

“Distinguish between...”

If you are asked to distinguish between two terms in your Leaving Cert Business exam, the examiner will look for **points of difference** between the two terms, not similarities. You should deal with the two terms separately, and point out the features that contrast between them, or that the other term doesn't have.

Lets look at a past paper question to get an idea of what it looks like in action...

E.g. Past Paper Q - 2016 Short Q9

Distinguish between VAT and Corporation Tax. (10 marks)

Lets first look at the similarities...

Both are a tax businesses have to allow for.

Both are calculated by the businesses and then given to Revenue.

Both use percentage rates to calculate the tax owed to Government.

Both can be lowered to improve competitiveness of businesses (lower tourism VAT rate, low Corporation Tax rate versus lots of EU neighbours.)

A student shouldn't mention any of the above, and instead give 2 of the following points about the types of tax (I'd always recommend giving 2 points for explaining anything at LC Business unless the outcome verb is 'list' or 'name' – state a point and develop it with either keywords or real life examples.

So lets have a look at some options of what a student could write:

Distinguish between VAT and Corporation Tax. (10 marks)

VAT (Value Added Tax) is an indirect tax, charged on consumer spending on goods and services.

The standard rate is 23%.

A special reduced VAT rate for tourism related activities including restaurants, hotels etc. was raised from 9% to 13.5% in Budget 2019.

Corporation Tax is an annual tax on company's net profits (12.5% in Ireland).

It is a direct tax, as it is a tax on earnings, not spending.

It is one of the lowest corporation tax rates worldwide and helps attract FDI to Ireland.

Remember, two points of information per point should be enough (the marking scheme was 6 (3+3) & 4 (2+2)) so the writing in bold should get you full marks.

Here are 2 practice questions from the 2015 paper – note Q5 is phrased a little differently, but the same principle applies, they have asked for a ‘difference’, so the student must distinguish between them, they’ve also used the term ‘illustrate’ so therefore a real life example is required for full marks.

Q9 **Distinguish between** *primary picketing* and *secondary picketing* as types of industrial action available to employees.

Q5 **Illustrate the difference between** a *merger* and a *strategic alliance*.

2015 HL PP Q

Q9 Distinguish between *primary picketing* and *secondary picketing* as types of industrial action available to employees.

Primary: Employees peacefully protesting at **their place of employment, against their employers.**

Secondary: If a **second employer was assisting the original employer (frustrating the resolution of the conflict)**, then employees can peacefully **picket at that employer's premises.**

2015 HL PP Q

Q5 Illustrate the difference between a *merger* and a *strategic alliance*.

A merger is a **voluntary amalgamation** of two or more businesses for their mutual benefit, **forming one new single legal entity.**

E.g. Paddy Power and Betfair merged in 2016

A Strategic Alliance is when two or more firms **agree to co-operate on a certain project** for mutual benefit, **while remaining separate legal entities.**

E.g. Volkswagen and Microsoft have formed a Strategic Alliance to combine digital technology in cars.

(The differences are **bolded above** to show the contrast between them)