



Barker College

**2012  
TRIAL  
HIGHER SCHOOL  
CERTIFICATE**

# Business Studies

**ANSWER SHEET**

Staff Involved:

AM FRIDAY 3<sup>RD</sup> AUGUST

- PAB
- MBJ\*
- RLL
- RHM
- LRN
- CJR

125 copies

**Section I – Multiple Choice**

Choose the best response and fill in the response oval completely

Start Here →

- |     |   |                       |   |                       |   |                       |   |                       |     |   |                       |   |                       |   |                       |   |                       |
|-----|---|-----------------------|---|-----------------------|---|-----------------------|---|-----------------------|-----|---|-----------------------|---|-----------------------|---|-----------------------|---|-----------------------|
| 1.  | A | <input type="radio"/> | B | <input type="radio"/> | C | <input type="radio"/> | D | <input type="radio"/> | 11. | A | <input type="radio"/> | B | <input type="radio"/> | C | <input type="radio"/> | D | <input type="radio"/> |
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| 10. | A | <input type="radio"/> | B | <input type="radio"/> | C | <input type="radio"/> | D | <input type="radio"/> | 20. | A | <input type="radio"/> | B | <input type="radio"/> | C | <input type="radio"/> | D | <input type="radio"/> |

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125 copies

## General Instructions

- Reading time – 5 minutes
- Working time – 3 hours
- Board approved calculators may be used
- Write using blue or black pen
- Write your Barker Student Number at the top of the answer sheet provided and at the top of all answer pages

**Total marks – 100**

**Section I** Pages 3 - 7

**20 marks**

- Attempt Questions 1–20
- Allow about 35 minutes for this section

**Section II** Pages 9 - 14

**40 marks**

- Attempt Questions 21–24
- Allow about 75 minutes for this section

**Section III** Page 15

**20 marks**

- Attempt Question 25
- Allow about 35 minutes for this section

**Section IV** Page 16

**20 marks**

- Attempt Question 26 **OR** Question 27
- Allow about 35 minutes for this section

## Section I

20 marks

Attempt Questions 1 – 20

Allow about 35 minutes for this section

Use the multiple-choice answer sheet.

---

Sample       $2 + 4 =$       (A) 2      (B) 6      (C) 8      (D) 9

(A)       (B)       (C)       (D)

If you think you have made a mistake, put a cross through the incorrect answer and fill in the new answer.

(A)       (B)       (C)       (D)

If you change your mind and have crossed out what you consider to be the correct answer, then indicate this by writing the word *correct* and drawing an arrow as follows.

(A)       (B)       (C)       (D)

*correct*  
↙

1. Which of the following are found in the transformation process in a manufacturing plant?
  - (A) Influences, raw materials, capital and layout
  - (B) Labour, sequencing, monitoring and customer service
  - (C) Sequencing, scheduling, task design and process layout
  - (D) Technology, energy, warranties and services
  
2. The concept of solvency is concerned with which of the following?
  - (A) The extent to which the business can meet its financial commitments in the long term
  - (B) The extent to which a business can meet its financial commitments in the short term
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3. Which of the following are indicators of the effectiveness of human resource management strategies?
  - (A) Absenteeism, sales, levels of disputation
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  - (C) Worker satisfaction, accidents, staff turnover
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10. Comparing actual sales with forecast sales would be part of which marketing process?
- (A) Monitoring and controlling
  - (B) Identification of target market
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  - (D) Situational analysis

- 11.** The main disadvantage of holding inventories is that:
- (A) Inventories are a business liability and do not reflect well on the firm's revenue statement
  - (B) The product manager must dispatch unwanted inventories to distribution centres
  - (C) Older inventories can be sold at reduced prices and create cash-flow for the business
  - (D) There are associated costs to holding inventories
- 12.** What are TWO sources of debt finance?
- (A) Retained profits and factoring
  - (B) A mortgage and leasing
  - (C) Unsecured notes and ordinary shares
  - (D) Private equity and retained profits
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  - (B) Sequencing, job design, dispute resolutions
  - (C) Training, performance appraisal, product design
  - (D) OH&S implementation, pricing, rewards
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  - (D) Classical approach aims to increase the professional growth of employees

15. A shoe retailer reduces the price of its gym shoes to below cost price in order to attract customers to the store.
- Which of the following describes this action by the retailer?
- (A) Strategic leader
  - (B) Loss leader
  - (C) Market leader
  - (D) Production leader
16. Managers sometimes face resistance to change from their employees in the workplace. Such resistance may be overcome by which of the following?
- (A) Implementing a system of Total Quality Management
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  - (C) Communicating with employees the need for change
  - (D) Start a national advertising campaign
17. What is the name of the government body that enforces and administers the Corporations Act?
- (A) The Australian Prudential and Regulatory Authority
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  - (B) Governments affect industrial relations by representing employees in efforts to improve wages and working conditions
  - (C) Trade unions assist in passing new legislation
  - (D) Employer's responsibilities include negotiating agreements and resolving disputes



**19.** The decision to lower price to take market share from competitors is consistent with which pricing strategy?

- (A) Skimming
- (B) Premium pricing
- (C) Penetration pricing
- (D) Cost plus margin

**20.** As part of its regional marketing activities, a business provides financial support for a regional sporting event.

Which marketing strategy is it using?

- (A) Product
- (B) Price
- (C) Place
- (D) Promotion

**END OF SECTION I**

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**40 marks**

**Attempt Questions 21–24**

**Allow about 75 minutes for this section**

Answer in the spaces provided on the paper.

**Question 21** (10 marks)

The income statement for a business is shown.

<b>Margot's Maps PTY LTD</b>				
<b>Income statement for the year ended 30 June 2011</b>				
	2010		2011	
	\$	\$	\$	\$
<b>Sales</b>		550,000		850,000
Less costs of goods sold				
Opening stock	200,000		200,000	
Plus purchases	150,000		400,000	
	350,000		600,000	
Less closing stock	200,000	150,000	300,000	300,000
<b>Gross Profit</b>		400,000		550,000
Less Expenses				
Marketing	35,000		100,000	
Wages	100,000		200,000	
Administration	60,000		85,000	
Financing Costs	50,000		100,000	
Rent	50,000	295,000	55,000	540,000
<b>Net profit</b>		105,000		10,000

- (a) Calculate the net profit ratio (net profit/sales) for Margot's Maps Pty Ltd for 2010. Show all working. 2

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- (b) Assume Margot's Maps Pty Ltd currently use the FIFO method of valuing stock. Describe the possible effects on gross profit if the business changed to using a LIFO method of valuing stock. 2

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**Question 21 continues on page 10**

**Question 21** (continued)

- (c) Recommend ONE finance strategy and ONE human resource strategy that could be implemented to improve profitability

**6**

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**Question 23** (10 marks)

- (a) Outline the importance of process layout in maximising efficiency of the transformation process. **2**

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- (b) Describe how an increase in demand for the finished product will influence the transformation process. **2**

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- (c) Describe how the decision to reduce the variety of products and models produced will influence the transformation process. **2**

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- (d) Explain how operations can help a business sustain its competitive advantage. **4**

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**Question 24** (10 marks)

Gaga Gym, a premium women only gymnasium, opened in the Sydney CBD in 2009. It operates 24 hours seven days. Gaga Gym provides personal trainers, first class amenities including private facilities and a juice, coffee & pastry bar. The target market is loyal, mainly young female office workers and CBD residents. In early 2011, Gaga Gym started to experience difficulties. Performance and profit results were below expectation.

Late in 2010, Fitness Fanatics one of Sydney’s largest health centre chains, opened in the CBD. They opened with a successful marketing campaign based around Facebook and a competitive price structure.

- (a) Define the term “target market”. **1**

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- (b) Describe Gaga Gym’s target market, product/service differentiation and positioning. **3**

i) Target market .....

.....

ii) Product/ service differentiation .....

.....

iii) Positioning .....

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**Question 24 continues on page 14**

**Question 24** (continued)

- (c) Propose and justify ONE new ‘promotion’ strategy and ONE new ‘product’ strategy for Gaga Gym.

**6**

Promotion strategy .....

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Product strategy.....

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**END OF SECTION II**



## Section III

**20 marks**

**Attempt Question 25**

**Allow about 35 minutes for this section**

Answer this section on the paper provided. Extra paper is available if required.  
Write your student number at the top right-hand corner of every page.

---

In your answer you will be assessed on how well you:

- demonstrate knowledge and understanding relevant to the question
  - apply the hypothetical business situation
  - communicate using relevant business terminology and concepts
  - present a sustained, logical and cohesive response in the form of a business report
- 

**Question 25** (20 marks)

### **Lent Pty Ltd**

Lent Pty Ltd is a leading chocolate manufacturer in New South Wales. Its strategic goal is now to expand into the Australian national market with its full range of products.

This goal will require Lent's management to meet a number of challenges. To ensure this strategy is successful, management of Lent Pty Ltd is seeking advice on the following areas of concern:

- efficiency and effectiveness of the current workforce to meet the new strategic goal
- the finance to fund the strategic goal
- the management of marketing strategies in a national environment
- the need to manage the interdependent relationship between all the key business functions

You have been employed as a consultant to prepare a report to Lent Pty Ltd.

In your report, outline and justify TWO strategies for EACH of marketing, human resource and financial management that will enable Lent Pty Ltd to achieve its strategic goal.

**END OF SECTION III**

## **Section IV**

**20 marks**

**Attempt Question 26 OR Question 27**

**Allow about 35 minutes for this section**

Answer this section on the paper provided. Extra paper is available if required.  
Write your student number at the top right-hand corner of every page.

---

In your answer you will be assessed on how well you:

- demonstrate knowledge and understanding relevant to the question
  - apply relevant business case study/studies and contemporary business issues
  - communicate using relevant business terminology and concepts
  - present a sustained, logical and cohesive response
- 

**EITHER**

**Question 26** (20 marks)

Explain how government policies can affect operations strategies of business.

**OR**

**Question 27** (20 marks)

Explain how supply chain management can affect the transformation process of business.

**END OF SECTION IV**

**END OF PAPER**



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## Marking Criteria

125 copies

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Choose the best response and fill in the response oval completely

Start Here →

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Which marketing strategy is it using?

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- (B) Price
- (C) Place
- (D) Promotion

**END OF SECTION I**

**40 marks****Attempt Questions 21–24****Allow about 75 minutes for this section**

Answer in the spaces provided on the paper.

**Question 21** (10 marks)

The income statement for a business is shown.

<b>Margot's Maps PTY LTD</b>			
<b>Income statement for the year ended 30 June 2011</b>			
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	\$	\$	\$
<b>Sales</b>		550,000	850,000
Less costs of goods sold			
Opening stock	200,000		200,000
Plus purchases	<u>150,000</u>		<u>400,000</u>
	350,000		600,000
Less closing stock	<u>200,000</u>	150,000	<u>300,000</u>
<b>Gross Profit</b>		400,000	550,000
Less Expenses			
Marketing	35,000		100,000
Wages	100,000		200,000
Administration	60,000		85,000
Financing Costs	50,000		100,000
Rent	<u>50,000</u>	295,000	<u>540,000</u>
<b>Net profit</b>		105,000	10,000

- (a) Calculate the net profit ratio (net profit/sales) for Margot's Maps Pty Ltd for 2010.  
Show all working.

**2**

Correctly determines the net profit ratio: $\frac{105,000}{550,000} = 0.19$ or 19%	<b>2</b>
Incorrectly determines the net profit ratio but does write the correct numbers as shown: $\frac{105,000}{550,000}$	<b>1</b>
Fails to correctly determine the net profit ratio.	<b>0</b>

- (b) Assume Margot's Maps Pty Ltd currently use the FIFO method of valuing stock.  
Describe the possible effects on gross profit if the business changed to using a LIFO method of valuing stock.

**2**

Provides characteristics and features of the effects on gross profits due to a change from the FIFO valuation method of stock to the LIFO valuation method.	<b>2</b>
Sketches in general terms the effects on gross profits due to a change from the FIFO valuation method of stock to the LIFO valuation method.	<b>1</b>
Fails to recognise and name the effects on gross profit due to a change from the FIFO valuation method of stock to the LIFO valuation method.	<b>0</b>

*operations strategies*

- inventory management – advantages and disadvantages of holding stock, LIFO (last-in-first-out), FIFO (first-in-first-out), JIT (just-in-time)

This question is about the method of stock valuation and its effects on the value of goods sold, the value of unsold stock and the gross profit. Neither LIFO or FIFO is necessarily better. During periods of price changes, the same business, depending on the inventory valuation method used could legitimately report different profit levels. Consistency is key, otherwise the accounts will be misrepresented. Essentially there could be either an increase or decrease in profits. The question is NOT about the physical movement or management of stock.

**Question 21 continues on page 9**

**Question 21** (continued)

- (c) Recommend ONE finance strategy and ONE human resource strategy that could be implemented to improve profitability

**6**

Provides reasons in favour of ONE appropriate finance strategy that could be implemented to improve profitability	<b>3</b>
Provides reasons in favour of ONE appropriate finance strategy that could be implemented to improve profitability <b>OR</b> Provides characteristics and features of appropriate ONE finance strategy that could be implemented to improve profitability	<b>2</b>
Recognises and names ONE appropriate finance strategy that could be implemented to improve profitability <b>OR</b> Recognises and names ONE appropriate finance strategy that could be implemented to improve profitability	<b>1</b>
Fails to recognise and name ONE appropriate finance strategy that could be implemented to improve profitability	<b>0</b>

Content could include:

*financial management strategies*

- profitability management
  - cost controls – fixed and variable, cost centres, expense minimisation
  - revenue controls – marketing objectives

Provides reasons in favour of ONE appropriate human resource strategy that could be implemented to improve profitability	<b>3</b>
Provides reasons in favour of ONE appropriate human resource strategy that could be implemented to improve profitability <b>OR</b> Provides characteristics and features of appropriate ONE human resource strategy that could be implemented to improve profitability	<b>2</b>
Recognises and names ONE appropriate human resource strategy that could be implemented to improve profitability <b>OR</b> Recognises and names ONE appropriate human resource strategy that could be implemented to improve profitability	<b>1</b>
Fails to recognise and name ONE appropriate human resource strategy that could be implemented to improve profitability	<b>0</b>

Content could include:

*strategies in human resource management*

- leadership style
- job design – general or specific tasks
- recruitment – internal or external, general or specific skills
- training and development – current or future skills
- performance management – developmental or administrative
- rewards – monetary and non-monetary, individual or group, performance pay
- global – costs, skills, supply
- workplace disputes
  - resolution – negotiation, mediation, grievance procedures, involvement of courts and tribunals

**Question 22** (10 marks)

- (a) Identify TWO key influences on human resources. **2**

Recognises and names two key influence on human resources – from stakeholders (employers, employees, employer associations, unions, government organisations, society), legal, economic, technological, social, ethics and corporate social responsibility	<b>2</b>
Recognises and names one key influence	<b>1</b>
Does not recognise or name a key influence	<b>0</b>

- (b) Outline the strategic role human resources plays in achieving the goals of a business. **2**

Sketches in general terms the main features that the role of human resources plays in achieving the goals	<b>2</b>
Recognises and names the role human resources plays in achieving the goals	<b>1</b>
Fails to recognise and name the role human resources plays in achieving the goals	<b>0</b>

Possible content could include:

- Management of the total relationship between an employer and employee to help achieve the goals of the business
- Incorporates all aspects such as industrial relations, workplace relations
- Includes HR processes such as acquisition, development, maintenance, separation and how they are aligned to meet the strategic goals of the business

- (c) Explain how human resource management is interdependent with the other key business functions. **6**

Makes the relationship evident of the interdependence between human resource management and operations, marketing and finance	<b>5-6</b>
Provides characteristics and features of the interdependence of HR with the other KBFs	<b>3-4</b>
Recognises and names the interdependence of HR with the other KBFs	<b>1-2</b>
Fails to recognise or name interdependence	<b>0</b>

Possible content could include:

- Show the interdependence of this role with the roles of the other KBFs
- Give examples of how HR is interdependent with each KBF

**Question 23** (10 marks)

- (a) Outline the importance of process layout in maximising efficiency of the transformation process. **2**

Sketches in general terms how the arrangement of machines and equipment can maximise efficiency of the transformation process by: <ul style="list-style-type: none"> <li>• Allowing for high variety, low volume production</li> <li>• Maximising customer service by satisfying the needs of a variety of customers.</li> </ul>	<b>2</b>
Recognises and names one of the following: <ul style="list-style-type: none"> <li>• Allows for high variety, low volume production</li> <li>• Maximises customer service by satisfying the needs of a variety of customers.</li> </ul>	<b>1</b>
Fails to list one of the above	<b>0</b>

- (b) Describe how an increase in demand for the finished product will influence the transformation process. **2**

Provides characteristics and features of how an increase in demand for the finished product will influence the transformation process by: <ul style="list-style-type: none"> <li>• Creating a need for increased inputs eg. Raw materials, human resources, energy use, and machinery and technology.</li> <li>• May lead to the creation of a more efficient production process.</li> </ul>	<b>2</b>
Sketches in general terms one of the following: <ul style="list-style-type: none"> <li>• Creating a need for increased inputs eg. Raw materials, human resources, energy use, and machinery and technology.</li> <li>• May lead to the creation of a more efficient production process.</li> </ul>	<b>1</b>
Fails to sketch in general terms one of the above.	<b>0</b>

- (c) Describe how the decision to reduce the variety of products and models produced will influence the transformation process. **2**

Provides characteristics and features of how the decision to reduce the variety of products and models produced will influence the transformation process by: <ul style="list-style-type: none"> <li>• Affecting the product range. By reducing variety the business could change from product to process layout. This will call for work teams or work cells.</li> </ul>	<b>2</b>
Sketches in general terms that <ul style="list-style-type: none"> <li>• the transformation process will change from product to process layout. OR there will probably be a change in HR structure of the workplace.</li> </ul>	<b>1</b>
Fails to sketch in general terms one of the above.	<b>0</b>

(d) Explain how operations can help a business sustain its competitive advantage.

4

<p>Relate cause and effect, make the relationship between things evident, provides how or why operations can help a business to sustain its competitive advantage by any of the following:</p> <ul style="list-style-type: none"><li>• Adding value to the products / services</li><li>• The quality of business inputs eg labour, technology, ideas and natural resources, may lead to the creation of a superior product</li><li>• Use of environmental and socially aware policies can set the business's reputation and products above its competitors</li><li>• The continued need to innovate to meet changing demands of customers</li></ul>	<p><b>3 - 4</b></p>
<p>Relate cause and effect, make the relationship between things evident, provides how or why operations can help a business to sustain its competitive advantage by any of the following:</p> <ul style="list-style-type: none"><li>• Adding value to the products / services</li><li>• The quality of business inputs eg labour, technology, ideas and natural resources, may lead to the creation of a superior product</li><li>• Use of environmental and socially aware policies can set the business's reputation and products above its competitors</li><li>• The continued need to innovate to meet changing demands of customers.</li></ul> <p style="text-align: center;"><b>OR</b></p> <p>Provides characteristics and features of any 2 of the above.</p>	<p><b>1 - 2</b></p>
<p>Fails to relate cause and effect, make the relationship between things evident, provides how or why operations can help a business to sustain its competitive advantage by <b>any 1 of the above OR</b> Provide characteristics and features of any 2 of the above.</p>	<p><b>0</b></p>

**Question 24** (10 marks)

Gaga Gym, a premium women only gymnasium, opened in the Sydney CBD in 2009. It operates 24 hours seven days. Gaga Gym provides personal trainers, first class amenities including private facilities and a juice, coffee & pastry bar. The target market is loyal, mainly young female office workers and CBD residents. In early 2011, Gaga Gym started to experience difficulties. Performance and profit results were below expectation.

Late in 2010, Fitness Fanatics one of Sydney’s largest health centre chains, opened in the CBD. They opened with a successful marketing campaign based around Facebook and a competitive price structure.

- (a) Define the term “target market”. **1**

Provides characteristics and features of target market as section/portion or segment of a wider market – a group of customers with similar characteristics who presently, or who may in the future, purchase the product.	<b>1</b>
Fails to provide characteristics and features of Gaga’s target market.	<b>0</b>

- (b) Describe Gaga Gym’s target market, product/service differentiation and positioning. **3**

i) Target market

Provides characteristics and features of Gaga’s target market as loyal, mainly young female office workers and CBD residents, higher socio-economic, professional and managerial females who live or work in the Sydney CBD.	<b>1</b>
Fails to provide characteristics and features of Gaga’s target market.	<b>0</b>

ii) Product/ service differentiation

Provides characteristics and features of Gaga’s differentiation: Gym provides personal trainers, first class amenities including private facilities and a juice, coffee & pastry bar.	<b>1</b>
Fails to provide characteristics and features of Gaga’s product/ service differentiation	<b>0</b>

iii) Positioning

Provides characteristics and features of Gaga’s positioning Premium position; women only gymnasium / provides personal trainers, first class amenities including private facilities and a juice, coffee & pastry bar.	<b>1</b>
Failure to provides characteristics and features of Gaga’s positioning	<b>0</b>

**Question 24 continues on page 14**



**Question 24** (continued)

- (c) Propose and justify ONE new ‘promotion’ strategy and ONE new ‘product’ strategy for Gaga Gym.

**6**

Promotion strategy

Puts forward and supports ONE appropriate NEW promotion strategy – possible strategies: Celebrity endorsement, Loyalty scheme, Weekly membership rate. Exclusive membership. Celebrity personal trainer. E-marketing alternative promotion etc	<b>3</b>
Provides characteristics and features of ONE appropriate NEW promotion strategy	<b>2</b>
Recognises and names ONE appropriate NEW promotion strategy	<b>1</b>
Fails to recognise and name ONE appropriate NEW promotion strategy	<b>0</b>

Possible content could include:

*marketing strategies*

- promotion
  - elements of the promotion mix – advertising, personal selling and relationship marketing, sales promotions, publicity and public relations
  - the communication process – opinion leaders, word of mouth

Product strategy

Puts forward and supports ONE appropriate NEW product strategy: possible strategies: Individualised tuition run by highly skilled trainer / celebrity. Latest equipment. Modern décor. Boutique Coffee and Pastries which changes each week. etc	<b>3</b>
Provides characteristics and features of ONE appropriate NEW product strategy	<b>2</b>
Recognises and names ONE appropriate NEW product strategy	<b>1</b>
Fails to recognise and name ONE appropriate NEW product strategy	<b>0</b>

Possible content could include:

*marketing strategies*

- products – goods and/or services
  - branding
  - packaging

**END OF SECTION II**

## Section III

**20 marks**

**Attempt Question 25**

**Allow about 35 minutes for this section**

Answer this section on the paper provided. Extra paper is available if required.  
Write your student number at the top right-hand corner of every page.

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In your answer you will be assessed on how well you:

- demonstrate knowledge and understanding relevant to the question
  - apply the hypothetical business situation
  - communicate using relevant business terminology and concepts
  - present a sustained, logical and cohesive response in the form of a business report
- 

**Question 25** (20 marks)

### **Lent Pty Ltd**

Lent Pty Ltd is a leading chocolate manufacturer in New South Wales. Its strategic goal is now to expand into the Australian national market with its full range of products.

This goal will require Lent's management to meet a number of challenges. To ensure this strategy is successful, management of Lent Pty Ltd is seeking advice on the following areas of concern:

- efficiency and effectiveness of the current workforce to meet the new strategic goal
- the finance to fund the strategic goal
- the management of marketing strategies in a national environment
- the need to manage the interdependent relationship between all the key business functions

You have been employed as a consultant to prepare a report to Lent Pty Ltd.

In your report, outline and justify TWO strategies for EACH of marketing, human resource and financial management that will enable Lent Pty Ltd to achieve its strategic goal.

**END OF SECTION III**

In your report, outline and justify TWO strategies for EACH of marketing, human resource and financial management that will enable Lent Pty Ltd to achieve its strategic goal.

Outcome examined	Required knowledge, understanding and skills	Mark
H2, H3, H4, H5, H6	<ul style="list-style-type: none"> <li>• Sketches in general terms with <b>support</b> TWO relevant marketing strategies that will enable Lent P/L to achieve its strategic goal.</li> <li>• Sketches in general terms with <b>support</b> ONE relevant marketing strategy that will enable Lent P/L to achieve its strategic goal. OR Recognises and names with <b>support</b> TWO relevant marketing strategies that will enable Lent P/L to achieve its strategic goal.</li> <li>• Recognises and names with <b>support</b> ONE relevant marketing strategy that will enable Lent P/L to achieve its strategic goal.</li> <li>• Recognises and names TWO relevant marketing strategies that will enable Lent P/L to achieve its strategic goal.</li> <li>• Fails to recognise and name TWO relevant marketing strategies that will enable Lent P/L to achieve its strategic goal.</li> </ul>	<p style="text-align: center;"><b>5</b></p> <p style="text-align: center;"><b>3 – 4</b></p> <p style="text-align: center;"><b>2</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>0</b></p>
H2, H3, H4, H5, H6	<ul style="list-style-type: none"> <li>• Sketches in general terms with <b>support</b> TWO relevant human resource strategies that will enable Lent P/L to achieve its strategic goal.</li> <li>• Sketches in general terms with <b>support</b> ONE relevant human resource strategy that will enable Lent P/L to achieve its strategic goal. OR Recognises and names with <b>support</b> TWO relevant human resource that will enable Lent P/L to achieve its strategic goal.</li> <li>• Recognises and names with <b>support</b> ONE relevant human resource strategy that will enable Lent P/L to achieve its strategic goal.</li> <li>• Recognises and names TWO relevant human resource strategies that will enable Lent P/L to achieve its strategic goal.</li> <li>• Fails to recognise and name TWO relevant human resource strategies that will enable Lent P/L to achieve its strategic goal.</li> </ul>	<p style="text-align: center;"><b>5</b></p> <p style="text-align: center;"><b>3 – 4</b></p> <p style="text-align: center;"><b>2</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>0</b></p>
H2, H3, H4, H5, H6	<ul style="list-style-type: none"> <li>• Sketches in general terms with <b>support</b> TWO relevant finance strategies that will enable Lent P/L to achieve its strategic goal.</li> <li>• Sketches in general terms with <b>support</b> ONE relevant finance strategy that will enable Lent P/L to achieve its strategic goal. OR Recognises and names with <b>support</b> TWO relevant finance that will enable Lent P/L to achieve its strategic goal.</li> <li>• Recognises and names with <b>support</b> ONE relevant finance strategy that will enable Lent P/L to achieve its strategic goal.</li> <li>• Recognises and names TWO relevant finance strategies that will enable Lent P/L to achieve its strategic goal.</li> <li>• Fails to recognise and name TWO relevant finance strategies that will enable Lent P/L to achieve its strategic goal.</li> </ul>	<p style="text-align: center;"><b>5</b></p> <p style="text-align: center;"><b>3 – 4</b></p> <p style="text-align: center;"><b>2</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>0</b></p>
H2, H4,	<ul style="list-style-type: none"> <li>• Sketches in general terms the need for Lent P/L to manage the interdependence of ALL key business functions to achieve its strategic goal</li> <li>• Sketches in general terms the need for Lent P/L to manage the interdependence of some key business functions to achieve its strategic goal</li> <li>• Fails to sketch in general terms the need to manage the interdependence of key business functions</li> </ul>	<p style="text-align: center;"><b>2 – 3</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>0</b></p>
H7, H8, H9	<ul style="list-style-type: none"> <li>• Integrated stimulus material and own knowledge in correctly answering the question with syllabus terms in appropriate report format.</li> <li>• Minimal stimulus material used in answering the question in a basic report format.</li> <li>• No stimulus material used</li> </ul>	<p style="text-align: center;"><b>2</b></p> <p style="text-align: center;"><b>1</b></p> <p style="text-align: center;"><b>0</b></p>

**See next page for possible content:**

## **Possible content:**

### ***marketing strategies***

- market segmentation, product/service differentiation and positioning
- products – goods and/or services
  - branding
  - packaging
- price including pricing methods – cost, market, competition-based
  - pricing strategies – skimming, penetration, loss leaders, price points
  - price and quality interaction
- promotion
  - elements of the promotion mix – advertising, personal selling and relationship marketing, sales promotions, publicity and public relations
  - the communication process – opinion leaders, word of mouth
- place/distribution
  - distribution channels
  - channel choice – intensive, selective, exclusive
  - physical distribution issues – transport, warehousing, inventory
- people, processes and physical evidence
- e-marketing

### ***strategies in human resource management***

- leadership style
- job design – general or specific tasks
- recruitment – internal or external, general or specific skills
- training and development – current or future skills
- performance management – developmental or administrative
- rewards – monetary and non-monetary, individual or group, performance pay
- global – costs, skills, supply
- workplace disputes
  - resolution – negotiation, mediation, grievance procedures, involvement of courts and tribunals

### ***influences on financial management***

- internal sources of finance – retained profits
- external sources of finance
  - debt – short-term borrowing (overdraft, commercial bills, factoring), long-term borrowing (mortgage, debentures, unsecured notes, leasing)
  - equity – ordinary shares (new issues, rights issues, placements, share purchase plans), private equity

### ***financial management strategies***

- cash flow management
  - cash flow statements
  - distribution of payments, discounts for early payment, factoring
- working capital management
  - control of current assets – cash, receivables, inventories
  - control of current liabilities – payables, loans, overdrafts
  - strategies – leasing, sale and lease back
- profitability management
  - cost controls – fixed and variable, cost centres, expense minimisation
  - revenue controls – marketing objectives
- global financial management
  - exchange rates
  - interest rates
  - methods of international payment – payment in advance, letter of credit, clean payment, bill of exchange
  - hedging
  - derivatives

***role of marketing***

- interdependence with other key business functions

***role of human resource management***

- interdependence with other key business functions

***role of financial management***

- interdependence with other key business functions

## **Section IV**

**20 marks**

**Attempt Question 26 OR Question 27**

**Allow about 35 minutes for this section**

Answer this section on the paper provided. Extra paper is available if required.  
Write your student number at the top right-hand corner of every page.

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In your answer you will be assessed on how well you:

- demonstrate knowledge and understanding relevant to the question
  - apply relevant business case study/studies and contemporary business issues
  - communicate using relevant business terminology and concepts
  - present a sustained, logical and cohesive response
- 

**EITHER**

**Question 26** (20 marks)

Explain how government policies can affect operations strategies of business.

**OR**

**Question 27** (20 marks)

Explain how supply chain management can affect the transformation process of business.

**END OF SECTION IV**

**END OF PAPER**

Explain how government policies can affect operations strategies of business.

Outcome examined	Required knowledge, understanding and skills	Mark
H2, H3, H4, H5, H6	• Relates cause and the effect of government policies on operations strategies and appropriately incorporates a case study/ies.	14-15-16
	• Provides characteristics and features of the effects on operations strategies and appropriately incorporates a case study/ies.	12 - 13
	• Sketches in general terms the effects on operations strategies of government policies and appropriately incorporates a case study/ies.	10 - 11
	• Relates cause and the effect of government policies on operations strategies may incorporate a case study/ies.	8 - 9
	• Provides characteristics and features of the effects on operations strategies of government policies may incorporate a case study/ies.	6 – 7
	• Sketches in general terms the effects on operations strategies of government policies may incorporate a case study/ies.	3 - 4 – 5
	• Recognises and names the effect of government policies on operations. May make reference to a case study/ies.	1 – 2
	• Makes no mention of the effect of government policies on operations	0
H7, H8, H9	• Presents a clear, logical and well-structured answer using relevant syllabus terminology	3 - 4
	• Presents a structured answer using relevant syllabus terminology	1 – 2
	• Presents a simplistic and disjointed answer using little business terminology	0
<b>TOTAL</b>		<b>/20</b>

**Possible content could include –**  
*influences*

- globalisation, technology, quality expectations, cost-based competition, government policies, legal regulation, environmental sustainability
- corporate social responsibility
  - the difference between legal compliance and ethical responsibility
  - environmental sustainability and social responsibility

*operations strategies*

- performance objectives – quality, speed, dependability, flexibility, customisation, cost
- new product or service design and development
- supply chain management – logistics, e-commerce, global sourcing
- outsourcing – advantages and disadvantages
- technology – leading edge, established
- inventory management – advantages and disadvantages of holding stock, LIFO (last-in-first-out), FIFO (first-in-first-out), JIT (just-in-time)
- quality management
  - control
  - assurance
  - improvement
- overcoming resistance to change – financial costs, purchasing new equipment, redundancy payments, retraining, reorganising plant layout, inertia
- global factors – global sourcing, economies of scale, scanning and learning, research and development

Explain how supply chain management can affect the transformation process of business.

Outcome examined	Required knowledge, understanding and skills	Mark
H2, H3, H4, H5, H6	<ul style="list-style-type: none"> <li>• Relates cause and the effect of supply chain management on the transformation process and appropriately incorporates a case study/ies.</li> <li>• Provides characteristics and features of the effects of supply chain management on the transformation process and appropriately incorporates a case study/ies.</li> <li>• Sketches in general terms the effects on transformation process of supply chain management and appropriately incorporates a case study/ies.</li> <li>• Relates cause and the effect of supply chain management on the transformation process may incorporate a case study/ies.</li> <li>• Provides characteristics and features of the effects of supply chain management on the transformation process may incorporate a case study/ies.</li> <li>• Sketches in general terms the effects of supply chain management on operations strategies may incorporate a case study/ies.</li> <li>• Recognises and names the effects of supply chain management on operations strategies. May make reference to a case study/ies.</li> <li>• Makes no mention of the effect of government policies on operations</li> </ul>	<p>14-15-16</p> <p>12 - 13</p> <p>10 - 11</p> <p>8 - 9</p> <p>6 – 7</p> <p>3 - 4 – 5</p> <p>1 - 2</p> <p>0</p>
H7, H8, H9	<ul style="list-style-type: none"> <li>• Presents a clear, logical and well-structured answer using relevant syllabus terminology</li> <li>• Presents a structured answer using relevant syllabus terminology</li> <li>• Presents a simplistic and disjointed answer using little business terminology</li> </ul>	<p>3 - 4</p> <p>1 – 2</p> <p>0</p>
<b>TOTAL</b>		<b>/20</b>

**Possible content could include –**

*operations strategies*

- supply chain management – logistics, e-commerce, global sourcing

*operations processes*

- transformation processes
  - the influence of volume, variety, variation in demand and visibility (customer contact)
  - sequencing and scheduling – Gantt charts, critical path analysis
  - technology, task design and process layout
  - monitoring, control and improvement