



Question 1 - 2019 Q17 (b) (ii)

Marks: 9

- (ii) Food2Go Ltd pays VAT at the new rate of 13.5% following the increase in VAT rates announced in Budget 2019 for the hospitality sector. Complete the blanks below:

VAT stands for V _____ A _____ T _____
VAT is charged on _____ and _____
VAT is a source of income for _____

Question 2 - 2019 Q17 (b) (iii)

Marks: 7

- (iii) Food2Go Ltd also pays corporation tax (a tax on company profits). Ireland has a low rate of corporation tax at 12.5%.

Explain **one** benefit to Ireland of having a low corporation tax rate.



Question 3 - 2022 Q11

Marks: 6



Carbon Tax has increased from €33.50 to €41.00 per tonne. The government expect this increase to raise an additional €108 million in revenue for 2022.

- (i) What is the social benefit to Irish people of an increase in carbon tax?

- (ii) Identify who will be negatively affected by this increase in carbon tax.

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Question 4 - 2022 Q16 (c)(iv)

Marks: 2

- (iv) When demand for a product remains high despite limited supply, consumers often turn to the black market, also known as the shadow economy.

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

Statement	True	False
Participation in the black market is illegal		
The black market is beneficial for businesses in Ireland		





Question 5 - 2024 Q2

Marks: 6

The Irish Government has committed to increasing carbon tax year-on-year until it reaches €100 per tonne in 2030.

Adapted from www.esri.ie

Outline how taxes, such as carbon tax, affect each of the following:

Consumers:
Environment:

Question 6 - 2025 Q2

Marks: 6

In 2022, there was an increase of €32m raised through sugar tax in Ireland.

Indicate whether the sugar tax is a direct tax or an indirect tax, by placing a tick (✓) in the correct box below.

Direct Tax

☐

Indirect Tax

☐

Give a reason for your answer.

Reason:





VAT cut for hospitality industry from next July

RTÉ

Outline **two** ways a reduction in the rate of Value Added Tax (VAT) would affect a consumer.

1.
2.





Solution Question 1 - 2019 Q17 (b) (ii)

- (ii) Complete the blanks below:

VAT stands for Value Added Tax [3m]
VAT is charged on goods [2m] and services [2m]
VAT is a source of income for government [2m]

Solution Question 2 - 2019 Q17 (b) (iii)

- (iii) Explain **one** benefit to Ireland of having a low corporation tax rate.

It attracts foreign transnationals (FDI) to set up in Ireland. These companies provide employment opportunities for Irish workers/this will increase tax revenue for the Irish Government.

7m

Solution Question 3 - 2022 Q11



Carbon Tax has increased from €33.50 to €41.00 per tonne. The government expect this increase to raise an additional €108 million in revenue for 2022.

- (i) What is the social benefit to Irish people of an increase in carbon tax?

A carbon tax is a penalty on all fuel that emits Co ₂ when burned. Increasing the carbon tax will force people to use alternative more sustainable energy sources e.g. electric cars. This will mean less pollutants in the air and improve the air quality for the Irish people.
Revenue collected by government can be used to improve social benefit of Irish people i.e., create recreational facilities.
People are more likely to walk or cycle which will improve their health and wellbeing.

- (ii) Identify who will be negatively affected by this increase in carbon tax.

Anyone who uses fuels that emit Co ₂ when burned. e.g., using oil, gas, coal or peat to heat your house or business.
Using diesel to drive your car. Farmers in Ireland will also be negatively impacted by this.





Solution Question 4 - 2022 Q16 (c)(iv)

- (iv) When demand for a product remains high despite limited supply, consumers often turn to the black market, also known as the shadow economy.

Indicate which of the following statements are true or false by placing a tick (✓) in the correct box. (2m)

Statement	True	False
Participation in the black market is illegal	✓	
The black market is beneficial for businesses in Ireland		✓

Solution Question 5 - 2024 Q2

The Irish Government has committed to increasing carbon tax year-on-year until it reaches €100 per tonne in 2030.

Adapted from www.esri.ie

Outline how taxes, such as carbon tax, affect each of the following:

Consumers:
Taxes like the carbon tax make goods and services more expensive. This may discourage people from buying these goods and services/encourage them to look for suitable alternatives.
Taxes decrease (disposable) income thereby lower standard of living.
Environment:
Increasing the price of carbon through taxation discourages the use of non-renewable energy sources which helps combat global warming or reduce air pollution/ Discourages the use of fossil fuels which helps to combat climate change. Greenhouse gas emissions are reduced as households and businesses switch to green energy options.
If taxes like your PAYE were increased, you have less income, which may lead to consumers choosing the cheaper option of close substitutes, which may not be as environmentally friendly.

Solution Question 6 - 2025 Q2

In 2022, there was an increase of €32m raised through sugar tax in Ireland.

Indicate whether the sugar tax is a direct tax or an indirect tax, by placing a tick (✓) in the correct box below.

Direct Tax

☐

Indirect Tax

☒

Give a reason for your answer.

Reason: Indirect tax is a tax on spending/indirect tax is levied on goods and is included in the price paid by consumers. The seller then collects and sends to the Irish Government.

