Summer Exam B
5TH Year Business
2 hour exam
Each student must answer Q1
Students can then choose 3 from 4 questions from Q2–Q5
Q1 – 80 marks (42 mins)
Q2–Q5 – 60 marks each (26–28 mins each)

Using this Marking Scheme

This marking scheme is intended as a flexible guide rather than a prescribed format, offering possible solutions and aligning student responses with the learning outcomes and action verbs in the specification.

No formal guidance has yet been issued on how marking schemes for this course should be structured beyond the outcome verbs in the specification, so please feel free to adapt, edit, or re-weight marks in whatever way best fits your class and teaching approach.

Send on any suggestions, feedback or errors to gavin@backinbusinesshub.com

Question 1 (80 marks)

Regan Fitness

Ciara Regan is a Dublin-based personal trainer who built up a following of over 80,000 people on Instagram by posting workout videos and nutrition tips. In 2021, she used her personal savings and a start-up grant from her Local Enterprise Office to launch a subscription fitness app. The app gives customers access to workout plans, meal guides, and live online classes for €9.99 per month. It now has over 5,000 subscribers.

The business employs six people: two content creators, a part-time developer, a customer service manager, and two trainers who deliver live classes through the app. Ciara manages the day-to-day running of the business herself, which she finds increasingly difficult as the team grows. Some staff have said that their roles are not always clearly defined and that communication within the team could be better.

Ciara has also partnered with two supplement brands who pay to have their products featured in her app content and social media posts. The brands want access to her large and engaged audience. Some followers have questioned whether these partnerships affect the honesty of her recommendations.

Starting out was not easy. Ciara struggled with the high cost of app development and finding a reliable technology partner. Moving from one-to-one personal training to a subscription app also meant she had to rethink how she made money and how she delivered value to customers.

The business has grown quickly, but Ciara knows that the fitness app market is becoming more competitive. Regan Fitness already attracts subscribers from several countries. Ciara now wants to grow further by launching a Spanish-language version of the app, with all videos and guides recorded in Spanish, to target customers in Spain and Latin America. She has estimated that this would require significant investment in new content and staff with Spanish-language skills. Some existing staff have raised concerns about the extra workload this would create.

Ciara has started drafting a business plan to show to potential investors. She is weighing up the benefits and costs of the expansion carefully. She recently attended a Local Enterprise Office workshop on strategic planning and is putting together a three-year roadmap for Regan Fitness, which she believes will help her make better decisions as the business grows.

LO 12.1: Identify the key challenges when starting a business.

(a)(i) Identify three challenges Ciara faced when starting Regan Fitness. (6 marks)

MARKING SCHEME

MS: 6m – 2m each 1+1 - Challenge named and briefly linked to Regan Fitness.

Raising finance
Ciara relied on personal savings and a LEO grant. App development is expensive and securing enough money was a key challenge.

Finding a reliable technology partner
Ciara struggled to find a dependable tech partner to build and maintain the app.

Moving from one-to-one training to a digital product
Shifting to a subscription app required Ciara to rethink how she made money and delivered value.

Other acceptable: building a customer base, marketing on a limited budget, managing staff. Accept any three.

LO 8.1: Appreciate the importance of having a business plan and outline its key functions.

(a)(ii) Outline two key functions of a business plan for a business like Regan Fitness. (8 marks)

MARKING SCHEME

MS: 8m – 2 @ 4m (2+2). Function named (2), explained and applied to Regan Fitness (2). State → Explain → Relate.

Attracts investment and access to finance
Shows investors the financial projections, revenue model, and growth strategy. Ciara needs investors for the Spanish expansion – a strong plan shows why Regan Fitness is worth backing.

Sets objectives and strategies
Outlines goals and the steps needed to reach them, giving the business clear direction. Ciara's three-year roadmap sets out how Regan Fitness will grow and which markets it will target.

Other acceptable: assess market potential, identify risks. Marks may be 3+1.

LO 9.4: Evaluate and suggest ways of improving an existing marketing mix.

(b) Suggest how Ciara could improve Promotion and People in the marketing mix for Regan Fitness. (14 marks)

MARKING SCHEME

MS: 14m – 2 @ 7m (2+2+3). Explanation of the term (2), improvement shown (2), applied to Regan Fitness (3).

Promotion

Promotion covers all activities used to communicate value and encourage purchase, including advertising, social media, paid campaigns, and influencer partnerships. Ciara could run targeted paid campaigns on Instagram and YouTube to reach Spanish-speaking fitness audiences, converting new viewers into €9.99/month subscribers given her 80,000-strong following.

People

People refers to everyone involved in delivering the service to the customer, including trainers, content creators, and support staff, whose quality directly affects the customer experience. To support the Spanish expansion, Ciara could hire Spanish-speaking trainers and content creators to make sure the new content is authentic and high quality for the new market.

Accept answers explaining the element, defining it, and applying an improvement to Regan Fitness.

LO 16.5 / 16.6: Outline what is meant by strategic planning. Describe the benefit of strategic planning for an organisation.

(c) Describe two benefits of strategic planning for a growing business like Regan Fitness. (12 marks)

MARKING SCHEME

MS: 12m – 2 @ 6m (2+2+2). Benefit named with a verb (2), how strategic planning brings it about (2), applied to Regan Fitness (2). Heading must contain an action verb.

Provides clarity and direction

Strategic planning sets out where the business is going and the steps needed to get there. Ciara's three-year roadmap ensures all decisions, including the Spanish expansion, are made in a structured and planned way rather than reacting to opportunities as they arise.

Helps manage change

Strategic planning allows a business to prepare for change before problems arise. As the fitness app market gets more competitive, Ciara's plan helps her decide when and how to expand, ensuring staff are prepared rather than surprised by major decisions.

Other acceptable: improves resource efficiency, builds competitive advantage. Heading must contain an action verb.

LO 1.4: Conduct stakeholder mapping and explain the importance of prioritising different stakeholder interests.

(d)(i) Conduct a stakeholder mapping to identify and prioritise four stakeholders affected by the decision to launch a Spanish-language version of the app. (16 marks)

MARKING SCHEME

MS: 16m – 4 @ 4m. Stakeholder named (1), power level with justification (1), interest level with justification (1), placed in correct quadrant (1).

Customers / App subscribers (5,000+)
Power: Low. Subscribers have no individual ability to influence the business decision.

Interest: High. The expansion directly affects the service they use. If resources are diverted to the Spanish-language version, quality of the existing app could decline.

Employees (6 staff)
Power: Low. Staff can raise concerns but they do not have formal authority to stop or approve the decision.

Interest: High. The expansion will directly affect their workload and possibly their job roles.

Investors / Local Enterprise Office
Power: High. Ciara is drafting a business plan specifically to present to investors. Without their funding, the expansion cannot go ahead.

Interest: High. Investors have a financial stake in the business. Whether the expansion succeeds or fails will affect their return.

Supplement brand partners
Power: Low. The brands pay Ciara to feature their products, however their power over this specific expansion decision is indirect.

Interest: Low. The brands are not directly affected by the Spanish expansion.

Other acceptable: Ciara herself (High power, High interest), the technology partner (Low power, High interest). Accept any four stakeholders from the article with clearly justified power and interest levels. Accept any level where the student provides a clear and reasoned justification.

(d)(ii) Explain the importance of prioritising different stakeholder interests when making business decisions. (4 marks)

MARKING SCHEME

MS: 4m (2+2). Importance stated with a verb (2), developed explanation (2).

Prioritising stakeholders helps a business focus its time and resources on those with the most influence over a decision. Not all stakeholders have equal power or interest, so by identifying who matters most, Ciara can make sure key relationships with investors and staff are managed carefully before the expansion goes ahead.

Accept any explanation stating importance with a verb and explaining why not all stakeholders deserve equal attention.

LO 11.5: Conduct a cost-benefit analysis to analyse the implications of business expansion.

(e) Conduct a cost-benefit analysis of the proposed Spanish-language expansion for Regan Fitness. Include two benefits, two costs, and a finding that weighs both sides. (20 marks)

MARKING SCHEME

MS: 20m – 2 benefits @ 4m (2+2), 2 costs @ 4m (2+2), Finding 4m. Apply all to Regan Fitness. Finding must weigh both sides.

Benefit 1: Generates increased revenue

Spanish-speaking markets in Spain and Latin America offer a far larger potential subscriber base. Recurring €9.99/month revenue scales without the cost of physical premises.

Benefit 2: Reduces dependence on a single market

Spanish-speaking subscribers buffer Regan Fitness from growing competition in the existing English-speaking market.

Cost 1: Requires high upfront investment

Recording all content in Spanish, hiring new staff, and building a localised app version costs significant money before any new revenue comes in.

Cost 2: Risks loss of focus

Staff have already raised concerns about extra workload. Managing two full platform versions with a team of six risks quality dropping in both markets.

Finding

The long-term revenue potential is strong but a phased launch is recommended before full investment, given the small team size. The benefits outweigh the costs only if the team grows first.

Student may conclude for or against expansion. Finding must weigh both sides and be reasoned.

Question 2 (60 marks)

Cross-chapter recall (Chapters 7, 8, 9, 10, 12, 16)

(a) Fill in the missing term in each of the following statements. (6 marks)

——— MARKING SCHEME ———

MS: 6m – First correct answer 2m, remaining four 1m each (2+1+1+1+1).

1. The iterative process used to develop new ideas based on user needs is called _______ _______.	**Design Thinking**
2. The two main types of costs in a business are fixed costs and _______ costs.	**Variable**
3. A Local _______ Office provides support and funding to small businesses in Ireland.	**Enterprise**
4. A business's Value _______ outlines what makes consumers choose its good or service over others.	**Proposition**
5. A business model that involves businesses receiving funding from lots of people pledging money on sites like Kickstarter is called _______.	**Crowdfunding**

LO 7.3: Appreciate the importance of conducting a feasibility study to evaluate a business idea.

Saor Water is a Dublin-based start-up that produces custom-branded aluminium cans as a sustainable alternative to plastic bottles. Founded by TU Dublin students Ryan Ormonde and Jonathan Hoffman, Saor Water won the 2025 Enterprise Ireland Student Entrepreneur of the Year award.

(b) Describe three benefits to a business like Saor Water of carrying out different types of feasibility study before launching a new product or service. (18 marks)

——— MARKING SCHEME ———

MS: 18m – 3 @ 6m (2+2+2). Type of feasibility study named and what it examines (2), benefit explained (2), applied to Saor Water (2). Five types: market, financial, production, environmental, legal.

Market feasibility
Examines whether enough demand exists and what competitors offer. Carrying this out confirms a real market opportunity for Saor Water before any money is spent on production or branding.

Financial feasibility
Examines start-up costs, expected revenue, and profitability. Helps Saor Water work out whether the price businesses will pay for branded cans covers the cost of producing them and leaves a profit.

Production feasibility
Assesses whether the equipment, materials, and skills needed to produce the cans are available reliably. Saor Water needs aluminium cans, printing capabilities, and logistics for small custom orders – this study checks all of these before launch.

Other acceptable: environmental feasibility, legal feasibility. Accept any three types applied to Saor Water.

LO 9.1: Appreciate the importance of market research and discuss how businesses conduct it.

(c) Discuss one type of market research Saor Water could use and explain why market research is important for them. (8 marks)

——— MARKING SCHEME ———

MS: 8m – Type 4m (2+2), Importance 4m (2+2).

Primary research
Primary research involves collecting original data directly from potential customers via surveys, interviews, or focus groups. Saor Water could survey Irish businesses about their willingness to switch from plastic bottles to branded aluminium cans, and how much they would be willing to pay per unit.

Importance for Saor Water
Market research reduces the risk of costly decisions based on assumptions. Before investing in production equipment, Saor Water needs to know whether enough businesses actually want branded cans and what competitors already offer in the sustainable packaging space.

Accept secondary research as an alternative. Importance must reference informed decision-making or risk reduction, applied to Saor Water.

LO 12.2: Outline the importance of assessing and managing risks in business.

In January 2025, Storm Eowyn caused widespread disruption across Ireland and the UK, resulting in significant losses for many businesses.

(d) Explain two reasons why it is important for a business to assess and manage risks. (10 marks)

MARKING SCHEME

MS: 10m – 2 @ 5m (2+3). Reason named (2), explained (3).

Helps avoid costly mistakes
Identifying risks in advance lets a business put steps in place before problems happen. Businesses that had assessed their exposure to extreme weather and taken preventive steps, such as securing equipment or arranging off-site storage, were better placed to limit their losses when Storm Eowyn struck.

Protects financial sustainability
Having the right insurance and financial reserves in place means a business can recover from unexpected events without closing down. Businesses with adequate insurance cover were able to make claims and resume trading more quickly after Storm Eowyn.

Other acceptable: supports better decision-making, protects reputation. Accept any two reasons explained and they don't need to use Storm Eowyn as context as not in the question.

LO 16.4: Outline a range of approaches which may help to overcome resistance to change.

In April 2026, Bank of Ireland told employees that swipe card data would be used to monitor office attendance. Staff required to work in the office a minimum number of days each month would receive a performance rating of "inconsistent" if they did not meet the requirement, putting their bonuses and pay increases at risk. The Financial Services Union strongly opposed the move.

(e) Describe three approaches a business could use to overcome resistance to change among employees. (18 marks)

MARKING SCHEME

MS: 18m – 3 @ 6m (2+2+2). Approach named (2), explained (2), applied to the Bank of Ireland context (2).

Clear communication
Explaining the reasons for a change openly helps employees understand why it is happening and reduces uncertainty. Bank of Ireland could have held information sessions with staff before announcing the swipe card policy, explaining why consistent office attendance matters and giving employees a chance to ask questions rather than feeling the decision was imposed on them.

Involving staff in the process
Giving employees a say in how a change is introduced makes them feel respected and more likely to accept it. Bank of Ireland could have consulted the Financial Services Union before rolling out the monitoring policy, which may have led to an outcome staff felt was fair and agreed upon.

Providing support
Offering practical help reduces the barriers that make employees resistant to change. Bank of Ireland could have offered commuting support or flexible hub access to employees struggling to meet the attendance requirement, addressing the practical difficulties feeding resistance.

Other acceptable: phased implementation, leading by example, recognising and rewarding compliance. Accept any three approaches clearly applied to the Bank of Ireland stimulus.

Question 3 (60 marks)

Cross-chapter recall (Chapters 6, 7, 8, 11, 17, 18)

(a) Circle the correct option in each of the following statements. (6 marks)

MARKING SCHEME

MS: 6m – First correct answer 2m, remaining four 1m each (2+1+1+1+1).

1. A person who starts and runs their own business is known as an entrepreneur / intrapreneur.	**entrepreneur**
2. Fixed costs / Variable costs change depending on how much a business produces.	**Variable costs**
3. Design thinking is described as an iterative / linear process because it is a repeating process.	**iterative**
4. The Consumer Rights Act 2022 / Competition Act 2017 sets out the rights of consumers in Ireland.	**Consumer Rights Act 2022**
5. A business plan / business model outlines how a company creates and delivers value to customers.	**business model**

LO 17.3: Investigate how digital technology impacts on consumer behaviour.

Online retail and social media platforms have changed how consumers search for, discover, and buy products. Irish consumers now spend significantly more time shopping online than they did ten years ago.

(b) Outline two ways digital technology has impacted on consumer behaviour. (8 marks)

MARKING SCHEME

MS: 8m – 2 @ 4m (2+2). Way named (2), explained (2).

Enables 24/7 access to shopping
Digital technology allows consumers to shop at any time without visiting a physical store. This has changed expectations around convenience and speed of delivery, with Irish consumers now spending significantly more time shopping online.

Social media influences purchasing decisions
Platforms like TikTok and Instagram shape what consumers buy through organic content, influencer recommendations, and targeted advertising. Social media has changed how consumers discover products and brands, often driving purchase decisions without a traditional retail experience.

Other acceptable: price comparison tools, online reviews, personalised recommendations, home delivery convenience. Accept any two explained in the context of digital technology.

LO 18.5: Outline how a person's credit rating is established, the factors that can impact on credit rating, and the consequences of a poor credit rating.

(c) Explain two ways a person's credit rating can affect their ability to borrow money. (10 marks)

MARKING SCHEME

MS: 10m – 2 @ 5m (2+3). Way named (2), explained and developed (3).

Affects whether a loan is approved

A credit rating is a record of how reliably a person has repaid debts in the past. Lenders use this record to decide whether to grant a loan. A person with a poor credit rating may be refused because the lender considers them too great a risk, while a person with a strong credit rating is more likely to be approved.

Affects the interest rate offered

Even when a loan is approved, a person with a poor credit rating is likely to be charged a higher interest rate. Lenders charge more to borrowers they consider risky to compensate for the greater chance of default. This means the total cost of credit is higher for someone with a poor credit history.

Other acceptable: affects the amount the lender is willing to offer. Accept any two ways well explained.

LO 17.1: Investigate the rights and responsibilities of consumers using current consumer legislation. The Consumer Rights Act 2022 strengthened protections for consumers in Ireland.

(d) Explain two of the consumer rights listed below. For each right, give an example of how it protects the consumer. (18 marks)

——— MARKING SCHEME ———

MS: 18m – 2 @ 9m. Explanation 5m (2+3), Example 4m (0/2/4).

Right to repair, replacement, price reduction, or refund for a faulty good

Under the Consumer Rights Act 2022, if a product is faulty, does not match its description, or is not of acceptable quality, the consumer is entitled to a remedy. The seller must offer repair or replacement first. If these are not possible or take too long, the consumer can request a price reduction or a full refund.

Example: A consumer buys wireless earphones that stop working after two weeks of normal use. They are entitled to a repair, replacement, price reduction, or refund from the retailer without having to pay for the fix themselves.

Rights when buying digital content or digital services

The Consumer Rights Act 2022 extended protections to digital content such as downloaded apps, music, and games, and digital services such as streaming platforms or cloud storage. If the content or service is faulty or not as described, the consumer has the right to a remedy.

Example: A consumer pays for a fitness app that crashes repeatedly and does not work as advertised. They can request that the business fix the fault or provide a refund. This protection did not exist under older consumer legislation.

How rights differ when buying from within the EU compared to outside the EU

When buying from an EU seller, EU consumer protection law applies and the consumer has full rights under Irish and EU law. When buying from outside the EU, EU law does not apply and the consumer's rights depend on the law of the country where the seller is based, which may offer far fewer protections.

Example: A consumer buying from a UK website after Brexit has fewer guaranteed rights than if buying from an Irish or EU site. Claiming a refund may involve additional costs and delays as the seller is not covered by Irish or EU consumer law.

LO 11.4: Appreciate the potential of technology to support adaptation and expansion.

WaterWipes was founded in Drogheda by Edward McCloskey, named EY Entrepreneur of the Year 2025. WaterWipes sells in over 50 countries, employs almost 400 people, and manufactures three million packs every week. In 2024, it received €145 million in investment to fund further international expansion.

(e) Describe three ways WaterWipes could use digital technology to support its expansion into new international markets. (18 marks)

MARKING SCHEME

MS: 18m – 3 @ 6m (2+2+2). Technology named (2), explained (2), applied to WaterWipes' international expansion (2).

E-commerce platforms

E-commerce allows a business to sell directly to customers in new countries without opening physical stores or distribution offices. WaterWipes could launch localised versions of its website in new markets, allowing customers in Latin America or Asia to browse, order, and pay in their own currency and language, reducing the barrier to entry in those markets.

Social media and digital marketing

Targeted digital advertising allows a business to reach specific customer groups in new markets based on location, age, and interests. WaterWipes could run Instagram and TikTok campaigns targeting new parents in markets like Brazil or Japan, building brand awareness before entering those markets through retail partners.

Data analytics

Data analytics tools allow a business to track customer behaviour, sales trends, and market performance in real time. WaterWipes could use analytics to identify which international markets have the strongest online demand before committing to physical distribution, reducing the risk of expanding into the wrong market.

Other acceptable: AI for supply chain management, automated customer service tools, digital translation tools. Accept any three technologies clearly applied to WaterWipes' expansion.

Question 4 (60 marks)

Cross-chapter recall (Chapters 8, 10, 16, 18)

(a) Indicate whether each of the following statements is true or false. (6 marks)

MARKING SCHEME

MS: 6m – First correct answer 2m, remaining four 1m each (2+1+1+1+1).

1. A business model canvas has nine building blocks.	**True**
2. Variable costs stay the same no matter how much a business produces.	**False**
3. A force-field analysis is used to examine the potential effects of a proposed change.	**True**
4. The Central Bank of Ireland is responsible for regulating financial services in Ireland.	**True**
5. A person with a poor credit rating will always be refused a loan.	**False**

1. True. 2. False – variable costs change; fixed costs stay the same. 3. True. 4. True. 5. False – a poor credit rating makes borrowing harder but is not an automatic refusal.

LO 8.3: Explain what is meant by a business model and appreciate its role within the business plan.

WaterWipes has a clear and simple business model. It creates value by producing the world's purest baby wipe, delivers it through supermarkets, pharmacies, and online retail in over 50 countries, and captures value through product sales.

(b) Explain what is meant by a business model and outline its role within a business plan. (10 marks)

MARKING SCHEME

MS: 10m – Definition 5m (3+2), Role 5m (3+2).

Business model

A business model outlines how a business creates value for its customers, delivers that value, and captures value in return through revenue. It describes the core logic of how the business makes money.

Role within the business plan

The business model sits at the core of the plan, connecting all other sections and showing investors how the business will generate income. Without a clear model, the plan lacks a central idea and investors cannot assess whether the business is viable.

Definition must cover creates, delivers, and captures value. Role must link to the business plan and explain its importance. Do not award marks for references to the stimulus business unless the question specifically asks students to apply their answer.

LO 10.2: Identify the key costs and sources of finance for a business.

A new restaurant is opening in Cork city. The owners must identify their start-up costs and find suitable ways to fund them.

(c) Identify one fixed cost and one variable cost a restaurant start-up might face and outline a suitable source of finance for each. (16 marks)

——— MARKING SCHEME ———

MS: 16m – Fixed cost 4m (2+2), Source 1 = 4m (2+2), Variable cost 4m (2+2), Source 2 = 4m (2+2). Sources must match the time horizon of the cost.

Fixed cost — e.g. rent

Rent stays the same each month regardless of how many customers the restaurant serves. A long-term loan would be a suitable source, providing a lump sum to cover premises costs repaid in instalments over a number of years.

Variable cost — e.g. food and ingredients

Food and ingredient costs change depending on how many meals are served. A bank overdraft would be a suitable source, allowing the restaurant to cover daily stock costs when cash is temporarily low.

Other acceptable fixed costs: insurance, management salaries. Other variable costs: packaging, casual staff wages. Other sources for fixed: term loan, hire-purchase, grants. Other sources for variable: trade credit, accrued expenses.

LO 18.4: Explain how technology impacts the provision of financial products and outline the benefits and challenges of fintech.

(d) Outline one benefit and one challenge of fintech for consumers. (10 marks)

MARKING SCHEME

MS: 10m – Benefit 5m (2+3), Challenge 5m (2+3). Named (2), explained and developed (3).

Benefit: Increases convenience and access to financial services
Fintech allows consumers and businesses to access loans, credit scores, and financial tools via an app at any time without visiting a bank branch. Small businesses that might struggle to access finance through a traditional bank can instead apply quickly and easily through an online platform.

Challenge: Increases risk of financial fraud
Fintech platforms are targets for cybercriminals and phishing scams. Consumers who are less familiar with online security may be more vulnerable to having their accounts accessed without permission.

Other benefits: reduces cost of services, faster loan approvals. Other challenges: data privacy concerns, exclusion of non-digital users. Accept one benefit and one challenge explained in the fintech context.

LO 18.1: Examine the factors to be considered with saving, investing, and borrowing.

(e)(i) Outline three factors a consumer should consider before borrowing money. (12 marks)

MARKING SCHEME

MS: 12m – 3 @ 4m (2+2).

The APR is the yearly cost of borrowing expressed as a percentage. A higher APR means more is paid back overall. In the table, Bank of Ireland charges 9.5% APR while GRID Finance charges 7.9%, so a consumer who compares APR before borrowing will save money by choosing the lower rate.

Short-, medium-, and long-term considerations

The length of a loan affects both the monthly repayment and the total amount repaid over time. A longer loan reduces monthly repayments but increases the total interest paid overall.

Other acceptable: risk (borrowing creates a legal obligation to repay; missed repayments can damage a credit rating), taxes and charges (some loans include setup fees or early repayment penalties that increase the real cost of borrowing

(e)(ii) Using the information in the table, identify which loan option you would recommend and give two reasons for your choice. (6 marks)

MARKING SCHEME

MS: 6m – Reason 1 (3m), Reason 2 (3m). Any recommendation accepted – marks awarded for quality of reasoning linked to the table.

If GRID Finance:

Reason 1: Total cost of credit is €580 vs €1,000. The consumer pays €420 less in total, making it the more affordable option overall.

Reason 2: APR of 7.9% is lower than 9.5%, meaning less interest is charged on the amount borrowed.

If Bank of Ireland:

Reason 1: Monthly repayment of €125 is €30 less per month, which is easier to manage on a tight monthly budget.

Reason 2: The four-year term gives more time to repay, reducing pressure on monthly cash flow.

Accept either recommendation. Both reasons must be clearly linked to data in the table.

Question 5 (60 marks)

Cross-chapter recall (Chapters 9, 11, 16, 17, 18)

(a) Match each term in the left column to the correct explanation. Write the correct letter in the answer column. (6 marks)

MARKING SCHEME

MS: 6m – First correct answer 2m, remaining four 1m each (2+1+1+1+1).

1. STEEPLE	**C**
2. Cost-benefit analysis	**E**
3. Competitive advantage	**A**
4. Strategic alliance	**B**
5. Fintech	**D**

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

(d) Discuss two ways the Irish government supports businesses. (12 marks)

MARKING SCHEME

MS: 12m – 2 @ 6m (2+2+2). Way named (2), explained (2), expanded/applied with example (2).

Financial grants and funding

State agencies such as Enterprise Ireland and Local Enterprise Offices provide grants to businesses to help them grow. These grants do not need to be paid back, so businesses can invest without taking on debt.

Mentoring

Local Enterprise Offices offer mentoring programmes that connect business owners with experienced professionals who give practical advice on strategy, finances, and planning. An early-stage business could access a LEO mentor to help develop its business plan and identify the right funding routes before seeking larger investment.

Other acceptable: Enterprise Ireland international offices, R&D tax incentives, 12.5% corporation tax, government infrastructure. Accept any two ways with explanation and example.

LO 9.8: Conduct a STEEPLE analysis to develop greater understanding of the external environment.

Herdwatch is an Irish agritech company based in Roscrea, Co. Tipperary. Founded in 2012, its farm management app is used on over 22,000 farms across Ireland, the UK, and beyond. The app helps farmers manage herd records, compliance paperwork, and animal health from their phone. Herdwatch employs almost 100 people and has received Enterprise Ireland support for international expansion. Irish and EU farming policies increasingly require farmers to meet strict environmental and animal welfare standards, creating growing demand for digital tools that make compliance easier. The company faces strong competition from larger international software platforms. There are also growing expectations around data privacy, with farmers concerned about how their business data is stored and used. Consumers are increasingly choosing food from farms that can demonstrate ethical and sustainable practices, which is putting pressure on farmers to show their credentials.

(c) Conduct a STEEPLE analysis for Herdwatch. Choose any four STEEPLE factors and apply each one to the business. Include an overall summary. (20 marks)

——— MARKING SCHEME ———

MS: 20m – 4 factors chosen by student @ 3m each (1+2 = 12m total), overall summary 8m. All seven model answers are below – mark whichever four the student selects.

Social

More farmers are adopting digital tools to save time and manage complex record-keeping. This works in Herdwatch's favour as demand for easy-to-use farm management apps grows across Ireland and the UK.

Technological

Advances in mobile technology and cloud computing allow Herdwatch to offer features like real-time herd tracking from a smartphone. Competition from larger international platforms means Herdwatch must keep innovating to stay relevant.

Economic

Competition from bigger international software platforms puts pressure on Herdwatch's pricing and market share. If farm incomes fall, farmers may cut spending on subscription software tools.

Environmental

Irish and EU farming policies require farmers to meet strict environmental standards and reporting requirements. Herdwatch supports farmers in meeting these obligations, increasing the value of the app.

Political

Government support through Enterprise Ireland has helped Herdwatch expand internationally. Farming policy decisions by the Irish government and the EU directly affect what compliance records farmers must keep, driving demand for the app.

Legal
GDPR and data privacy laws require Herdwatch to store and process farmer data responsibly. Farmers are concerned about how their data is used, so Herdwatch must be transparent and compliant to maintain trust.

Ethical
Consumers are increasingly choosing food from farms that can prove ethical and sustainable practices. This puts pressure on farmers to document their practices, increasing demand for a tool like Herdwatch.

Overall Summary
The external environment is mostly positive for Herdwatch. Growing demand for digital farm tools, stricter compliance requirements, and Enterprise Ireland support all back its growth. The main challenges are competition from bigger international platforms and the responsibility to handle farmer data transparently under GDPR.

Accept any four factors applied to Herdwatch. Summary must draw a conclusion about the overall environment, not just list the factors.

LO 11.1: Demonstrate an understanding of the importance of identifying competition in the market.

(d) Outline the importance of identifying competition in the market for a business like Herdwatch, and explain how a business can use this knowledge to create a competitive advantage. (10 marks)

—— MARKING SCHEME ——

MS: 10m – Importance 5m (2+3), Competitive advantage 5m (2+3).

Importance of identifying competition
Understanding what competitors offer helps a business identify gaps in the market and position itself where it can do better. By analysing what larger international platforms offer, Herdwatch identified that they lack local knowledge of Irish farm compliance requirements and built its strategy around filling those gaps.

Creating a competitive advantage
A competitive advantage is what allows a business to consistently outperform competitors in a way that is hard to copy. Herdwatch's advantage is its local knowledge and customer service. Irish farmers who want a provider that understands their specific compliance needs remain loyal to Herdwatch rather than switching to a larger international platform.

Other sources of competitive advantage: quality, price, innovation, brand loyalty, speed of service. Accept any well-developed answer applied to Herdwatch.

LO 16.1: Outline the internal and external changes that organisations encounter through their lifetime.

(e) Outline one internal and two external factors that can cause change in a business. (12 marks)

MARKING SCHEME

MS: 12m – Internal 4m (2+2), External 1 = 4m (2+2), External 2 = 4m (2+2).

Internal: New management

A change in leadership alters the strategy, culture, and priorities of a business. A new manager may bring different values or approaches that require the business to restructure how it operates or change its product range.

External: Economic conditions

Recession or rising inflation reduces consumer spending and raises costs. These factors are outside the business's control but require it to adapt its pricing, staffing, or product range to stay viable.

External: New legislation

Changes to employment, consumer protection, or environmental law require businesses to update their practices, invest in compliance, and retrain staff.

Other internal: introduction of new technology, financial difficulties, restructuring. Other external: new competition, changing consumer trends, globalisation. Accept any one internal and two external.