

STUDENT NUMBER: _____

2013 TRIAL HSC



Pymble Ladies' College

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 21-24
- Allow about 1 hour and 15 minutes for this section

Section III – page 14 20 marks

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

Section IV – page 15 20 marks

- Attempt Question 26 or 27
- 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. What is the role of operations management?

- A. Source finance for the business
- B. Develop newly hired staff
- C. Transform inputs into outputs
- D. Determine promotional strategies

2. Which of the following is a place strategy?

- A. Branding
- B. Warehousing
- C. Personal selling
- D. Packaging

3. Which of the following is NOT a correct procedure regarding dispute resolution?

- A. Negotiation is the discussion of issues in the presence of a neutral third party
- B. Mediation allows both parties to be involved in the dispute
- C. Arbitration occurs when a third party hears both sides and makes a legally binding decision
- D. Grievance procedures are formal procedures that help resolve disputes

4. Which ratio indicates the effectiveness of a firm's credit policy?

- A. Current ratio
- B. Solvency ratio
- C. Accounts receivable turnover
- D. Rate of return on owner's equity

5. Which of the following best describes a stakeholder's role in the human resource process?

- A. An employer association has the power to determine the outcome of disputes within the workplace
- B. Governments affect industrial relations by representing employees in efforts to improve wages and working conditions
- C. Employer's responsibilities include negotiating agreements and resolving disputes
- D. Trade unions assist in passing new legislation

6. Which is an output in the operations process?

- A. Customer service
- B. Scheduling
- C. Human resources
- D. Process layout

7. Which of the following are indicators of the effectiveness of human resource management strategies

- A. Absenteeism, sales, levels of disputation
- B. Staff turnover, corporate culture, customer satisfaction
- C. Absenteeism, levels of disputation, staff turnover
- D. Accidents, expenses, corporate culture

8. Which term refers to a business selling its accounts receivable to improve cash flow?

- A. Factoring
- B. Sale and lease back
- C. Leasing
- D. Bank Overdraft

9. Which global marketing strategy presents the same marketing mix for every market?

- A. Differentiation
- B. Global Branding
- C. Customisation
- D. Standardisation

10. Aussie Soft Drinks has invested \$7 million in new equipment. This has helped Aussie Soft Drinks achieve economies of scale and produce soft drinks lower in price than its competitors. Which of the following strategies would best describe the investment made by Aussie Soft Drinks?

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

11. Susan is the operations officer at a large manufacturer of breakfast cereals. Her aim this month is to increase efficiency through re-ordering activities in the transformation process. Which of the following would Susan analyse?

- A. Scheduling
- B. Sequencing
- C. Visibility
- D. Demand

12. Which of the following best describes the selling approach to 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

13. Which of the following is an advantage of internal recruitment?

- A. Greater number of applicants
- B. Prior knowledge of the culture of the business
- C. Lessening training costs if a specific skill can be obtained
- D. Rivalry between applicants

14. Tip Top has introduced a gluten free range of breads which is now available in all supermarkets around Australia. Which form of distribution is being used?

- A. Niche distribution
- B. Selective distribution
- C. Intensive distribution
- D. Mass market distribution

15. What is the name of the term given for a legal document that sets out the minimum wages and working conditions for a particular industry or occupation?

- A. Awards
- B. Minimum employment standards
- C. Minimum wage rates
- D. Employment contract

16. Which of the following is an example of involuntary separation?

- A. Resignation
- B. Retirement
- C. Redundancy
- D. Referral

17. New plain packaging laws on cigarettes is what type of influence on consumer choice?

- A. Sociocultural
- B. Government
- C. Psychological
- D. Economic

18. Using the following information – Sales \$500000, Purchases \$185000, Opening Stock \$54000, Expenses \$188000, Closing Stock \$62000. What is Net Profit?

- A. \$177000
- B. \$323000
- C. \$149000
- D. \$135000

19. How can the risks of exchange rate fluctuations be minimised?

- A. Global branding
- B. Debt finance
- C. Hedging
- D. Variable interest rates

20. Companies often engage in skimming pricing as part of their marketing strategy.

What is the main purpose of this type of strategy?

- A. To maximize revenue
- B. To increase market share
- C. To warn off competitors
- D. To penetrate the market

Section 11 (40 marks)

Student No. _____

Attempt Questions 21 – 25. Answer the questions in the spaces provided.

Question 21 (10 marks)

The Rocks Hotel is a 5 star boutique hotel located in Sydney’s historic Rocks. Features of operations at the hotel include housekeeping, front office, food and beverage and assigning duties to workers and scheduling shifts. Effective operations have resulted in increased occupancy rates and profitability.

(a) Identify TWO government regulations that affect operations management at the Rocks Hotel. 2 marks

(b) Distinguish how operations management differs for businesses in the tertiary (service) industry compared to the secondary (manufacturing) industry. 2 marks

(c) Assess the relationship between operations and ONE other key business function.

2 marks

(d) Outline the influence of volume, variety, variation in demand and visibility on operational processes at the Rocks Hotel.

4 marks

Question 22 (10 marks)

Student No. _____

Nurse – Royal South Shore Hospital

RSSH requires an experienced nurse to join their team.

Selection criteria

- **Minimum of 3-5 year experience as a nurse**
- **Current HHPRA registration**
- **Excellent verbal and written communication skills**
- **Ability to deliver high quality patient care**

RSSH offers a rewarding career in a caring environment that promotes team work and fosters professional development with competitive remuneration.

Please forward your CV to Lisa at lisaroberts@rssh.com.au

Source: www.seek.com.au

a) Identify TWO steps in the acquisition process.

2 marks

b) Outline ONE way businesses can exhibit corporate social responsibility in the management of human resources. Support your answer with an example.

2 marks

Question 23 (10 marks)

Student No. _____

Mink Red is a well-known Australian women’s fashion label. They produce and market party and casual dresses, tops, bottoms, playsuits and jackets. They have a number of well-located retail stores in the main capital cities of Australia. Mink Red also distributes to other fashion retail stores like Stelly and Portmans. The marketing department is currently updating their Marketing plan to reflect recent changes in the external environment. Mink Red is planning on opening an on-line store in the next 3 months to help increase sales and profitability.

a) Identify TWO strengths of this business as part of a SWOT analysis. 2 marks

b) Select and justify TWO marketing objectives for Mink Red. 2 marks

Question 24 (10 marks)

Student No. _____

Cold Stones Pty Ltd is an ice cream retailer. Its management is intending to take over a competitor Baskin and Dobbins using debt finance (long term borrowing). Management has used the Balance Sheet (extracts below) to help in its decision making and planning for the future.

Extracts from the Balance Sheet of Cold Stones Pty Ltd 30/6/12 and 30/6/13

	2012 \$ 000's	2013 \$ 000's
Current Assets	2000	3000
Non-Current Assets	8000	8500
Current Liabilities	1000	2000
Non-Current Liabilities	3000	2500
Shareholder's Equity	6000	7500

a) Identify ONE government influence of financial management. (1 mark)

b) Identify ONE ethical issue related to financial reports. (1 mark)

c) Assess the liquidity of Cold Stone Pty Ltd using comparative current ratio analysis (Current Assets /Current Liabilities). (3 marks)

d) Describe ONE strategy that could improve the liquidity of Cold Stones Pty Ltd. (2 marks)

e) Discuss the proposed use of debt by Cold Stones Pty Ltd as a source of funds to finance the takeover of Baskin and Dobbins Pty Ltd. (3 marks)

Section 111**20 marks****Attempt Question 25**

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 25 (20 marks)

Naked Juice Pty Ltd produces all natural fruit and vegetable smoothies. They have no added sugar and no preservatives. In the last 5 years Naked Juice's Australian market share has grown from 5% to 15% translating to sales of \$20 million in 2013. This has corresponded with the addition of new flavours and a new range of kid's lunchbox juices.

Recent expansion and the use of new technology have resulted in Naked Juice achieving cost leadership through economies of scale. The company is now looking to target the global market and meet the needs of global consumers. The square recyclable bottles are better for the environment and the solar panels on the factory reduce energy costs. The firm recognises that there may be limitations in preparing financial reports.

You have been employed as a consultant to prepare a report for Naked Juice Pty Ltd. In your report

- Outline TWO limitations of financial reports
- Describe how globalisation and environmental sustainability impacts the operations of this business.
- Analyse how the marketing strategies can be monitored and controlled.

Section IV

20 marks

Attempt either Question 26 or Question 27.

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 26

How can global financial management strategies reduce the risks involved in financial transactions?

OR

Question 27

How can the processes of human resources respond to the economic and technological influences on business?