



Studying international trade is crucial to success in the Leaving Cert business exam. Above, a container ship in Dublin port

Clodagh plans to market the Cli-He brand to a niche segment of the “green” market. This niche market is made up of environmentally-conscious consumers, with high disposable income, and who have young families. The price of Cli-He products will reflect this environmental premium but the price range will not, however, be as high as its competitors’ products.

Clodagh plans that the business will be environmentally-conscious in all its production methods and will use raw materials that are sensitive to the environment. Its marketing will make this green image clear to customers. The Irish base for this new business start-up has been agreed with Enterprise Ireland. Future plans include marketing its products into Europe, the US and other parts of the world through the use of the internet. Clodagh feels that online trading is the way of the future, and is a suitable way to market her new product range to the target market.

(C) Discuss the challenges facing Cli-He in developing markets abroad. Refer to the above text in your response.

(20 marks)

#### Answer:

**1. Language difficulties:** Different countries speak different languages, and this poses a number of communication problems for Irish exporters such as Cli-He.

Cli-He will have to make its website available in many different languages when it is “marketing its products into Europe, the US and other parts of the world through the use of the internet”. This costs time and money.

**2. Distribution difficulties:** Goods can only be exported from Ireland by ship and plane which depend on shipping

and airline companies’ timetables and the weather.

Cli-He will face the challenge of distributing its “children’s toys and games” from its “Irish base” to its “target market” of “environmentally-conscious consumers” in various “parts of the world”.

**3. Exchange rate difficulties :** If the euro increases in value, the price of Irish products in non-euro countries increases. This leads to lower sales and profits for Irish exporters. This will present a challenge to Cli-He when exporting. The value of the euro will determine its sales in “the US and other parts of the world”.

**4. Competition difficulties:** To cover the high cost of wages here, Irish manufacturers must charge a relatively high price for their products. Other countries have much lower wages and therefore their products are always cheaper than Ireland’s. If her “competitors’ products” are manufactured in low-wage economies, Clodagh will find it very difficult to ensure that her “price range will not be as high” as theirs.

**5. Payment difficulties:** If a foreign customer does not pay, there may be little that the Irish business can do to recoup its money. Different countries have different legal systems, and the rules for recovering money from a customer may be harder to enforce abroad than here in Ireland.

Clodagh may experience difficulties getting paid from customers in the different “parts of the world” she intends selling to. Money lost this way could easily bankrupt a “new business venture” with limited “resources and expertise”.

## The A1 student

**Paul Carty was at Portumna Community School and is now studying law and accounting in the University of Limerick**

There’s only weeks left to the mocks, you haven’t got the course done, you can’t remember all the things you’re supposed to, and there just doesn’t seem to be any light at the end of the tunnel. Is it time to push the panic button? Not at all. You’ve got lots of time; it’s how you use it that’ll determine how well you do come June.

There are basically two things you need to have off to set yourself up for the exam. The first one is the ABQ and the second is timing.

The ABQ is what gets most people; you can’t just regurgitate what you’ve learned back out, you have to apply it. The best way I felt to do this was to read the questions very carefully, highlight the parts of the text relevant to the questions, and base your answer around these highlighted parts using them as quotations. And remember, as tedious as it may be, the old adage of “practise makes perfect” is definitely true here.

Timing is a major issue in business. Firstly, it’s never too late to start working for the exam although it would help if you started as early as you can. Break the chapters up into little bits to make it easier for you to remember them.

You can prioritise some areas; for example, you’ll know what sections your ABQ is on, so pay particular attention to them as the examiners will usually draw on those chapters for other questions.

Secondly, timing in the exam is of serious importance. You’ll have seen the time you have per question already and you have to stick to that rigidly. Be ruthless with time. Also, it’s very important you get the finger out as soon as you get in there; be decisive in choosing your questions and then get stuck into them. I got stuck in the moment in the mocks and nearly didn’t get the exam finished.

Another important thing is to test yourself. Keep testing yourself and don’t be afraid of getting things wrong. Our teacher was excellent this way, she kept testing us with questions and little class tests every week. It keeps you interested and makes you work. I found business easy to sit down to study because I’d pull out Section A short questions and go down through them; they’re short enough to keep you interested and they’re an excellent way of studying.

You can really get good marks in the short-question section by just knowing definitions and a few diagrams and ratios.

Another thing I think examiners find vitally important, and some students neglect, is neatness and laying out your answers. Number your answers, give them headings, lay them out neatly, leave spaces, use your red pen liberally. If you make your paper presentable to the examiner they’ll appreciate that, much more than a page of mono-colour scrawl with no paragraphs.

Business is not a hard subject. Don’t be afraid of taking time out if you’re mind starts to wander. Last year I joined boards.ie, a message board where people in the same boat as you talk about things; you can ask questions about anything on business there and coming up to the mocks we had our own quiz.

In the lead-up to the exam I used to go online and myself and a friend would spend ages quizzing ourselves on business. I read the business pages of the newspapers; they’re excellent for examples of companies and it’ll impress the examiner if you show an up-to-date knowledge of current business affairs (Ryanair’s takeover bid for Aer Lingus was an example that came in handy for the exam).

Coming up to the exam, our teacher gave us a full mock paper to do at home. It’s excellent practice for the exam. I remember being totally relaxed going into the exam, because I knew all the work I had done before would stand to me. Apply yourself, it’s never over until it’s over, so don’t give up; I know it seems like dark days at the minute, but there is life after June. Come September you’ll barely remember what all the fuss was about.