Chapter 2 Class Exam

Name:________________ **Score:____________**

Answer all questions

Suggested Exam Length: 40 minutes

Student Input (Pre-exam)

How confident are you about this exam?

What topic am I worried about before I look at the exam? Why?

What strategies did you use to study for this exam? What was the best one?

Which activities in class did you most enjoy for this topic?

Student Reflection (Post-exam)

How happy were you with your result?

What were the hardest questions? Why?

Is there any exam technique I should change/use again for my next exam?

What topics should I look over again?

(a) Distinguish between a public enterprise and a private enterprise

The GAA is one of Ireland's largest not-for-profit organisations, rooted in local communities but with a huge national presence. It promotes Gaelic games, culture, and volunteering across the country.

(b) Discuss two impacts a not-for-profit organisation can make at a national level.

1.

2.

(c) (i) Place a tick in either true or false based on each statement

Statement	TRUE	FALSE
Co-operatives are owned and run by their members, who share decision-making and profits equally.		
Public limited companies (PLCs) can sell shares to the general public on the stock exchange.		
State-owned enterprises are established to maximise profits for private investors.		
Nationalisation means transferring a business from state ownership into private ownership.		

(ii) Outline two benefits of a sole trader as a form of business ownership.

1.

2.

(iii) Explain why a sole trader may change their ownership structure over time.

1.

2.

(d) (i) Outline the purpose of regulation in a business

(d) (ii) Describe two forms of internal regulation a business can use.

1.

2.

(e) Explain what is meant by governance in an organisation.

Meta, the parent company of Facebook, Instagram and WhatsApp, is one of the world's largest technology firms. It faces growing scrutiny in some parts over its environmental, social, and governance (ESG) practices.

(f) Outline three factors businesses like Meta would consider in their ESG report.

1.
2.
3.

Chapter 2 Marking Scheme – Total 78 marks

(a) 10m – 2 @ 5m (3+2)

Public enterprises are owned and controlled by the government, often called semi-state bodies. Their aim is to provide essential goods and services rather than maximise profits.

Private enterprises are owned by individuals or shareholders and exist to make profit. They compete in the market to sell goods or services, paying taxes and creating wealth for their owners.

(b) 10m – 2 @ 5m (2+3)

1. Social and cultural development
Not-for-profit organisations promote inclusion, culture, and wellbeing. For example, the GAA strengthens Irish identity by promoting Gaelic games nationwide and creates a sense of belonging across communities.

2. Economic impact
They contribute to the economy by running large events, employing staff, and attracting tourism. The GAA's All-Ireland finals generate significant spending on accommodation, food, and transport, boosting the national economy.

(c) (i) 8m – 4 @ 2m

TRUE, TRUE, FALSE, FALSE

(c) (ii) 8m - 2 @ 4m (2+2)

1. Full control
The sole trader makes all decisions without consulting others. This allows them to act quickly and keep the business direction consistent with their personal vision.

2. Keep all profits
All income belongs to the sole trader. Unlike companies, they do not have to share profits with shareholders, which is a major incentive to work hard and grow the business.

(c) (iii) 8m - 2 @ 4m (2+2)

1. Need for finance – As the business grows, the sole trader may need more funding than they can provide themselves. Converting into a partnership (2-20) or private limited company (1-149) allows them to raise extra capital through partners or shareholders.

2. Reducing risk – Sole traders face unlimited liability, meaning their personal assets are at risk if the business fails. Changing to a company structure provides limited liability, protecting their personal finances and encouraging growth.

(d) (i) 8m - 2 @ 4m (2+2)

Regulation ensures that businesses act fairly, safely, and responsibly. It protects consumers from unsafe products, ensures employees' rights are respected, and safeguards the environment. Regulation also creates fair competition between businesses by setting standards that all must follow, such as employment law or consumer protection law.

(d) (ii) 8m - 2 @ 4m (2+2)

1. Codes of conduct – Written rules for employees that set standards for behaviour, such as honesty, customer service, and ethical practices. This helps maintain reputation and fairness inside the organisation.

2. Internal audits – Regular checks of financial accounts and business operations to ensure accuracy and compliance. This prevents fraud, highlights inefficiencies, and builds trust with stakeholders.

(e) 6m (3+3)

Governance is the system by which organisations are directed and controlled. It includes decision-making structures, accountability to stakeholders, and ensuring transparency and fairness.
Good governance makes sure businesses are managed responsibly, balancing the interests of shareholders, employees, and society.
For example, having an independent board of directors ensures oversight of management decisions.

(f) 12 marks – 3 @ 4m (2+2)

1. Environmental factors
Meta must consider its use of energy and natural resources. Data centres use huge amounts of electricity, so commitments to renewable energy and carbon reduction targets are critical.

2. Social factors

The business must assess its impact on people and society. Issues include protecting user data, addressing misinformation, and supporting employee wellbeing. Negative social impacts can damage trust and reputation.

3. Governance factors

Governance looks at how a business is directed and controlled. It includes having transparent decision-making structures, accountable leadership, strong internal controls, and compliance with laws and ethical standards.