



Solution Question 1 - 2025 Q16 (c)(i)

Question 16

(a) David and Linda Evans live in Tralee, Co. Kerry with their three children. David Evans is a teacher, while Linda is a paramedic. They want to save for their children's future education.



(c) (i) List **three** taxes that the Evans family may have to pay. **9m**

Income tax/PAYE.
USC, Motor Tax, DIRT, VAT, Excise Duties, Customs Duties, LPT, Carbon tax, Sugar tax.

Solution Question 2 - 2025 Q13

A sales assistant earns €14 per hour and double time if they work Saturday or Sunday. Calculate their Gross Pay this week if they worked 12 hours during the week and 7 hours at the weekend.

Workings:	
Weekday 12 hours X €14 =	168 2m
Weekend 7 hours X €28 =	196 2m
= Gross Pay	=€364
Answer: €1m 364 1m O.F.	

Solution Question 3 - 2024 Q12

David Byrne's monthly wage is €3,000. He pays PAYE at the rate of 20% and has a monthly tax credit of €295.

Calculate David's monthly net pay by filling in the **five** unshaded areas, numbered (i) to (v), in the table below.

	€	€	Workings
Gross Pay		(i) 3,000 1m	
PAYE @ 20%	(ii) 600 1m		
Less Tax Credit	(iii) 295 1m		
Tax payable		(iv) 305 1m OF	
Net Pay		(v) 2,695 2m OF	



**Solution Question 4 - 2023 Q16 (b)(i)****(b)** Martin has been working in his local supermarket. **(9m)**

You have been given the following information regarding his wages:

Basic working week:	39 hours	Hours worked:	45 hours
PAYE:	20%	Hourly rate of pay:	€10
PRSI:	4%	Overtime rate:	Time and a half
USC:	2%	Weekly Tax Credit:	€34

(i) Using the above information complete Martin's wage slip below.

Name	Martin Ryan	Week No	16
PPSN	2284381GA	Date	26 Apr 2023
Basic	€ 390 1m	PAYE	€ 62.00 2m O.F
Overtime	€ 90 1m	PRSI	€ 19.20 1m O.F
		USC	€ 9.60 1m O.F
Gross Pay	€ 480 1m O.F	Total Deductions	€ 90.80 1m O.F
Net Pay			€ 389.20 1m O.F

Workings:			
Basic and Overtime	PAYE and Tax Credit	PRSI	USC
$39 \times €10 = €390$ $6 \times €15 = €90$ $€390 + €90 = €480$ O.F	$€480 \times .20 = €96$ O.F $€96 - €34 = €62$ O.F	$€480 \times .04 = €19.20$ O.F	$€480 \times .02 = €9.60$ O.F





Solution Question 5 - 2022 Q18 (b)(i)(ii)

- (b) Kevin started a new job as a trainee accountant. His salary is €32,000 per annum. He gets paid via Paypath, once a month directly into his current bank account.

- (i) Indicate which of the following statements are true or false by placing a tick (✓) in the correct box. **(6m)**

Statement	True	False
A salary is a fixed amount of money received by an employee	✓	
The more hours an employee works, the more wages they receive	✓	

- (ii) Outline **two** advantages of Paypath for Kevin. **(2 x 3m)**

It is safer than cash or cheque as the money is guaranteed to go straight into Kevin's account with no risk of losing the cash or cheque.
Convenient- Kevin can look online or at an ATM to get his banking information, he doesn't have to go to the bank to lodge his earnings.
It is dependable/fast- Kevin's pay will come into his account at a specified date and time- he will be able to set up payments out of his account without worrying that his salary has not gone into his account to cover these payments.
Environmentally friendly- there is no paper involved in Paypath payments which reduces his carbon footprint.

Solution Question 6 - 2019 Q18 (b)

- (b) Using the details provided, complete Mary's payslip for 31/05/2019.

Payslip			
Employee Name:	Mary Brennan	Date:	31/05/2019 [2m]
Earnings		Deductions	
Basic Wage	€7,000 [1m]	PAYE	€2,765 O.F [4m]
Overtime	€600 [1m]	PRSI	€304 O.F [2m]
		USC	€418 O.F [2m]
Gross Pay	€7,600 [2m]	Total Deductions	€3,487 O.F [2m]
Net Pay		€4,113 O.F [2m]	

PAYE workings box: $7,600 \times 40\% [1m] = 3,040 [1m] - 275 [1m] \text{ tax credit}$
PRSI workings box: $€7,600 \times 4\% [1m]$
USC workings box: $€7,600 \times 5.5\% [1m]$



Solution Question 7 - 2025 Q16 (a)(i)

Question 16

- (a) David and Linda Evans live in Tralee, Co. Kerry with their three children. David Evans is a teacher, while Linda is a paramedic. They want to save for their children's future education.
- (i) Recommend **two different types** of Financial Institution where David and Linda could save their money.
Give a **different** reason for each recommendation. **8m**



Two Financial Institutions: Post Office, Credit Union, Building Society, Commercial Bank, Revolut.

Reason: Safe because it is State guaranteed. Earns interest as amount increases every year. Easy to withdraw/convenient as customers have online access/ in local community. Build up a reputation with the institution to get loans in the future.



Solution Question 8 - 2024 Q18 (b)(i)(ii)(iii)(iv)

- (b) Mary is thinking of purchasing a car to make her commute to college easier. She is considering taking out a loan of €5,000 to purchase a car. She has completed some online research and found the following repayment options available at her local Credit Union.

North Midlands Credit Union

Loan Calculator

Select Loan Purpose:
Car Loan 7.9%

I'd like to borrow:
5,000

Loan term (months):
36

APR 8.2%

Repayment Summary*:

Weekly €36.02	Total €5,619.66 Interest €619.66
Fortnightly €72.10	Total €5,623.44 Interest €623.44
Monthly €156.45	Total €5,632.25 Interest €632.25

*Terms & Conditions Apply. All figures given on this website are for your general information only, and give a rough guide to loan repayments. Any statements on this website do not purport to be authoritative or legally binding. You are advised to check with our offices for up-to-date rates and offers.

Enquire Here Apply Now

<https://www.northmidlandscu.ie/loans/personal-loan>

- (i) If Mary took out the loan in October and chose the **monthly** repayment option shown above, what would the total repayment be in one year? (3 m)

Answer	Workings
€ 1,877.40	$156.45 \text{ 1m} \times 12 \text{ 1m} = €1,877.40$

- (ii) What effect would the monthly loan repayment have on her net cash figure in October? (3 m)

Effect:
Mary's net cash will decrease. It will change from being a surplus of €15 to a deficit of €141.45 when the car loan is included.

- (iii) In addition to the loan repayment, outline **two** other expenses of running a car. (6m)

Insurance, which is required by law.
Motor tax, which is required by law/ helps the Government pay for road maintenance on some public roads.
NCT, which is required by law/ helps the Government subsidise agencies like the Road Safety Authority (RSA).
She will need to make sure that she has enough money to cover the cost of fuel such as diesel/petrol.
Regular servicing as the car may need maintenance and repairs.

- (iv) Would you recommend that Mary purchase a car? Give a reason for your answer. (4m)

Recommendation: No / I would not recommend Mary purchase the car.
Reason: Mary does not have sufficient income to afford a monthly loan repayment of €156.45 as well as the other costs associated with running a car. This loan will place too much financial pressure on Mary.
Recommendation: Yes / I would recommend Mary purchase the car.
Reason: It will make her commute to college easier, because she doesn't have to take public transport.



Solution Question 9 - 2024 Q9

Katie Sexton has savings in a deposit account for her upcoming wedding. She has earned €200 interest on these savings which is liable for DIRT at a rate of 33%.

(i) DIRT stands for:

Deposit <u>Interest</u> <u>Retention</u> <u>Taxation</u>
--

(ii) Calculate how much DIRT she will pay to the Government on her interest. Show your answer in the space provided.

Answer	Workings
€ 66	$200 \text{ 1m} \times 33\% \text{ 1m} = €66 \text{ 1m}$

Solution Question 10 - 2023 Q15

Mary would like to buy a smart TV. The TV she wants to purchase is priced at €1,000. She has seen the following information on www.ccpc.ie.



Bank Loan
Personal Loan €1,000
Repayments 12 months @ €87.24

Mary has decided to get the loan from the bank.

Calculate the interest and the total cost of the TV for Mary using the information provided above.

How much will Mary pay for the television in total?	€ 1,046.88 3m
How much interest will Mary pay?	€ 46.88 3m O.F.

Workings:

$12 \times 87.24 = 1,046.88$ and $1,046.88 - 1,000 = 46.88$
1m 1m= 1m 1m 1m 1m 1m O.F





Solution Question 11 - 2022 Q18 (c)(i)(ii)(iii)

(c) Now that Kevin has a steady income, he has decided to start saving.

(i) List **three** reasons for saving. (3m)

• For future planned expenditure or example.
• For emergencies/unplanned events or example.
• For major family events or example.
• For retirement.
• To improve your credit rating.
• To earn interest.

(ii) Interest earned from savings is subject to DIRT. What does DIRT stand for? (4m)

Deposit	Interest	Retention	Tax
---------	----------	-----------	-----

(iii) Kevin plans to save €8,000 this year. He researches two different options of places to save and found the following information.

An Post



Savings rate 3%
No DIRT

Commercial Bank



Savings rate 4%
DIRT 33%

Using the information above, calculate; the interest he will receive for each option **and** calculate the total value of Kevin's savings after one year. (8m)

An Post	Bank
Workings: $€8,000 \times 3\% \times 1 \text{ year} = €240 \text{ interest}$ Total $€8,000 + €240 = €8,240$ OF	Workings: $€8,000 \times 4\% \times 1 \text{ year} = €320 \text{ interest}$ $\text{DIRT } 33\% \times €320 = €105.60$ OF $\text{Interest} - \text{DIRT} = €320 - €105.60 = €214.40$ OF Total $= €8,000 + €214.4 = €8,214.40$ OF
Interest received: €240 Total savings: €8,240	Interest Received: €214.40 Total savings: €8,214.40





Solution Question 12 - 2019 Q3

Purchases	Source of Finance
House	Mortgage/Long term loan
Car	Hire Purchase/Medium term loan
Groceries	Credit card/Bank overdraft

Solution Question 13 - 2022 Q7

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.

