

## Section I

20 marks

Attempt questions 1 – 20

Allow about 35 minutes for this section

Use the multiple choice answer sheet for this section

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1. Which of the following is a transforming resource?
  - (A) Materials
  - (B) Information
  - (C) Intermediate goods
  - (D) Human resources
  
2. If a business wants to increase its market share, which pricing strategy should it use?
  - (A) Market based pricing
  - (B) Price penetration
  - (C) Price points
  - (D) Price skimming
  
3. Which of the following is an external source of equity finance?
  - (A) Commercial bills
  - (B) Debentures
  - (C) Ordinary shares
  - (D) Overdraft
  
4. The process whereby a third party is involved in an industrial dispute, and makes a legally binding decision to resolve the dispute, is known as which of the following?
  - (A) Arbitration
  - (B) Conciliation
  - (C) Mediation
  - (D) Negotiation
  
5. Which of the following is a primary source of data collection in the marketing process?
  - (A) Sales reports
  - (B) Internet sites
  - (C) Surveys
  - (D) Annual reports

6. Which of the following is an effective inventory management system?

- (A) Global sourcing
- (B) Quality control
- (C) Just in time
- (D) Value chains

7. Which of the following best defines critical path analysis?

- (A) Finding the shortest possible time for operations
- (B) Finding the longest time for operations
- (C) Finding the actual time for operations
- (D) Finding the monitoring time for operations

**Use the following information to answer questions 8 and 9**

**Financial data for ABC Enterprises**

	<b>2010</b>	<b>2011</b>
<b>Sales</b>	200 000	206 000
<b>Expenses</b>	10 000	16 000
<b>Accounts receivable</b>	20 000	5 400

8. What is the expense ratio for 2010?

- (A) 3.65%
- (B) 5.0%
- (C) 7.7%
- (D) 9.6%

9. Which of the following is an accurate assessment of the efficiency of ABC Enterprises?

- (A) The expense ratio has improved and the accounts receivable turnover ratio has worsened
- (B) The expense ratio and the accounts receivable turnover ratio have both improved
- (C) The expense ratio has worsened and the accounts receivable turnover ratio has improved
- (D) The expense ratio and the accounts receivable turnover ratio have both worsened

10. Which stakeholders are represented by unions?
- (A) Employers
  - (B) Employees
  - (C) Government
  - (D) Society
11. What does a Gantt chart show?
- (A) Actual and planned progress
  - (B) Potential and possible progress
  - (C) Feedback and feed forward progress
  - (D) Timed and past progress
12. A clothing manufacturer sells its label in major department stores. Which distribution channel are they using?
- (A) Physical
  - (B) Exclusive
  - (C) Selective
  - (D) Intensive
13. Which of the following is the strategic role of human resources?
- (A) Reducing industrial action
  - (B) Reducing costs by lowering wages and salaries
  - (C) Managing the total relationship between employees and the employer
  - (D) Managing the way in which staff are given training and development
14. Which elements of the promotion mix is a business using if they send emails to customers to inform them of discounts and competitions?
- (A) Publicity and personal selling
  - (B) Relationship marketing and sales promotion
  - (C) Personal selling and relationship marketing
  - (D) Sales promotion and publicity
15. If a business needs to improve its liquidity, what does management need to better manage?
- (A) Debt
  - (B) Working capital
  - (C) Equity
  - (D) Sale and lease back

16. Which of the following are examples of operational performance objectives?
- (A) Cost, speed and profit
  - (B) Quality, profit and speed
  - (C) Cost, quality and profit
  - (D) Quality, cost and speed
17. The introduction of a mineral resources tax for mining companies is likely to impact upon which of the following?
- (A) Stability
  - (B) Liquidity
  - (C) Solvency
  - (D) Profitability
18. A business needs to reduce the number of employees because of a fall in consumer confidence and rising interest rates. Which influence is at play?
- (A) Social
  - (B) Technological
  - (C) Economic
  - (D) Environmental
19. What is standardisation?
- (A) When a domestic business produces one product for a particular market.
  - (B) When a global business produces a uniform product for a range of world markets.
  - (C) A policy adopted by all businesses when the decision is made to expand globally
  - (D) A policy that ensures all products meet a predetermined standard in terms of quality
20. Which of the following is a benefit of outsourcing the human resource function?
- (A) Reduces costs
  - (B) Increases insurance premiums
  - (C) Reduces specialisation
  - (D) Increases staff numbers

**Section II**

**40 marks**

**Attempt questions 21 – 24**

**Allow about 1 hour and 15 minutes for this section**

**Answer the questions in the spaces provided. These spaces provide guidance for the expected length of response.**

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**Question 21 (10 marks)**

*Financial ratios for Matt's Winter Wonderland for 2010/2011*

	<b>2010</b>	<b>2011</b>
<b>Current ratio</b>	<b>2:1</b>	<b>1:1</b>
<b>Gross profit ratio</b>	<b>35%</b>	<b>35%</b>
<b>Net profit ratio</b>	<b>30%</b>	<b>25%</b>
<b>Return on owner's equity</b>	<b>10%</b>	<b>5%</b>
<b>Accounts receivable turnover ratio</b>	<b>35 days</b>	<b>55 days</b>

(a) Comment on the liquidity of Matt's Winter Wonderland. (2 marks)

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(b) State ONE reason for the change in the net profit ratio. (1 mark)

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(c) Recommend ONE strategy that could be used to improve the efficiency of Matt's Winter Wonderland. (2 marks)

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**Question 22 (10 marks)**

*The new CEO of TELCO, a communications business, begins her address to the senior management team by saying:*

*'We compete in a global economy. We must adapt to survive. Our employees are our competitive advantage.'*

(a) Define globalisation.

(2 marks)

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(b) Define the term 'competitive advantage'.

(2 marks)

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(c) Describe ONE legal influence that may impact on the management of human resources at TELCO.

(3 marks)

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(d) Recommend a strategy TELCO could implement to accommodate changing work patterns within the telecommunications industry. (3 marks)

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**Question 23 (10 marks)**

*NutriYum Ltd manufactures snack foods. They have an established product that is in the mature phase of the product life cycle but local sales are falling due to increased competition. Management are considering taking the business global.*

- (a) Outline the product life cycle. (2 marks)

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- (b) Describe ONE factor that may be influencing customer choice. (3 marks)

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- (c) Explain ONE global marketing approach available to NutriYum Ltd. (5 marks)

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**Question 24 (10 marks)**

*ZOZO Surfing Company manufactures and sells surfboards. Over the past two years it has experienced problems related to the operations processes and strategies. Management are looking to make significant changes over the next six months.*

- (a) Outline the strategic role of operations. (2 marks)

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- (b) Describe ONE operations strategy ZOZO Surfing Company could change to improve its overall performance. (4 marks)

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(c) Why might there be resistance to change at ZOZO Surfing Company? (4 marks)

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### **Section III**

**20 marks**

**Attempt question 25**

**Allow about 35 minutes for this section**

**Answer the question in a SEPARATE writing booklet. Extra booklets are available**

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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
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#### **Question 25**

A+ Ltd currently manufactures cosmetics and owns a chain of cosmetics stores in Australia. The sales staff is experienced and provides personalised service to customers. A+ Ltd management believes that valuing employees leads to high quality service and customer satisfaction.

A+ Ltd management are undertaking some strategic planning which involves wanting to do business in a more socially responsible way, improve profitability and monitor the human resource processes.

You have been employed as a consultant to prepare a report for A+ Ltd.

In your report:

- Outline the processes of human resource management.
- Explain how A+ Ltd can improve its profitability.
- Evaluate the importance of corporate social responsibility, as an influence on operations, to the future success of A+ Ltd.

## **Section IV**

**20 marks**

**Attempt EITHER Question 26 or Question 27**

**Allow about 35 minutes for this section**

**Answer the question in a SEPARATE writing booklet. Extra booklets are available**

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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
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### **Question 26**

Analyse how marketing strategies can assist a business to develop a competitive advantage.

### **Question 27**

Analyse the importance of quality management to the success of a business.

Student Name: \_\_\_\_\_

**BUSINESS STUDIES**  
**TRIAL HSC EXAMINATION**  
**2012**

**Marking Guidelines**

**Section I**

1	D	2	B	3	C	4	A	5	C	6	C	7	A	8	B	9	C	10	B
11	A	12	C	13	C	14	B	15	B	16	D	17	D	18	C	19	B	20	A

**Section II**

**Q21 (a) Comment on the liquidity of Matt's Winter Wonderland.**

Criteria	Marks
• Comments on the liquidity and makes reference to the stimulus	2
• Comments on the liquidity	1

**Answers may include:**

*Ratio has changed from 2:1 to 1:1*

*Business has become less liquid.*

*Able to pay debts as they fall due but no cash reserves for unexpected claims against the business*

**Q21 (b) State one reason for the change in the net profit ratio**

Criteria	Marks
• States one valid reason for the change in the net profit ratio	1

**Answers may include:**

*Increase in expenses*

**Q21 (c) Recommend one strategy that could be used to improve the efficiency of Matt's Winter Wonderland**

Criteria	Marks
• Recommends one strategy that could improve the efficiency	2
• States a strategy that could improve the efficiency	1

**Answers may include:**

*Decrease expenses- this would improve the expenses ratio and thereby improve efficiency*

*Change in credit policy*

*Discounts for early payments*

*Interest charges on late payments – these would encourage prompt payment of accounts receivable and thereby improve efficiency*

**Q21 (d) Evaluate the financial performance of Matt's Winter Wonderland during 2010/2011**

Criteria	Marks
• Evaluates the financial performance during 2010/2011	5
• Explains the financial performance during 2010/2011	4
• Describes the financial performance during 2010/2011	3
• Outlines the financial performance	2
• Identifies some features of the financial performance	1

**Answers may include:**

*Business becomes less efficient as indicated by expenses ratio and accounts receivable turnover ratio – this impacts on profitability and level of working capital*

*Business is less profitable as indicated by NPR and ROE*

*Decrease in current ratio indicates possible liquidity problems – management of working capital more difficult*

**Q22(a) Define globalisation**

Criteria	Marks
• Correctly defines globalisation	2
• Identifies a feature of globalisation	1

**Answers may include:**

*The removal of barriers to trade between nations.*

*Increasing integration between national economies and the increased movement of goods, services, finances and technology*

**Q22 (b) Define the term 'competitive advantage'**

Criteria	Marks
• Correctly defines competitive advantage	2
• Identifies features of competitive advantage	1

**Answers may include:**

*Strategies used by a business to gain an 'edge' over its competitors*

**Q22 (c) Describe one legal influence that may impact on the management of human resources at TELCO**

Criteria	Marks
• Describes one legal influence relevant to the management of human resources at TELCO	3
• Outlines one legal influence relevant to the management of human resources at TELCO	2
• Identifies one legal influence	1

**Answers may include:**

*Employment contracts – common law, minimum employment standards and wage rates, awards, enterprise agreements and other contracts*

*OH&S and workers compensation*

*Anti-discrimination and equal employment opportunities*

**Q22 (d) Recommend a strategy TELCO could implement to accommodate changing work patterns within the telecommunications industry**

Criteria	Marks
• Recommends a strategy TELCO could implement to accommodate changing work patterns	3
• Outlines a strategy TELCO could implement to accommodate changing work patterns	2
• Identifies a strategy TELCO could implement to accommodate changing work patterns	1

**Answers may include:**

*Career flexibility and mobility*

*Family friendly workplaces*

*Job sharing*

*Succession planning*

**Q23 (a) Outline the product life cycle**

Criteria	Marks
• Outlines the product life cycle	2
• Defines the product life cycle	1

**Answers may include:**

Consists of the stages a product goes through – introduction, growth, maturity and decline

**Q23 (b) Describe one factor that may be influencing customer choice**

Criteria	Marks
• Describes one factor that may be influencing customer choice	3
• Outlines one factor that may be influencing customer choice	2
• Identifies a factor that may influence customer choice	1

**Answers may include:**

Psychological

Economic

Social/cultural

government

**Q23 (c) Explain one global marketing approach available to NutriYum Ltd**

Criteria	Marks
• Explains one global marketing approach available to NutriYum Ltd	4-5
• Describes one global marketing approach available to NutriYum Ltd	3
• Outlines one global marketing approach available to NutriYum Ltd	2
• Identifies one global marketing approach available to NutriYum Ltd	1

**Answers may include:**

Global branding, standardization, customization, global pricing, competitive positioning



**Q24 (a) Outline the strategic role of operations**

Criteria	Marks
• Outlines the strategic role of operations	2
• Identifies a role of operations or defines operations	1

**Answers may include:**

*Strategic role of operations involves the coordination and integration of the key business functions to achieve the plans and objectives of the business*

**Q24 (b) Describe one operations strategy ZOZO Surfing Company could change to improve its overall performance**

Criteria	Marks
• Describes one operations strategy relevant to ZOZO Surfing Company to improve its overall performance	3 - 4
• Outlines one operations strategy relevant to ZOZO Surfing Company to improve its overall performance	2
• Identifies one operations strategy relevant to ZOZO Surfing Company to improve its overall performance	1

**Answers may include:**

Performance objectives, new product or service design and development, supply chain management, outsourcing, technology, inventory management, quality management, overcoming resistance to change, global factors

**Q24 (c) Why might there be resistance to change at ZOZO Surfing Company?**

Criteria	Marks
• Provides a detailed reason/s for resistance to change	3-4
• Provides a reason/s for resistance to change	2
• States a reason/s for resistance to change	1

**Answers may include:**

*Financial costs*

*Inertia*

*Loss of jobs/career prospects*

*Need for retraining*

**Section III 20 marks**

**QUESTION 25**

**You have been employed as a consultant to prepare a report for A+ Ltd.**

**In your report:**

- **Outline the processes of human resource management**
- **Explain how A+ Ltd can improve its profitability**
- **Evaluate the importance of corporate social responsibility, as an influence on operations, to the future success of A+ Ltd.**

<b>Criteria</b>	<b>Marks</b>
<ul style="list-style-type: none"><li>• Presents a sustained, logical and well structured answer and clearly communicates in the form of a business report with relevant business terminology and concepts</li><li>• Sketches in general terms the processes of human resource management</li><li>• Shows the cause and effect of how A+ Ltd can improve its profitability</li><li>• Makes a judgement based on criteria as to the importance of social responsibility, as an influence on operations, to the success of A+ Ltd.</li><li>• Provides extensive reference to stimulus material</li></ul>	17 – 20
<ul style="list-style-type: none"><li>• Presents a well organised business report and uses relevant business terminology and concepts</li><li>• Sketches in general terms the processes of human resource management</li><li>• Shows the cause and effect of how A+ Ltd can improve its profitability</li><li>• Shows the relationship between the importance of social responsibility, as an influence on operations, and the success of A+ Ltd.</li><li>• Provides reference to the stimulus material</li></ul>	13 - 16
<ul style="list-style-type: none"><li>• Includes features of a business report and uses some business terminology and concepts</li><li>• Sketches in general terms the processes of human resource management</li><li>• Provides characteristics of how A+ Ltd can improve its profitability</li><li>• Provides characteristics of the importance of social responsibility, as an influence on operations</li><li>• May refer to the stimulus</li></ul>	9 - 12
<ul style="list-style-type: none"><li>• May include some features of a business report and uses basic business terminology</li><li>• Sketches in general terms human resources</li><li>• Sketches in general terms profitability management strategies</li><li>• Sketches in general terms social responsibility</li><li>• May refer to the stimulus</li></ul>	5 - 8
<ul style="list-style-type: none"><li>• Uses basic business terminology</li><li>• May refer to human resources</li><li>• May refer to profitability</li><li>• May refer to social responsibility</li></ul>	0 - 4

*Answers may include:*

*Processes of human resource management*

*Acquisition*

*Development*

*Maintenance*

*Separation*

*Profitability management strategies*

*Cost controls – fixed and variable, cost centres, expense minimisation*

*Revenue controls – marketing objectives*

*Corporate social responsibility, as an influence on operations*

*The difference between legal compliance and ethical responsibility*

*Environmental sustainability and social responsibility*

**Section IV 20 marks**  
**QUESTION 26**

**Analyse how marketing strategies can assist a business to develop a competitive advantage.**

<b>Criteria</b>	<b>Marks</b>
<ul style="list-style-type: none"> <li>Clearly supports response with reference to relevant case study/studies</li> <li>Presents a sustained, logical and well-structured answer and clearly communicates using relevant business terminology and concepts</li> <li>Draws out and relates implications of how marketing strategies can assist a business to develop a competitive advantage</li> </ul>	17 – 20
<ul style="list-style-type: none"> <li>Makes reference to relevant case study/studies</li> <li>Presents a well organised answer and uses relevant business terminology and concepts</li> <li>Provides why and or how marketing strategies can assist a business to develop a competitive advantage</li> </ul>	13 - 16
<ul style="list-style-type: none"> <li>May make reference to relevant case study/studies</li> <li>Presents an organised answer and uses business terminology and concepts</li> <li>Provides features and characteristics of marketing strategies and how they can assist a business to develop a competitive advantage</li> </ul>	9 - 12
<ul style="list-style-type: none"> <li>May make limited reference to relevant case study/studies</li> <li>Communicates using some business terminology and concepts</li> <li>Sketches in general terms marketing strategies</li> </ul>	5 - 8
<ul style="list-style-type: none"> <li>Uses basic terminology</li> <li>May refer to marketing strategies</li> <li>May refer to competitive advantage</li> </ul>	0 - 4

***Answers may include:***

*Definition of competitive advantage*

*Marketing strategies:*

*Price*

- *Methods – cost, market, competition based*
- *Strategies – skimming, penetration, loss leaders, price points*
- *Price and quality interaction*

*Product*

- *Branding*
- *packaging*

*Place*

- *distribution channels*
- *channel choice*
- *physical distribution issues*

*Promotion*

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

**Section IV 20 marks**

**QUESTION 27**

**Analyse the importance of quality management to the success of a business**

<b>Criteria</b>	<b>Marks</b>
<ul style="list-style-type: none"><li>• Clearly supports response with reference to relevant case study/studies</li><li>• Presents a sustained, logical and well-structured answer and clearly communicates using relevant business terminology and concepts</li><li>• Draws out and relates implications of the importance of quality management to the success of a business</li></ul>	17 – 20
<ul style="list-style-type: none"><li>• Makes reference to relevant case study/studies</li><li>• Presents a well organised answer and uses relevant business terminology and concepts</li><li>• Provides why and or how quality management is important to the success of a business.</li></ul>	13 - 16
<ul style="list-style-type: none"><li>• May make reference to relevant case study/studies</li><li>• Presents an organised answer and uses business terminology and concepts</li><li>• Provides characteristics and features of quality management and relates this to success of a business.</li></ul>	9 - 12
<ul style="list-style-type: none"><li>• May make limited reference to relevant case study/studies</li><li>• Communicates using some business terminology and concepts</li><li>• Sketches in general terms quality management</li></ul>	5 - 8
<ul style="list-style-type: none"><li>• Uses basic terminology</li><li>• May refer to quality management</li><li>• May refer to success of a business</li></ul>	0 - 4

***Answers may include:***

*Quality management refers to those processes that a business undertakes to ensure consistency, reliability, safety and fitness of purpose of products*

- *Control- involves the use of inspections at various points in the production process to check for problems and defects*
- *Assurance – involves the use of a system to ensure that the set standards are achieved in production*
- *Improvement – focuses on two aspects*
  - *Continuous improvement – ongoing commitment to improving a business’s goods and services*
  - *Total quality management – concept that focuses on managing the total business to deliver quality to customers*

*The link between quality management and success MUST be clear!*