whether the change in the indicators is a good or bad trend for the Irish Economy. Tick (✓) the correct box below.

Economic Indicator	Good Trend	Bad Trend
Unemployment	✓ 4m	
Economic growth		✓ 4m

- (ii) Explain the impact of the trend in **unemployment** on individuals like John and on the economy.

Impact on individuals: 1 @ 2m
Earning a regular income will help individuals like John to pay bills.
There will be more disposable income helping individuals like John to buy luxury goods.
It will be easier for individuals like John to find a job which will improve their standard of living.
Impact on the economy: 1 @ 2m
There will be an Increase in tax revenue for the government
The Irish Government will need to spend less on social welfare payments for the unemployed.
It could provide more funds for an increase in capital spending by the government.

Show the impact and effect of it on the individual and economy.

Higher house prices = 1mark

Incomes increase as more people are in work, leading to higher house prices, as more people can afford to buy a house = 2 marks

Increased capital spending = 1mark

Increased capital spending e.g. the government can use higher revenue to build new roads or hospitals = 2 marks



2022 Paper Q7

Question 7

When interest rates are high, it encourages saving and when interest rates are low, it encourages borrowing.



(i) What is interest?

Saving: Interest is the reward given by a financial institution for saving money with them.

Borrowing: Interest is the [financial] cost (fee) of borrowing money.

Interest is generally expressed as a percentage, such as an annual percentage rate (APR).

(ii) Outline **one** reason why low interest rates encourage borrowing.

When interest rates are low it means the cost of borrowing is low. Individuals and businesses will be more likely to borrow money because they will not have to pay back as much money when interest rates are low i.e., lower repayments.

(i) Either saving or borrowing explanation is fine, both not needed

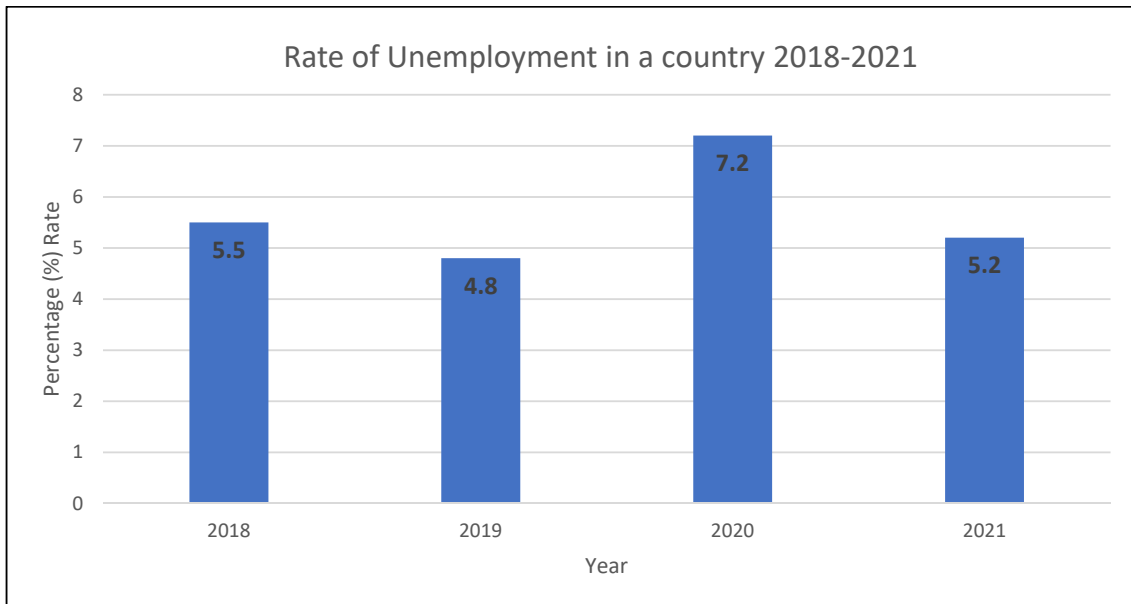
(ii) 2 prong answer required –

Lower interest rates mean lower loan repayment costs, so consumers can increase borrowing as repayments are more affordable = 3 mark



2022 Paper Q14

Question 14



Based on the graph above indicate whether the following statements are true or false.

Tick (✓) the correct box.

Statement	True	False
The unemployment rate was closest to full employment in 2019.	✓	
The unemployment rate decreased in 2020 from the previous year.		✓
There was a positive trend in the unemployment rate for 2021 when compared with the previous year.	✓	

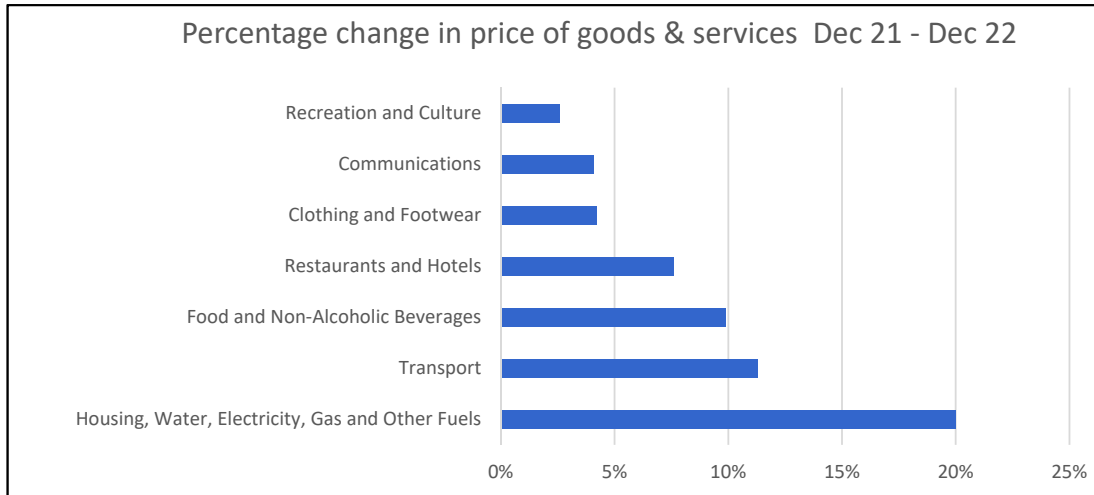


2023 Paper Q18 (a)

Question 18

The Central Statistics Office (CSO) conducts inflation measurement in Ireland.

(a) Using the information given below answer the questions that follow.



adapted from cso.ie

(i) Identify which category of goods and services shows the largest increase in price. (5m)

Housing, Water, Electricity, Gas and Other Fuels

(ii) State the official measure of inflation in Ireland. (3 x 1m)

Consumer	Price	Index
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(iii) Explain one impact a rising level of inflation can have on an individual and a business in your local area. (4m)

An individual:
It reduces an individual's spending power/ less disposable income/ struggle to pay bills/
Increased cost of living which would reduce a person's standard of living/
It can make changes to an individual's budget/Increase personal stress/ affect wellbeing.
A business in your local area
Prices may have to be raised on goods and services/It may lead to a business becoming less competitive as prices go up/ It can impact on a business budgets.
Increased costs which result in businesses having to increase their prices e.g. A local bus company faced with higher fuel costs will have to increase consumer fares/
Uncertainty, volatility leads to lower capital investment.

Explain -> one/two word answers won't get full marks
E.g. "stress" for individual or "less profits" for business



2024 Paper Q5

Question 5

The number of people at work in the Irish economy increased by 4.1% in Q1 2023 (the first quarter of 2023).

Outline **two** benefits for the Irish economy of this increase in the number of people at work.

More people at work means that there will be more tax revenue for the government e.g., PAYE, PRSI, USC. This extra revenue can be used to provide better public services, e.g., health and education.

If more people are working, then the government will spend less on social protection payments such as job seeker's allowance. The government has greater spending power for other public services.

More employment leads to more spending on goods and services by consumers, which improves economic growth as businesses will expand and create more jobs/employment.

Decrease in national debt servicing due to increased revenue from taxation or decreased government spending on social protection.

Lower levels of emigration as people do not have to leave Ireland in search of work.

Benefit -> use "higher/lower" or "more/less" or "increased/decreased" to show benefit then explain how the benefit occurs because of increased people in work.



2025 Paper Q3

Question 3

The Labour Force Survey graphic below from the Central Statistics Office shows the employment and unemployment figures for Quarter 1 2022 and Quarter 1 2023.



CSO Labour Force Survey Q1 2023

- (i) What does the info graphic show about the change in employment in Ireland from Quarter 1 2022 to Quarter 1 2023?

Has risen by 4.1%/ Increased from 2,505,800 to 2,608,500/ Increased by 102,700

- (ii) Outline **one** benefit to the economy of the change in employment.

More income tax collected/ PAYE revenue for the Government which the Government then uses this tax on improving/providing public facilities/services.

Less money being paid out on Jobseekers benefit/allowance so Government then uses this tax on improving/providing public facilities/services.

Better quality public services as government have more revenue to spend on them which will benefit local communities and the wellbeing of its citizens.

This could lead to a Budget surplus which the Government could use the surplus on improving/providing public facilities/services.

- (i) Make sure to use a figure from the infographic / data provided
 (ii) Give the benefit, then what the government can do with it (give specific examples here)



2025 Paper Q16 (c) (iii)

(iii) The European Central Bank (ECB) interest rates rose to a 22 year high in 2022.

Describe **one** impact that a rise in interest rates could have on each of the following: **6m**

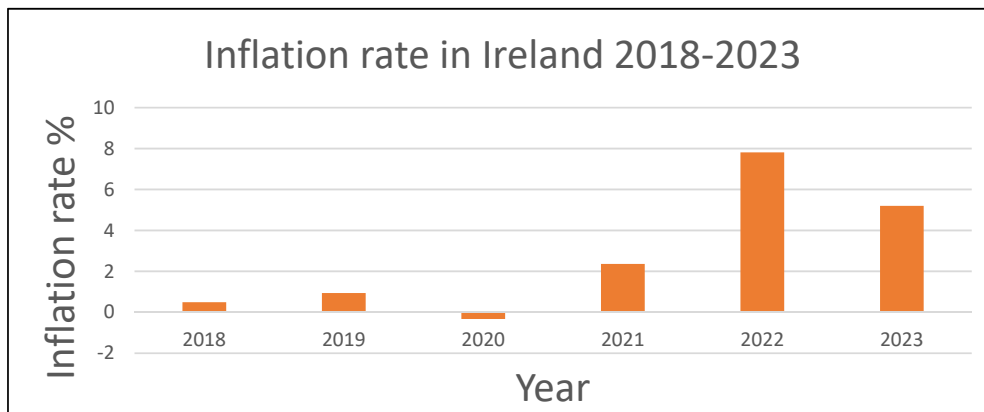
Savings: Increase in savings due to higher return on investment/ Movement of cash from risky investments to saving accounts due to higher return on investment.

Borrowing: Decrease in borrowing as borrowing will cost more to repay.

Show impact, explain why higher interest rates cause it

2025 Paper Q18 (c) (i) & (ii)

(c)



Adapted from *cso.ie*

(i) Using the information in the bar chart above, what year had the highest inflation rate? **5m**

Year: 2022

(ii) Explain **one** cause of inflation. **3m**

Demand exceeds supply / scarcity which increases price of goods and services. (Demand pull inflation).

When there is an increase in cost of production costs, ie wages, energy, the cost increase is likely to be passed onto the consumer. This will lead to an increase in price of goods and services. (Cost push inflation)

An increase in indirect taxes, may increase the price of a product.

