Solution Question 1 - 2023 Q16 (a)(ii)

Martin would like to go on holiday with his friends at the end of the summer. He is also interested in buying a laptop which would be useful when he goes to college in September. His two options are shown below:

Option 1	Option 2
Holiday in Spain €450	Laptop €450

Martin has decided to go ahead and purchase the laptop.

(ii) Identify the financial cost and the opportunity cost of Martin's choice:

Financial Cost: €450 **3m**
Opportunity Cost: Holiday in Spain **3m**

Solution Question 2 - 2019 Q15

(i) Need

(ii) Want

(iii) Need

Solution Question 3 - 2025 Q6

Indicate with a tick (✓) in the table below which sources of income are regular and which are irregular.

Source of Income	Regular	Irregular
Basic Wage	✓	
Child Benefit	✓	
Bonus		✓

Solution Question 4 - 2024 Q14

Tom has €10 to spend. He wants to buy phone credit and a t-shirt, but he does not have enough money to buy both items. He chooses to buy €10 phone credit.

Using the above information identify the financial cost and the opportunity cost for Tom.

Financial Cost: €10
Opportunity Cost: The t-shirt

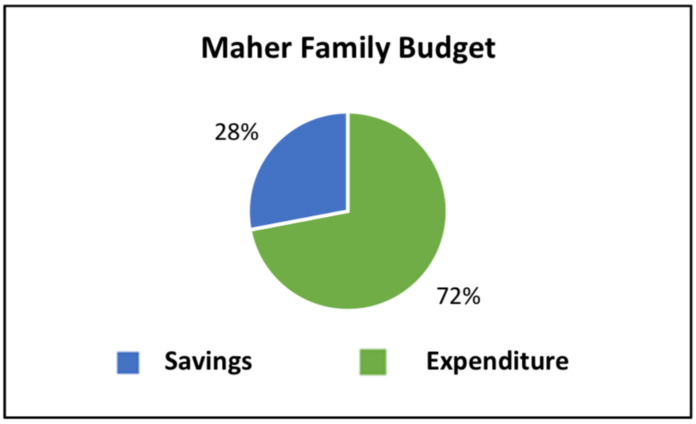
Solution Question 5 - 2024 Q1

Tick (✓) the correct box to show whether **each** of the following is a monetary reward or a benefit in kind for employees:

	Monetary Reward	Benefit in Kind
 Company Car		✓
 Wages	✓	
 Gym Membership		✓

Solution Question 6 - 2023 Q1

The pie chart below shows the expenditure and savings for the Maher family for the month of September.



(i) If total income for the month of September is €5,400 calculate how much money the Maher family save. Write your answer in the space provided.

Answer	Workings
€ 1,512.00	5,400 x .28 = €1,512 **1m 1m 1m**

(ii) List **three** typical sources of household income.

1.Wages/ Salary/ Overtime
2. Jobseekers Benefit/Social Protection Payments
3.Child Benefit
4.Pension
5.Commission

Solution Question 7 - 2022 Q16 (b)(ii)(iii)

(ii) An increase in online shopping could reduce impulse buying.

Explain the **term impulse buying. (3m)**

Impulse buying occurs when consumers buy goods in an unplanned way or 'on the spur
of the moment'. It creates a risk of buying items that are not needed and may turn out
to be wasteful or poor value for money.

(iii) Outline **two** methods businesses use to encourage their customers to impulse buy when shopping in-store. **(2 x 3m)**

Offers- e.g., 3 for 2 offers encourage customers to buy more products than they need.
Discounts and sales- consumers often buy an item because it is discounted regardless of whether they need the item.
Loyalty card and rewards schemes- supermarkets give vouchers for money off when a specified amount of money is spent- to use these vouchers consumers often spend more money than initially planned.
Placing sweet treats/magazine and other small items at the checkout- while queuing up to pay, customers are looking around thus placing products close to the checkout will increase impulse buying.

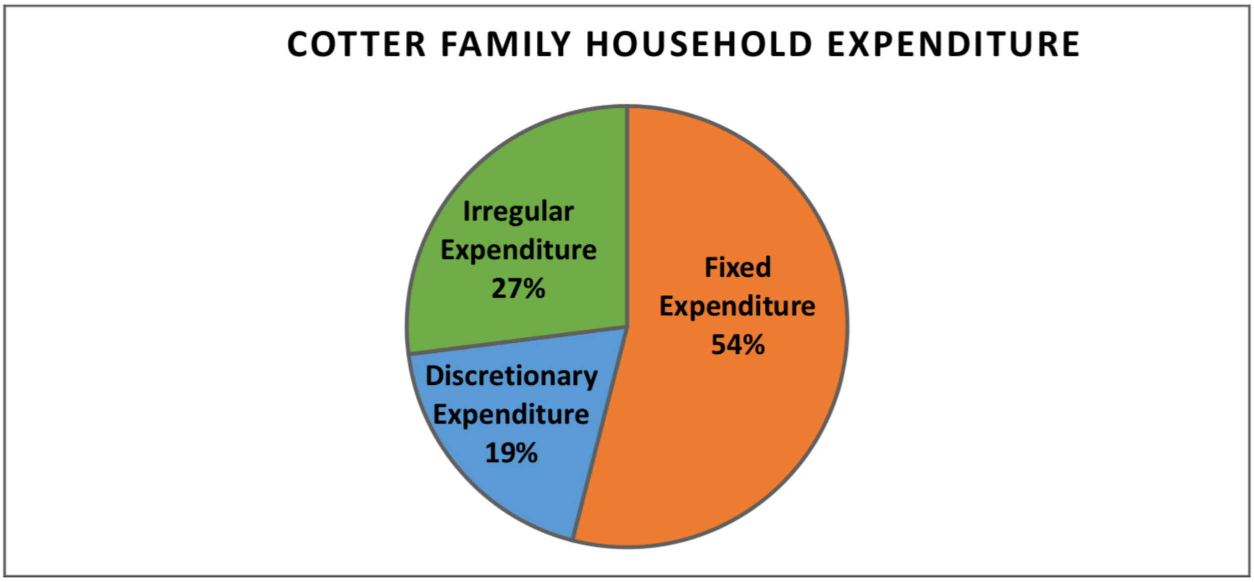
Solution Question 8 - 2019 Q12

A source of income associated with **each** of the following people:

Retired person	Pension
Employed person	Wages/Salary
Unemployed person	Job seekers allowance/dole

Solution Question 9 - 2022 Q1

The pie chart below shows the Cotter family household expenditure.



(i) Which type of expenditure had the highest percentage of total expenditure in the Cotter household?

Fixed Expenditure

(ii) Give an example of each type of expenditure below.

Fixed expenditure: Mortgage/loan repayments, rent, property tax, car tax, TV licence, insurance [premiums], standing order payments.
Irregular expenditure: Groceries, clothing, motor fuel, light and heat/electricity bill, telephone bill, repairs, education costs, car servicing.
Discretionary expenditure: Entertainment, holidays, gifts, TV subscriptions, restaurant bills, upgrades to expensive household electronics, takeaway meals, movie channels.

Solution Question 10 - 2025 Q16 (a)(ii)

(ii) There are a number of stages in a personal financial life cycle.
Each stage has different wants which are funded by different sources of income.
Give an example for each of the following statements. **6m**

Statement	**Example**
A want for a dependent/reliant person:	Sweets, toys, holidays
Source of income for a retired person:	Pension, interest on saving, rental income

Solution Question 11 - 2025 Q16 (b)(i)(ii)(iii)

(b) A budget is an essential part of running any family household. **6m**

(i) Outline **two** reasons why family households should prepare a budget.

To plan their future expenditure to ensure they live within their means.
To support an application for a loan or a bank overdraft so the family can get the finance when needed most.
To estimate their closing cash balance at the end of each month so that adjustments can be made where necessary, ensure your spending your money wisely.
To forecast their future income so they are in control of their money/stay prepared for emergencies.

(ii) The Evans Family have prepared their household budget for January to April.
Fill in the blank boxes in the table below to complete the Evans Family Budget. **16m**

Evans Family Budget	January	February	March	April	Total
	€	€	€	€	€
Income (A)	5,200	5,200	5,650	5,200	21,250 **1m**
Expenditure (B)	3,800	3,450	4,100	5,420	16,770 **1m**
Net Cash (A-B)	1,400 **1m**	1,750 **1m**	1,550 **1m**	(220) **1m**	4,480 **1m O.F**
Opening Cash	**600**	2,000 **1m O.F**	3,750 **1m O.F**	5,300 **1m O.F**	600 **1m**
Closing Cash	2,000 **1m O.F**	3,750 **1m O.F**	5,300 **1m O.F**	5,080 **1m O.F**	5,080 **1m O.F**

Workings if required:

(iii) Based on their budget, can the Evan's family afford to save €500 per month? **3m**
Indicate by placing a tick (✓) in the correct box.

Yes ✓ No ☐

Give a reason for your answer.

Reason: €500 over 4 months is €2,000, they can comfortably afford to save €500 per month. They have closing balance in net cash of €4,480.

Solution Question 12 - 2024 Q18 (a)

(a) Mary Fahey has recently completed her Leaving Certificate and has accepted a place studying Business at third level. She has €500 in opening cash on 1 October. She has provided the following information:

- Mary plans to spend €200 a month on groceries and food.
- Bills for electricity will amount to €30 in October, €50 in November and €55 in December.
- Mary's mobile phone contract costs €45 per month.
- Mary plans to spend €80 a month on entertainment. She will spend an additional €70 in December.

Using the information provided, complete Mary's budget.
Mary's total income and fixed expenditure has been completed for you. **(32 m)**

Mary's Budget	October	November	December	Total
Planned Income				
Mary – wages	480	480	580	1,540
SUSI grant	340	340	340	1,020
Monthly allowance	200	200	200	600
Total Income (A)	**1,020**	**1,020**	**1,120**	**3,160**
Planned Expenditure				
Fixed Expenditure				
Rent	650	650	650	1,950
Subtotal	650	650	650	1,950
Irregular Expenditure				
Groceries and food	200 **1m**	200 **1m**	200 **1m**	600 **1m**
Electricity	30 **1m**	50 **1m**	55 **1m**	135 **1m**
Mobile Phone	45 **1m**	45 **1m**	45 **1m**	135 **1m**
Subtotal	275	295	300	870
Discretionary Expenditure				
Entertainment	80 **1m**	80 **1m**	150 **1m**	310 **1m**
Subtotal	80	80	150	310
Total Expenditure (B)	1,005 **1m OF**	1,025 **1m OF**	1,100 **1m OF**	3,130 **1m OF**
Net cash (A – B)	15 **1m O.F**	(5) **1m O.F**	20 **1m O.F**	30 **1m O.F**
Opening cash	500 **1m**	515 **1m O.F**	510 **1m O.F**	500 **1m**
Closing cash	515 **1m O.F**	510 **1m O.F**	530 **1m O.F**	530 **1m O.F**

Solution Question 13 - 2022 Q13

Complete the following extract from the Dolan household budget for three months.

Months	July	August	September	Total
Net cash	150	(300)	(150)	(300)
Opening cash	210	360	**60 (1m)**	210
Closing cash	**360 (3m)**	60	**(90) (1m)**	**(90) (1m)**
Workings				

Solution Question 14 - 2019 Q1

(i) €500 deficit

(ii)

- Decrease expenditure: Joan could cut her discretionary expenditure e.g. holidays
- Increase income: Joan could do some overtime to manage her income better
- Shop around for the best deal e.g. switch.ie.