

2008 Unit 7  
(Marking Scheme)

Question 3

(A) The Impact of the Single European Market (SEM) on Irish Business (discuss):

(25)

5 points @ 5m  
(2 stating)  
3 explaining

- Free trade between member states. The elimination of barriers or tariffs allows the free movement of goods/services throughout the European Union/pressure on Irish businesses to become more competitive/foreign goods may squeeze out local producers.
- Free movement of capital. Firms can move capital from one country to another/Individuals can invest in shares in companies throughout Europe.
- Free movement of people. European citizens are allowed to move freely between member states/Labour coming into and going out of Ireland/May lead to competition for local jobs by non-nationals/scarcity of skilled staff in Ireland as they may move to other countries.
- Larger markets could result in greater production runs, resulting in economies of scale and possible lowering of costs/Open borders allow firms to expand.
- Common external tariffs. The EU has a common system of barriers on goods imported from outside the EU/Protection of Irish Industry.
- Public procurement. Governments are required to put public contracts up for tender from firms throughout the European Union. Could result in the loss of large contracts for Irish firms.
- Documentation simplified. The introduction of a single administrative document has eliminated a vast number of administrative forms/lowering of administration costs.

Domestic / International Environment

Question 3

(A)	Single European Market	5 @ 5 (2+3)	25
(B)	2 EU Institutions (functions)	10 marks 2 @ 5 (2+3) 10 marks 2 @ 5 (2+3)	20
(C)	Directive and Regulation Example of one/ purpose	2 @ 5 (2+3) 5 marks (2+3)	15
	<b>Available Marks</b>		<b>60</b>