

STUDENT NUMBER: _____

2012 TRIAL HSC



BUSINESS STUDIES

General Instructions

- Reading time – 5 minutes
- Working time – 3 hours
- Write using black or blue pen
- Board-approved calculators may be used

Total marks – 100

Section I – pages 2-6 20 marks

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

Section II –pages 7-13 40 marks

- Attempt Questions 21-25
- Allow about 1 hour and 15 minutes for this section

Section III – page 14 20 marks

- Attempt Question 26
- Allow about 35 minutes for this section

Section IV – page 15 20 marks

- Attempt Question 27 or 28
- Allow about 35 minutes for this section

Section 1 (20 marks)

Attempt Questions 1-20. Use the Multiple Choice Answer Sheet provided. Select the alternative that best answers the question.

- 1. The human resource department has been given the task of developing and specifying the activities of new employees.**

Which of the following best describes this function?

- A. Job rotation
- B. Job design
- C. Recruitment
- D. Induction

- 2. Which of the following is a product strategy?**

- A. Branding
- B. Intensive distribution
- C. Personal selling
- D. Channel choice

- 3. Corey Pty Ltd wishes to raise additional funds for business expansion. What is the advantage of debt financing over equity financing?**

- A. Interest payments on a loan are a tax deduction
- B. Debt holders have voting rights
- C. The loans could be guaranteed by the ASX
- D. Changes the ownership structure of the business

- 4. Aussie Biscuits have invested \$1.5 billion in new equipment. This has helped them achieve economies of scale and produce biscuits lower in price than its competitors.**

Which of the following strategies would best describe the investment made by Aussie Biscuits?

- A. Competitive advantage
- B. Price penetration
- C. Cost leadership
- D. Loss leader

5. Which of the following best describes the strategic role of human resources in a business?

- A. The use of a foreign business to supply an existing group of workforce
- B. The decision to recruit new staff as a result of a review of the businesses long term plans
- C. The development of new training and development initiatives in a business
- D. Using ecologically sustainable management techniques

6. Which of the following aspects of human resources would a business not be able to outsource?

- A. Recruitment
- B. Training and Development
- C. Payroll administration procedures
- D. Supervision of staff and performance appraisals

7. Which of the following represents a social influence on human resources/employment relations?

- A. The trend to outsource labour to low cost foreign workforces
- B. Increased flexibility in work hours to cater for the growing number of businesses operating beyond traditional work hours
- C. Improved occupational health and safety legislation
- D. Increased wage pressures caused by higher levels of inflation

8. Try Hard Pty Ltd have used information from its internal sales reports to conduct its new marketing plan. Which kind of market research data has Try Hard Pty Ltd used?

- A. Primary data
- B. Observational data
- C. Secondary data
- D. Experimental data

Use the following information to answer Question 9.

Cromer Fruit Market Pty Ltd

| | |
|--------------------|-----------|
| Income from sales | \$350,000 |
| Cost of goods sold | \$110,000 |
| Expenses | \$ 90,000 |

9. What are the businesses gross profit and gross profit ratio respectively?

- A. \$240,000 and 43%
- B. \$150,000 and 69%
- C. \$200,000 and 57%
- D. \$240,000 and 69%

10. A business is seeking to develop a more effective long term relationship with its customers. Which of the following strategies would be most effective in assisting the business achieve this goal?

- A. The use of price discounting
- B. The development of a new marketing campaign
- C. The establishment of a shopper's loyalty card
- D. The repositioning of the business towards a younger demographic

11. Which of the following correctly illustrates the financial management principal of matching?

- A. Short term debt to fund current assets
- B. Short term debt to fund fixed assets
- C. Long term debt to fund current assets
- D. Owner's equity to fund accounts payable

12. A fast food store has introduced a new menu to cater to the religious needs of its customers. Which form of market segmentation is the business using?

- A. Behavioural
- B. Geographic
- C. Demographic
- D. Psychographic

13. Which of the following best describes production orientated marketing?

- A. Increasing production through improvements in efficiency
- B. Monitoring competitors to ensure a sustained competitive advantage
- C. Using an aggressive sales force to persuade customers to purchase products
- D. Offering a customised range of products

14. An Australian footwear manufacturer has recently shut down its domestic production facilities in Australia and relocated production to Asia. Which of the following is an advantage of global expansion?

- A. Need to recruit and train a local workforce
- B. Social, cultural and language barriers
- C. Reduction in labour costs
- D. Barriers to trade may increase price

15. Which example illustrates interdependence between operations and the finance key business functions?

- A. Human resources supplies training and development to ensure a skilled workforce
- B. Operations supplies a product that satisfies the needs of its target market
- C. Operations supplies a quality product that generates revenue from sales
- D. R & D creates a new product to place in the market

16. Which of the following best describes the role of corporate culture within an organisation?

- A. The values within a business that are reflected through management behaviour and policies
- B. The values within a business that employees are expected to adhere to
- C. The values within a business that all stakeholders must follow
- D. The values within a business that are reflected through employee behaviour

17. A new employee to a business is shown around the office, introduced to work mates and instructed in the way to do his job. What is this process known as?

- A. Worker participation
- B. Equal employment opportunities
- C. Flexible working conditions
- D. Induction

Use the following information to answer Questions 18 and 19.

Elizabeth plans to open a Sushi Bar in January 2013, and he has asked you to complete her Cash Flow Budget for the first 4 months of 2013 given the following information.

| | January | February | March | April |
|-----------------------------|-------------|-------------|-------------|-------------|
| Opening cash balance | 4000 | | | |
| Total cash inflows | 6000 | 2000 | 1000 | 1000 |
| Total cash outflows | 5000 | 5000 | 5000 | 4000 |
| Closing Cash Balance | | | | |

18. Which months would Elizabeth experience a negative closing cash balance?

- A. January
- B. March and April
- C. January, March and April
- D. January, February, March and April

19. Which of the following strategies would be most appropriate for Elizabeth to solve her cash flow problem?

- A. Obtain a bank overdraft
- B. Hire more full time and less casual staff
- C. Abandon plans to diversify her product range in winter
- D. Increase drawings and discounts

20. Which of the following examples represents the pricing strategy of market skimming?

- A. Jetby Airlines has reduced its prices as a result of competitors lowering their prices.
- B. Justin introduced a buy-one-get-one-free promotion for his new Coffee Bar
- C. Bony has released a new DVD recorder that is unlike any of its competitors' products and it is priced very low to quickly establish a market share.
- D. Borta Pty Ltd has released a new form of medicine to relieve chronic knee pain and, in order to recover their high R and D costs they are charging a high price for the product

Question 22 (7 marks)

Student No. _____

“In the present industrial relations climate, it is critical that business put a great deal of effort into the negotiation stage rather than have to go to conciliation and arbitration to resolve a dispute”. Leadership style is also important in resolving disputes and employee performance.

a) Identify the name of the Australian organization involved in the process of resolving disputes. 1 mark

b) Outline the difference between negotiation and arbitration 2 marks

c) Explain how ONE leadership style may impact upon resolving a dispute. 2 marks

d) Assess the relationship between the Human Resources function and the Operations function of business. 2 marks

Question 23 (7 marks)

Student No. _____

Larissa is the new Human Resource manager of the Marigolds Function Centre in Sydney's North Shore. The Function Centre employs 150 staff in its kitchens, for serving food and drinks, security and cleaning

a) Identify TWO Government laws that would influence this business. (1 marks)

b) Describe ONE human resource management strategy that could be adopted which would help Larissa achieve greater staff motivation. (2 marks)

c) Explain TWO indicators that Larissa could use to measure the effectiveness of human resources. (4 marks)

Question 24 (10 marks)

Student No. _____

Balance Sheet for Caligoulds Pty Ltd as at 30/6/11 and 30/6/2012

| | 2011 | \$ 000's | 2012 | \$ 000's |
|-------------------------|------|----------|------|----------|
| Current Assets | | 2400 | | 2000 |
| Non-Current Assets | | 7600 | | 8500 |
| Current Liabilities | | 1200 | | 1500 |
| Non-Current Liabilities | | 2500 | | 3000 |
| Shareholder's Equity | | 6300 | | 6000 |

- a) Identify TWO methods of comparative ratio analysis. 1 mark

- b) Calculate the firm's current ratio for 2012 and comment on its liquidity. 2 marks

- c) Explain ONE management strategy to improve its current ratio. 2 marks

(d) Calculate the debt to equity ratio for Caligoolds Pty Ltd for 2012 1 mark

(e) Assess the firm's level of gearing. 2 marks

(f) Outline one strategy for improving the firms gearing. 2 marks

(d) Describe TWO aspects of marketing that Qortex Pty Ltd may have to consider in its global marketing. 2 marks

Section 111

20 marks

Attempt Question 26

Allow about 35 minutes for this section

Answer the question in the writing booklet provided.

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; and
 - present a sustained, logical and cohesive in the form of a business report
-

Question 26 (20 marks)

WindoPlas Ltd is an Australian manufacturer of plastic windscreens. They recognize that in producing these windscreens there may be negative impacts on the environment. They are also aware that they need to be seen as socially responsible to stakeholders other than shareholders.

Management of WindoPlas Ltd realise the importance of their employment relations as they seek to increase production and international competitiveness. Over the past 3 years their profitability has fallen and they are seeking strategies to improve their financial position and appease their shareholders

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

In your report, explain how and why corporate social responsibility is a key concern in the management of human resources and operations and recommend strategies for WindoPlas Ltd to improve their financial performance in relation to profitability.

Section IV

20 marks

Attempt either Question 27 or Question 28.

Answer the question in a SEPARATE writing booklet.

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.
-

Question 27

Evaluate the effectiveness of marketing strategies in achieving the strategic goals of business.

OR

Question 28

Evaluate the effectiveness of human resource management strategies to achieve the strategic goals of business

PLC BUSINESS STUDIES 2012
TRIAL HIGHER SCHOOL CERTIFICATE EXAMINATION
MARKING GUIDELINES

Section I — Multiple Choice

| Question No. | Answer | Question No. | Answer |
|---------------------|---------------|---------------------|---------------|
| 1 | B | 11 | A |
| 2 | A | 12 | C |
| 3 | A | 13 | A |
| 4 | C | 14 | C |
| 5 | B | 15 | C |
| 6 | D | 16 | A |
| 7 | B | 17 | D |
| 8 | C | 18 | B |
| 9 | D | 19 | A |
| 10 | C | 20 | D |

Section II — Short Response

40 Marks

Question 21 (6 marks)

(A)(2 marks)

| Criteria | Mark |
|--|------|
| Provides characteristics and features of how Gordy's might achieve cost leadership | 2 |
| Recognises and names a feature of cost leadership | 1 |

Answers could include:-

- Economies of scale
- Standardisation
- Technology
- Waste minimisation

(B)(4 marks)

| Criteria | Mark |
|--|------|
| Analyses (implications) the impact of globalisation on the operations function | 4 |
| Sketches in general terms the impact of globalisation on the operations function | 3 |
| Sketches in general terms globalisation | 2 |
| Identifies some impact of globalisation | 1 |

Answers could include:-

- Cost savings in sourcing inputs overseas
- Access new markets
- Introduce overseas competition

Question 22 (7 marks)

(A)(1 mark)

| Criteria | Mark |
|--|-------------|
| Recognises and name the correct organisation in dispute resolution | 1 |

Answers could include:-

- Fair Work Australia

(B)(2 marks)

| Criteria | Mark |
|--|-------------|
| Sketches in general terms the difference between negotiation and arbitration | 2 |
| Refers to negotiation and arbitration | 1 |

Answers could include:-

- Negotiation – discussion between parties
- Arbitration – FWA hears the case and makes a legally binding decision

(C)(2 marks)

| Criteria | Mark |
|--|-------------|
| Successfully shows the effects of ONE leadership style on dispute resolution | 2 |
| Identifies/mentions ONE leadership style | 1 |

Answers could include:-

- Democratic style – more consultation, minimises likelihood of industrial unrest

(D)(2 marks)

| Criteria | Mark |
|---|-------------|
| Makes an appropriate judgement on the relationship between HRM and operations | 2 |
| Makes some correct comment on HRM and operations | 1 |

Answers could include:-

- Operations uses human capital as a major input and it turn recruits, trains and develops staff

Question 23 (7 marks)

(A)(2 marks)

| Criteria | Mark |
|--|------|
| Recognises and names TWO Government laws | 1 |

Answers could include:-

- Superannuation Guarantee Act
- Fair Work Act
- GST/Taxation
- OH&S
- Anti-Discrimination

(B)(2 marks)

| Criteria | Mark |
|--|------|
| Provides characteristics and features of ONE HR strategy that could be used to improve motivation at Larissa | 2 |
| Recognises and names ONE ER strategy | 1 |

Answers could include:-

- Job design
- Rewards
- Training and Development
- Performance management
- Leadership style
- Recruitment

(C)(4 marks)

| Criteria | Mark |
|--|------|
| Successfully shows the effects of TWO measures of effective ER and relates to the business | 4 |
| Provides characteristics and features of measures of effective ER | 2-3 |
| Identifies/mentions ONE measure of effective ER | 1 |

Answers could include:-

- Staff turnover, accidents
- Absenteeism, levels of disputation
- Productivity
- Profitability

Question 24 (10 marks)

(A)(2 marks)

| Criteria | Mark |
|---|-------------|
| Recognises and names TWO methods of CRA | 1 |

Answers could include:-

- Previous years
- Industry norms
- Budgeted results
- Similar firms in the same industry

(B)(2 marks)

| Criteria | Mark |
|---|-------------|
| Correctly calculates the Current ratio for 2012 and makes an appropriate comment on its liquidity | 2 |
| Correctly calculates the Current ratio for 2012 OR makes an appropriate comment on its liquidity | 1 |

Answers could include:-

- Current ratio 1.33:1
- Business less able to meet STO (less liquid in 2012 compared to a CR of 2:1)

(C)(2 marks)

| Criteria | Mark |
|--|-------------|
| Successfully shows the effects of ONE management strategy to improve liquidity | 2 |
| Identifies/mentions ONE management strategy | 1 |

Answers could include:-

- Leasing
- Sale and lease back

(D)(1 marks)

| Criteria | Mark |
|------------------------------------|-------------|
| Correctly calculates gearing ratio | 1 |

Answers could include:-

- 75%
- .75:1

(E)(2 marks)

| Criteria | Mark |
|---|-------------|
| Makes an appropriate judgement on the firms gearing | 2 |
| Makes some correct comment on the firms gearing | 1 |

Answers could include:-

- Less financially stable bc gearing ratio has increased from 59% (.59:1) to 75% (.75:1)

(F)(2 marks)

| Criteria | Mark |
|--|-------------|
| Sketches in general terms ONE strategy for improving gearing | 2 |
| Recognises and names a gearing strategy | 1 |

Answers could include:-

- Measures to reduce debt
- Increasing owner's equity by issuing new shares

Question 25 (10 marks)

(A)(2 mark)

| Criteria | Mark |
|--|-------------|
| Provides characteristics of the role of consumer laws in dealing with deceptive and misleading advertising | 2 |
| Recognises consumer laws | 1 |

Answers could include:-

- Competition and Consumer Act - prohibits conduct by a corporation that is misleading or deceptive

(B)(2 marks)

| Criteria | Mark |
|--|-------------|
| Puts forward an appropriate pricing strategy and gives reasons | 2 |
| Puts forward an appropriate pricing strategy | 1 |

Answers could include:-

- Skimming
- Meet the competitors

(C)(4 marks)

| Criteria | Mark |
|---|-------------|
| Analyses (implications) TWO valid factors influencing customer choice at Qortex | 4 |
| Identifies TWO, including relationships and implications, with less detailed analysis OR Analyses ONE in detail or describes TWO strategies | 3-2 |
| Identifies ONE factor | 1 |

Answers could include:-

- Psychological
- Sociocultural
- Economic
- Government

(D)(2 marks)

| Criteria | Mark |
|--|-------------|
| Provides characteristics of TWO aspects of marketing in global expansion of Qortex | 2 |
| Recognises TWO aspects OR provides characteristics of ONE aspects of marketing in global expansion of Qortex | 1 |

Answers could include:-

- Global branding
- Standardisation
- Customisation
- Global pricing
- Competitive positioning

Marking Criteria Question 26 Trial 2012

| Grade | Marks | Description |
|-------|-------|---|
| A | 17-20 | <ul style="list-style-type: none">• Demonstrates comprehensive knowledge and understanding related to the question, using relevant terminology, concepts and information provided• Comprehensively shows the effects of CSR in managing HR and operations• Puts forward for consideration, with detailed supporting arguments, effective financial strategies that Windo Plas could implement to improve profitability• Presents a sustained, logical and cohesive response in the form of a business report |
| B | 13-16 | <ul style="list-style-type: none">• Demonstrates knowledge and understanding related to the question, using relevant terminology, concepts and information provided• Shows some effects of CSR in managing HR and operations• Puts forward for consideration, with some supporting arguments, effective financial strategies that Windo Plas could implement to improve profitability• Presents a well-organised response in the form of a business report |
| C | 9-12 | <ul style="list-style-type: none">• Demonstrates some knowledge and understanding related to the question using some relevant terminology, concepts and information provided• Recognises some CSR concerns• Provides characteristics and features of effective financial strategies that Windo Plas could implement to improve profitability• Presents a response using features of a business report |
| D | 5-8 | <ul style="list-style-type: none">• Demonstrates limited knowledge and understanding using limited terminology, concepts and information• Recognises CSR• Provides some characteristics and features of financial strategies• Includes some features of a business report |
| E | 0-4 | <ul style="list-style-type: none">• Refers to business information• May refer to CSR or financial strategies• Uses basic terminology |

Question 27 Trial 2012

| Grade | Marks | Description |
|-------|-------|---|
| A | 17-20 | <ul style="list-style-type: none">• Demonstrates comprehensive knowledge and understanding related to the question, using relevant terminology, concepts and business case study/studies• Provides an informed judgement of the effectiveness of marketing strategies in achieving the strategic goals of business• Presents a sustained, logical and cohesive response to the question |
| B | 13-16 | <ul style="list-style-type: none">• Demonstrates knowledge and understanding related to the question, using relevant terminology, concepts and business case study/studies• Provides a sound judgement of the effectiveness of marketing strategies in achieving the strategic goals of business• Presents a cohesive response to the question |
| C | 9-12 | <ul style="list-style-type: none">• Demonstrates some knowledge and understanding related to the question, using some relevant terminology, concepts and business case study/studies• Sketches in general terms how an understanding of the effectiveness of marketing strategies in achieving the strategic goals of business• Presents a response with some structure |
| D | 5-8 | <ul style="list-style-type: none">• Demonstrates limited knowledge and understanding using limited terminology and may refer to business case study/studies• Makes general statements about the effectiveness of marketing strategies• Presents a response with limited structure |
| E | 0-4 | <ul style="list-style-type: none">• Uses basic knowledge and terminology• May refer to some marketing strategies |

Question 28 Trial 2012

| Grade | Marks | Description |
|-------|-------|---|
| A | 17-20 | <ul style="list-style-type: none">• Demonstrates comprehensive knowledge and understanding related to the question, using relevant terminology, concepts and business case study/studies• Provides an informed judgement of the effectiveness of HRM strategies in achieving the strategic goals of business• Presents a sustained, logical and cohesive response to the question |
| B | 13-16 | <ul style="list-style-type: none">• Demonstrates knowledge and understanding related to the question, using relevant terminology, concepts and business case study/studies• Provides a sound judgement of the effectiveness of HRM strategies in achieving the strategic goals of business• Presents a cohesive response to the question |
| C | 9-12 | <ul style="list-style-type: none">• Demonstrates some knowledge and understanding related to the question, using some relevant terminology, concepts and business case study/studies• Sketches in general terms how an understanding of the effectiveness of HRM strategies in achieving the strategic goals of business• Presents a response with some structure |
| D | 5-8 | <ul style="list-style-type: none">• Demonstrates limited knowledge and understanding using limited terminology and may refer to business case study/studies• Makes general statements about the effectiveness of HRM strategies• Presents a response with limited structure |
| E | 0-4 | <ul style="list-style-type: none">• Uses basic knowledge and terminology• May refer to some marketing strategies |