# Chapter 6
# Sample Paper
# Suggested Solutions
# Back In Business

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6.1 Identify examples of innovation, intrapreneurship, and entrepreneurship in their local community, nationally and internationally, and explain the importance of innovation for business, the economy and society.

## OL Paper 2 Q5 (a)

**(a)**

PlayStation

Ken Kutaragi, an engineer in Sony, initially met resistance within the company for his idea to create a gaming console to rival Nintendo and Sega.
He eventually convinced Sony to fund the project and Sony PlayStation saw instant success when it launched in 1994.

Indicate your answer by placing a tick (✓) in the correct box.

The above text is an example of:

| | |
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| Entrepreneurship | ☐ |
| A circular economy | ☐ |
| Intrapreneurship | ☐ |

**Solution**

Intrapreneurship

## 6.2 Identify the competencies of innovators and outline why these are significant when starting a business.

### HL Paper 1 Q2 (a) (i)

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| **Identify** | Recognise patterns, facts, or details; provide an answer from a number of possibilities; recognise and state briefly a distinguishing fact or feature |

**Question 2** **(70 marks)**

Grá Chocolates was founded in Galway by Gráinne Mullins. Handmade in small batches, the exquisite artisan confections blend the finest raw ingredients with native Irish flavours.

**(a)** **(i)** Identify **four** key competencies that innovators such as Gráinne Mullins possess.

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## Solution

For higher level, even with only one line to write an answer, based on the outcome verb saying "…recognise and state briefly a distinguishing fact or feature…" I think it would be good to state and briefly explain rather than list.

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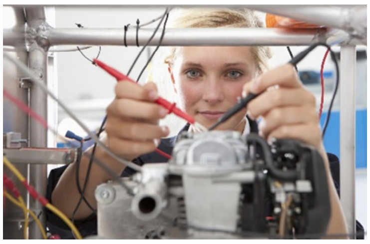
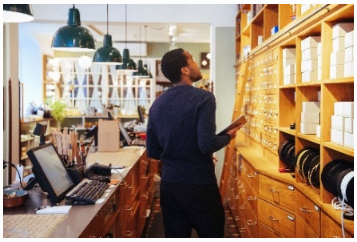
| 1. **Risk Taker** – take financial and personal risks |
| 2. **Creative** – think differently, generate new ideas, think outside the box |
| 3. **Decision-making** – able to analyse data, consult, make good choices under pressure |
| 4. **Proactive** – use initiative to seize opportunities, doesn't wait to respond |
| **Being Realistic** – see things clearly without bias |
| **Resilient** – Determined to overcome failure, keep pushing forward |
| **Human Relations** – build relationships, communicate effectively |
| **Independent –** trust their own judgement, act without needing constant help and direction |
| **Flexible –** adapt quickly to new challenges |
| **Time Management –** prioritise tasks and organise resources efficiently to reach goals |

## OL Paper 2 Q1 (b)

**Question 1** **The Business World** **(90 marks)**

PJ Maher, an electrical contractor, employs six qualified electricians. He has recently expanded his business model. He saw an opportunity to source his own electrical materials for a better price and to also act as a wholesaler to other electricians around the area. This additional business complements his existing electrical contracting business.

PJ has built a state-of-the-art showroom and warehouse on his premises with an impressive display of light fittings and other materials. He is happy for electricians to bring potential customers to the showroom so that they can view the range of products.

PJ has a strong credit-rating, and after much thought, decided to fund this expansion using a combination of retained earnings and a long-term loan. He created a Business Plan that not only helped him secure loan approval but also enabled him to identify potential business challenges. He later used this plan to apply for the Feasibility Study Grant from his Local Enterprise Office but was disappointed to learn that his business did not meet the criteria. However, this setback did not deter him.

PJ decided to lease a van for deliveries. One of his employees, Wojciech, had recently requested to reduce his physical workload and working hours for health reasons. After considering this request, PJ proposed that Wojciech take on the role of driving the van and handling morning deliveries. Wojciech was satisfied with the suggestion and is happy in his new position.

PJ is pleased that the business is currently doing well and reaching all targets on schedule.

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| **Identify** | Recognise patterns, facts, or details; provide an answer from a number of possibilities; recognise and state briefly a distinguishing fact or feature |

**(b)** PJ displays many of the competencies associated with innovators.
Identify **one** of those competencies and outline its importance when starting or expanding a business.

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| Competency: |
| Importance: |
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**Solution**

As this is a Q1 with a case study, a student should choose a competency evident in the text.

The LO puts emphasis on the importance of the key competencies when starting or expanding a business, so they should be known as well as the explanation of each competency.

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| **Competency:** Creative/Innovative – spotted a gap to act as a wholesaler. |
| **Importance:** Being able to think outside the box and come up with new ideas can help a business stand out in a crowded market with unique offerings. |

**Other potential solutions:**

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| **Competency: Risk-taker –** PJ took the financial and personal risk of expanding his business. |
| **Importance:** Taking risks is essential when launching a new business or expanding into uncertain markets where success is not guaranteed. Without taking a risk, PJ wouldn't find out if his ideas will be profitable. |

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| **Competency: Resilient**– PJ is determined, he didn't give up when his grant was refused. |
| **Importance:** Resilience helps a new or expanding business handle early failures or challenges without giving up on the idea – they can overcome setbacks to continue with their idea. |

## 6.3 Investigate the role of government in fostering enterprise and supporting business development and growth.

HL Paper 2 Q4 (e)

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| **Discuss** | Offer a considered, balanced review that includes a range of arguments, factors or hypotheses and is supported by appropriate evidence |

**(e)**

spectrum.life

Spectrum.Life is a leading successful global Irish company that provide clinical health and tech infrastructure. They have offices based in Dublin and are seeking more staff. Spectrum.Life have previously received support from the Irish government.

Discuss **three** ways the Irish government can support businesses such as Spectrum.Life.

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**Solution**

Action Verb calls for points to be “supported by appropriate evidence” so naming examples or specifics may be a good idea within your answer. Discuss also leaves more room for expansion so a statement and a minimum of two points of development for each point is recommended.

**1. Support from State Agencies**

The government provides valuable supports through Enterprise Ireland including financial support, market research centres and export assistance.

Enterprise Ireland also provides expansion grants for growing businesses like Spectrum.Life, enabling them to hire staff, upgrade infrastructure, and enter new markets.

This would allow them to expand faster than they could on their own.

**2. Investment in Education and Skills Training**

The government supports third-level education and further training through agencies like SOLAS, helping to build a highly skilled workforce.

This ensures businesses like Spectrum.Life have access to qualified talent in areas such as healthcare, technology, and customer support.

Such investment strengthens the labour market and supports long-term business growth.

**3. Government Taxation Incentives and R&D Support**

Ireland offers a low corporate tax rate of 12.5% or 15%, depending on company size, which encourages business activity.

Additional tax relief is available for companies investing in research and development, helping to reduce innovation costs.

These supports benefit companies like Spectrum.Life by making it more affordable to develop new services and expand into new markets.

## OL Paper 1 Q5 (c)

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| **Describe** | Give a detailed account of the main points of a topic using words, diagrams, examples and/or images where appropriate |

**(c)** Describe **two** supports the Irish government can provide to Alice as a new entrepreneur.

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**Solution**

**Local Enterprise Office (LEO) Support**

Alice can access support from her Local Enterprise Office, including mentoring, training, and financial grants.

This could help her with writing a business plan, applying for funding, or getting advice on how to grow her mobile bakery.

**Microfinance Ireland Loans**

If Alice finds it difficult to get a bank loan, she can apply for a small loan from Microfinance Ireland through her LEO.

This funding could help Alice buy expand from her mobile unit if she wanted to.

## OL Paper 2 Q3 (b)

| **Explain** | Give a detailed account including reasons or causes |
|---|---|

**(b)** **Enterprise Ireland invested €24 million in start-ups in 2023**


Enterprise Ireland is a state agency that supports the development and growth of Irish businesses.

**(i)** Name **one** other state agency that supports business and enterprise in Ireland.

**(ii)** Explain how the investment of €24 million supports new business start-ups in Ireland.

**Solution**

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| Local Enterprise Offices (LEOs) |
| The money can be used to offer feasibility study grants to Irish start-ups to help entrepreneurs research market potential, develop business plans, and conduct technical research and prototyping. They can validate their idea before increasing production. |