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Student Number



Ravenswood

**2012**  
**Higher School Certificate Trial**  
**Examination**

50 Copies

Year 12

Ms Thoma  
Mr Nader

# Business Studies

## General Instructions

- Reading time – 5 minutes
- Working time – 3 hours
- Write using blue or black pen
- Board-approved calculators may be used
- Use the Multiple Choice Answer Sheet provided at the back of this examination paper
- Write your Student Number at the top of all pages where indicated

## Total marks - 100

### Section I – Multiple Choice

#### Total Marks (20)

- Attempt Questions 1 - 20
- Mark your answer on the Multiple Choice answer sheet provided
- Allow 35 minutes for this section

### Section II

#### Total Marks (40)

- Attempt Question 21 – 25
- Write your answers in the spaces provided
- Allow about 1 hour and 15 minutes for this section

### Section III

#### Total Marks (20)

- Attempt Question 26
- Answer this question in a writing booklet
- Allow about 35 minutes for this section

### Section IV

#### Total Marks (20)

- Attempt EITHER Question 27 or Question 28
- Answer this question in a writing booklet
- Allow about 35 minutes for this section

**SECTION I**

**Total marks (20)**

**Attempt Questions 1 –20**

**Allow about 35 minutes for this section**

**Use the Multiple Choice Answer Sheet provided**

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1. What is one feature of the production approach to marketing?
  - (A) Consumers were offered increasing product choice.
  - (B) There are high levels of product differentiation.
  - (C) There is a limited amount of competition in the market.
  - (D) A strong link is developed between the producer and the customer.
  
2. Which of the following would be a minimum employment standard?
  - (A) The right to negotiate an Australian Workplace Agreement.
  - (B) Fair notice of termination and applicable redundancy pay.
  - (C) The right to access affirmative action.
  - (D) Freedom from unfair dismissal.
  
3. Which of the following is a benefit of outsourcing the human resource function?
  - (A) It allows management to focus on training and development.
  - (B) Increases operational costs associated with human resources.
  - (C) It provides access to staff that specialise in human resources.
  - (D) A better understanding of the business culture.

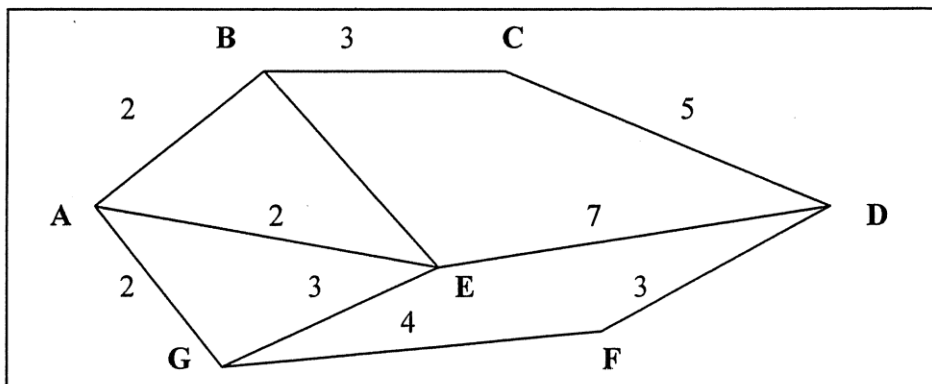
Question 4 refers to the following financial information.

(\$)	Jan	Feb	Mar	Apr	May	Jun	Jul
Opening Balance							
Cash in	1,000	1,000	1,000	1,200	1,600	2,400	3,600
Cash out	700	2,500	600	1,300	800	1,100	1,500
Closing Balance							

4. What is the opening cash balance for March?

- (A) \$300
- (B) \$800
- (C) -\$1200
- (D) -\$800

Question 5 refers to the following information.



5. Which of the following shows the Critical Path?

- (A) A-E-D
- (B) A-B-C-D
- (C) A-G-E-D
- (D) A-G-F-D

Use the table below for Questions 6 and 7

**Balance Sheet for Cut Above Pty Ltd  
30 June 2012**

<b>Current Assets</b>	<b>\$</b>	<b>Current Liabilities</b>	<b>\$</b>
Cash	14000	Accounts Payables	2200
Accounts Receivables	1500	Overdraft	10000
Stock	3800		
<b>Non-current Assets</b>		<b>Non-current Liabilities</b>	
Building	340000	Mortgage	120000
Plant & Equipment	84000		
Intangibles	75000	<b>Owner's Equity</b>	
		Capital	208000
		Profit	
<b>Total</b>	<b>\$</b>		<b>\$</b>

6. What is the value of the total owner's equity?
- (A) \$148 000
  - (B) \$178 100
  - (C) \$518 300
  - (D) \$386 000
7. What is the working capital for Cut Above Pty Ltd?
- (A) \$12 200
  - (B) \$19 300
  - (C) 1.58:1
  - (D) \$7 100
8. Which of the following is a major advantage of the Just-in-Time (JIT) approach to inventory management?
- (A) It is easier to Incorporate Last-in-first-out (LIFO) stock control
  - (B) Storage and obsolescence costs are minimised for the retailer
  - (C) Transportation and promotion costs are reduced for the wholesaler
  - (D) It allows for changes in promotional strategies

Question 9 refers to the following information.

The management in one section of a large company has decided that work health and safety standards for the main production line, need to be improved. As a result, the operations management team is going to restructure the production line.

9. In which other key business function is this an example of interdependence?
- (A) Finance
  - (B) Marketing
  - (C) Human Resources
  - (D) Operations
10. Which of the following strategies would be most appropriate for an Australian manufacturing business that uses imported raw materials, wishing to manage an appreciating Australian dollar?
- (A) Increase exports
  - (B) Bill of exchange
  - (C) Hedging
  - (D) Increase import of raw materials
11. Which of the following best describes a resource market?
- (A) White goods
  - (B) Wheat farming
  - (C) Hand made jewellery
  - (D) Electricity
12. The management team is primarily concerned with meeting the short term liabilities as they fall due. Which financial objective is management dealing with?
- (A) Discounts for early payments
  - (B) Liquidity
  - (C) Solvency
  - (D) Growth

- 13.** Tesco Ltd is a supermarket which is publicly listed on the Australian Stock Exchange. Its management have decided to raise funds through the issuing of new shares.

What source of finance is Tesko undertaking?

- (A) Debt
- (B) Equity
- (C) Retained profits
- (D) Private equity

- 14.** Which of the following influence on marketing is a psychological factor affecting consumer choice?

- (A) The global financial crisis decreasing gym membership enrolments
- (B) Smoking health warnings
- (C) Health insurance refund
- (D) Wanting a fit body

- 15.** Which of the following scenarios best describes the practice of price discrimination?

- (A) Cool Air Electrics sells air conditioners to consumers in different geographic locations at the same prices.
- (B) B-Mart and The Discounters well the same brand and model televisions, at different prices.
- (C) Fabulous Furniture offers discounts to pensioners and consumers who pay with cash.
- (D) The manufacturer of classic cars sells the cars to different car dealerships at different prices.

- 16.** Achieving differentiation is part of the strategic role of operations.

What is one way of achieving differentiation for a service?

- (A) Varying the service's level of tangibility
- (B) Varying the level of customisation
- (C) Varying the product quality
- (D) Varying the qualifications and experiences of the service provider

**17.** Why might a company sometimes normalise its financial reporting or report earnings over a number of years?

- (A) To take advantage of high returns from a particular year
- (B) To avoid unusual events creating a false impression
- (C) Enable historic costs to be taken into account
- (D) To comply with ASIC regulations

**18.** A car manufacturer has developed an electric car for the Australian market. They aim to maximise their profits per item sold.

Which of the following pricing strategies would be appropriate to achieve their financial goal?

- (A) Skimming
- (B) Penetration
- (C) Price points
- (D) Loss leader

**19.** Which of the following descriptions refers to “relationship marketing”?

- (A) Any attempts by a business to get to know its customers personally.
- (B) Where a business strives for repeat sales through customer loyalty over the long-term.
- (C) A business focusing on short-term customer relationships.
- (D) Any business attempts to get their customers to enjoy the business’s advertising commercials on television.

**20.** Which of the following are major risks of global outsourcing?

- (A) Limited opportunities to employ domestic subcontracting
- (B) Inability to focus on main objectives
- (C) Difficulties in achieving remedies for contract breaches
- (D) Problems associated with cost minimisation

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Student Number

## Section II

Total marks (40)

Attempt Questions 21 – 25

Allow about 1 hour 15 minutes for this section

Answer the questions in the spaces provided

Question 21 (9 marks)

Marks

<i>Southern Star Building Supplies Pty Ltd</i>		
<i>30 June 2012</i>		
	\$	\$
Sales		350000
Opening stock	20000	
Purchases	145000	
Closing stock	50000	<u>          </u>
Gross profit		<u>235000</u>
Operating expenses		
Wages	55000	
Utilities	10000	
Rent	70000	
Advertising	50000	
Insurance	12000	
Interest	14000	<u>          </u>
Net profit		<u>24000</u>
2011	Net profit:	8%
Ratios	Gross profit:	80%

Calculate and comment on the gross profit ratio for *Southern Star Building Supplies Pty Ltd*. (Show all workings)

2

Question 21 continues on page 9



Question 21 (continued)

**Marks**

(b) **Outline** three global market influences on the financial management of a business.

**3**

(c) **Evaluate** TWO methods of international payments that an exporter may use in the management of its finances.

**4**

Question 22 (10 marks)

Ausmedia is an Australian owned newspaper business, that is facing increased financial pressures as a result of changing market conditions. Management is now reviewing all aspects of the business's operations, including human resources and operational strategies.

- (a) Identify TWO stakeholders in the human resources management process and explain how the needs of these stakeholders can conflict. **2**
- (b) Identify and explain TWO reasons for resistance to change. **4**

**Question 22 continues on page 11**

Question 22 (continued)

- (c) Discuss ONE advantage and ONE disadvantage to the business, of outsourcing. **4**

**Question 23** (6 marks)

*Technology has driven the push to market products to customers worldwide. E-commerce has increased dramatically over the past decade. Businesses now have access to global markets which they attempt to influence and target through their marketing plan. They need to decide if they are going to use a standardised or customised marketing strategy, or a combination of the two.*

- (a) Identify TWO technologies a business may use to support its e-marketing strategy. **2**
  
- (b) Distinguish between a *standardised* and *customised* approach to global marketing. **2**
  
- (c) Outline TWO advantages a business can gain by using a standardised marketing approach. **2**

**Question 24** (8 marks)

*A global retail business is seeking to expand its operations in Australia.*

(a) Outline ONE appropriate form of equity financing that could be used to finance this expansion.

**2**

(b) Discuss the role of government organisation in the human resource management process.

**3**

(c) Explain TWO legal influences the business would have to consider in expanding its operations in Australia.

**3**

**Question 25** (7 marks)

The following table shows the Cash Flow Statement for Harry’s Personal Trainer Services for 2012.

	<i>Jan</i>	<i>Feb</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>Aug</i>
<i>Opening Balance</i>	2000	6000						
<i>Cash Receipts \$ (IN)</i>	11000	11000	9000	9000	5000	6000	5000	4000
<i>Cash Payments \$ (OUT)</i>	7000	5000	5000	7000	6000	6000	6000	5000

- (a) Calculate the opening balance for March. **1**
  
- (b) Outline TWO strategies to deal with the cash flow situation in August. **2**

**Question 25 continues on page 15**

Question 25 (continued)

- (c) Harry wishes to expand his operations. Recommend TWO long term external sources of finance to fund this expansion.

**4**

## Section III

**Total marks (20)**

**Allow about 35 minutes for this section**

**Answer this question in the writing booklet provided**

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

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

### **Question 26 (20 marks)**

EXON is a producer of fuels for aviation, passenger vehicles, farming, earth moving equipment and heavy trucks. Over the past three years, EXON profits have stopped growing and remained flat as a result of internal and external factors in the global environment.

EXON has distributors throughout the east coast of Australia and is looking to expand to take advantage of the mining boom. EXON has a number of strategies that require reviewing.

- Product range
- Distribution
- Inventory management
- Corporate social responsibility

Management at EXON has employed a new managing director to implement and manage change successfully.

You have been employed as a consultant by EXON. Prepare a report to be given to EXON's Board of Directors.

In your report, you should:

- Outline ONE product and ONE distribution strategy EXON could change.
- Discuss TWO operations strategies that would help improve EXON's inventory management.
- Evaluate TWO issues relating to corporate social responsibility.



## **Section IV**

**Total marks (20)**

**Attempt either Question 27 or Question 28**

**Allow about 35 minutes for this section**

**Answer this question in the Writing Booklet provided**

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

- demonstrate knowledge and understanding relevant to the question
  - use 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 (20 marks)**

Evaluate the effectiveness of the marketing process in achieving the goals of a business.

**OR**

### **Question 28 (20 marks)**

Evaluate the effectiveness of operations processes in achieving the goals of a business.

**End of Examination**



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Student Number

Teacher's name: .....

## Multiple Choice Answer Sheet – Business Studies Section I – Questions 1 – 20

Select the alternative A, B, C or D that best answers the question. Fill in the response oval completely.

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

Sample

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.

If you change your mind consider to be the correct the word correct and

A       B       C       D

and have crossed out what you answer, then indicate this by writing drawing an arrow as follows: correct

A       B  *← correct*      C       D

1.    A  B  C  D

11.    A  B  C  D

2.    A  B  C  D

12.    A  B  C  D

3.    A  B  C  D

13.    A  B  C  D

4.    A  B  C  D

14.    A  B  C  D

5.    A  B  C  D

15.    A  B  C  D

6.    A  B  C  D

16.    A  B  C  D

7.    A  B  C  D

17.    A  B  C  D

8.    A  B  C  D

18.    A  B  C  D

9.    A  B  C  D

19.    A  B  C  D

10.    A  B  C  D

20.    A  B  C  D

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Student Number



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**2012**  
**Higher School Certificate Trial**  
**Examination**

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50 Copies

**Year 12**

Ms Thoma  
Mr Nader

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# Business Studies Solutions

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- 30E
- 40D
- 50E
- 60E
- 70E
- 80F
- 90F
- : 0D
- ; 0E
- 320E
- 330D
- 340D
- 350D
- 360F
- 370E
- 380D
- 390D
- 3: 0C
- 3; 0D
- 420E"
- "

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Student Number

## Section II

Total marks (40)

Attempt Questions 21 – 25

Allow about 1 hour 15 minutes for this section

Answer the questions in the spaces provided

Question 21 (9 marks)

Marks

<i>Southern Star Building Supplies Pty Ltd</i>		<i>30 June 2012</i>	
	\$	\$	
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Operating expenses			
Wages	55000		
Utilities	10000		
Rent	70000		
Advertising	50000		
Insurance	12000		
Interest	14000		_____
Net profit		<u>24000</u>	
2011	Net profit:	8%	
Ratios	Gross profit:	80%	

Calculate and comment on the gross profit ratio for *Southern Star Building Supplies Pty Ltd*. (Show all workings)

2

$$\frac{235000}{350000}$$

67.14 %

This shows that the cost of goods sold and the differences in levels of opening and closing stock have only reduced the profit by 33%. However due to either rising costs or increasing amounts of excess stock the Gross Profit ratio has decreased from 80% in 2011.

Question 21 continues on page 9

Marks

Question 21 (continued)

- (b) **Outline** three global market influences on the financial management of a business. **3**

A businesses financial management is strongly influenced by several factors

Economic Outlook – These include factors such as catering for supply and demand in order to predict the best future for the business.

Availability of funds – These can be sourced internally and externally sourced from the business. For example commercial bills, shares or equity finance.

Interest Rates – Interest rates often fluctuate relative to the global economic situation, therefore they are often linked with currency and exchange rate fluctuations.

- (c) **Evaluate** TWO methods of international payments that an exporter may use in the management of its finances. **4**

In making international payments the two most effective methods of payment are Clean Payments and Bills of exchange. This payment method eliminates the majority of risk in making foreign financial transactions. It ensures both payment and exchange of goods occurs simultaneously so that one side of the deal is not short changed. The receiver of the goods pays for them however this payment does not get confirmed until the goods have been shipped. Therefore this is the most favourable form of transaction for exporters as it guarantees a successful exchange of goods.

Bills of exchange are the least favourable by exporters as these present the greatest risk in making transactions. This can either take the form of a document against payment or acceptance, this can allow the importer to pay for the goods at a later date. Here the importer may refuse to collect the goods in the case of a document against acceptance, additionally documents against payments can allow the importer to delay or not pay for the goods at all. Unfortunately this presents risks for the liquidity of the exporter as they do not have a constant cash flow as it is tied up in accounts receivable or with debtors.

## Question 22 (10 marks)

Ausmedia is an Australian owned newspaper business, that is facing increased financial pressures as a result of changing market conditions. Management is now reviewing all aspects of the business's operations, including human resources and operational strategies.

- (a) Identify TWO stakeholders in the human resources management process and explain how the needs of these stakeholders can conflict.

2

Both employers and employees are key stakeholders within the human resource management process. Their interests often tend to conflict when employers are generally concerned with generating revenue for the business often disregarding the needs of employees. Whilst employees are generally aiming to attain a stable form of employment with adequate working conditions and be paid at a reasonable rate.

- (b) Identify and explain TWO reasons for resistance to change.

4

Employees may experience resistance to change or inertia as a result of different business practices. One particular practice is the implementation of new technologies. Often different individuals may have different opinions on the role of technology within the workplace. If there is a new form of technology introduced then there may be reluctance to change due to habit and knowledge of how to operate the previous form of technology and having a reluctance to be retrained. Additionally a sense of inertia may be experienced in management change, this occurs through restructuring of the company and changing of jobs alongside a different approach to leadership and communication within the business. As a result individuals are often opposed to this change and reluctant to take it up.

**Question 22 continues on page 11**

Question 22 (continued)

(c) Discuss ONE advantage and ONE disadvantage to the business, of outsourcing.

**4**

**Advantage**

Outsourcing is a cheap form of labour where a business can gain other, more specialised companies often overseas to conduct business practices for them. This can be seen through clothing manufacturing being outsourced to China and Taiwan whilst telecommunications are outsourced to India. These are essential in providing a cheap and efficient method of production for a business.

**Disadvantage**

However there are negatives to be considered. With outsourcing there is little control that can be exercised over the outsourced production process. This may lead to poor quality of products if standards are not put into place or workers may be treated poorly such as the Foxconn employees who make Apple products where several ended up committing suicide as a result of their jobs.

**Question 23** (6 marks)

*Technology has driven the push to market products to customers worldwide. E-commerce has increased dramatically over the past decade. Businesses now have access to global markets which they attempt to influence and target through their marketing plan. They need to decide if they are going to use a standardised or customised marketing strategy, or a combination of the two.*

- (a) Identify TWO technologies a business may use to support its e-marketing strategy. 2
  - (i) The internet and a website
  - (ii) Telecommunications centre
  
- (b) Distinguish between a *standardised* and *customised* approach to global marketing. 2

A standardised marketing approach is one that approaches all markets in the same manner. One product is aimed towards a whole variety of cultures without any variation in the product. This can be seen through many viral marketing campaigns or those with little audio this can be seen through the ad form the Citroen C4 or Dancing Car. Whereas Customised marketing targets regional and local markets with specific products relevant to the markets, these will often overcome language barriers and take into account a variety of cultural sensitivities.

- (c) Outline TWO advantages a business can gain by using a standardised marketing approach. 2
  - (i) Cost efficiency allows the business to utilise its marketing potential whilst also decreasing the expenses related to marketing a product.
  - (ii) This is also an efficient use of resources as it maximises the strength and efficiency of marketing campaigns allowing for resources to be targeted towards fine tuning and monitoring existing campaigns and designing efficient campaigns for other products.



**Question 24** (8 marks)

*A global retail business is seeking to expand its operations in Australia.*

- (a) Outline ONE appropriate form of equity financing that could be used to finance this expansion.

2

Equity financing through the borrowing of someone else's funds free of charge, alternatively the consolidation of dividends can be reused in order for growth to be attained. Alternatively the sale of additional shares can be used in order to attain a greater proportion of value in the business, this is a common method in order to facilitate the expansion of the business.

- (b) Discuss the role of government organisation in the human resource management process.

3

There are different levels of government enforcing stringent rules upon the human resource management of businesses. In 1996 the federal government established the Australian Industrial Relations Commission, the aimed to deal with and resolve employment issues at a national level. The federal government also regulates employment standards through the establishment of Fair Work Australia in 2010 this encompasses Equal employment opportunity, OH&S and leave for cases such as maternity and sick leave. These are also regulated by the State governments who also provide assistance in informing employees of their workplace rights and responsibilities.

- (c) Explain TWO legal influences the business would have to consider in expanding its operations in Australia.

3

In expanding operations practices to Australia a business would need to consider factors such as existing government bodies regulating business functions. These include Fair Work Australia as part of the Australian Industrial Relations Commission, this provides the opportunity for employees to be treated equally and have their rights acknowledged within the workplace. These rights cover Occupational Health and Safety, and the Dangerous Goods Act. These ensure employees are working in a safe and harm free environment. An additional factor is ASIC or the Australian Securities and Investment Commission that regulates the functioning of businesses and ensures all financial measures are accountable for, this can be seen through both the Competition and Consumer Act along with The Fair Trading Act that both ensure high levels of quality and low levels of environmental impacts occur in the manufacturing of products,

**Question 25** (7 marks)

The following table shows the Cash Flow Statement for Harry’s Personal Trainer Services for 2012.

	<i>Jan</i>	<i>Feb</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>Aug</i>
<b><i>Opening Balance</i></b>	2000	6000						
<b><i>Cash Receipts \$ (IN)</i></b>	11000	11000	9000	9000	5000	6000	5000	4000
<b><i>Cash Payments \$ (OUT)</i></b>	7000	5000	5000	7000	6000	6000	6000	5000

- (a) Calculate the opening balance for March. **1**

$2000+11000-7000=6000+11000-5000=12000$  Therefore opening balance for March is \$12000

- (b) Outline TWO strategies to deal with the cash flow situation in August. **2**

Cash Flow Management can be applied to deal with August’s cash flow situation by distributing payments and discounts for early payments. By distributing payments there can be a reduced outflow of finances and used only when there is a significant inflow of funds in order to balanced and have a constant positive cash balance. Additionally discounts for early payments can reduce the liabilities of a business and increase the inflows in order to have a positive cash flow balance.

**Question 25 continues on page 15**

Question 25 (continued)

- (c) Harry wishes to expand his operations. Recommend TWO long term external sources of finance to fund this expansion.

4

Two beneficial sources of finance for expanding a business include a mortgage and leasing.

A mortgage involves taking out a lump loan secured by the property of the borrower and backed by collateral. This loan can be valued in comparison to the prospective outlook of the businesses that are receiving the loan; for example a business predicted to be highly productive can take a loan of \$5 million and these loans are paid off on a monthly basis over an agreed time frame generally the common business loan is 15 years. However businesses often need to research for the lowest possible interest rates available. Currently the average interest rate sits at 7% per annum.

Often purchasing can be combined with another type of sourcing of funds, this is leasing. Here the business is able to lease unproductive assets to other businesses in order to gain money. Alternatively required areas can be sourced through leasing in order to reduce costs. In the case of HSClive leasing of premises occurs in order to provide a studio atmosphere at a cheaper cost than it would be purchasing a property out right. This is beneficial as it frees up available funds for the functioning of the business and allows the transformation of unproductive assets into productive assets.

**Question 26**

Criteria	Mark
<ul style="list-style-type: none"> <li>• Presents a sustained, logical and well-structured business report with appropriate business terminology, concepts and statistics</li> <li>• Includes an appropriate executive summary</li> <li>• Clearly and accurately outlines ONE product strategy and ONE distribution strategy that could be changed</li> <li>• Discusses in detail TWO operations strategies that could be used to manage inventory</li> <li>• Makes a clear evaluation in a detailed and sophisticated manner of TWO issues relating to corporate social responsibility</li> </ul>	17 – 20
<ul style="list-style-type: none"> <li>• Presents a well-organised business report and uses appropriate business terminology, concepts and statistics</li> <li>• Includes an executive summary</li> <li>• Outlines in some detail ONE product strategy and ONE distribution strategy that could be changed</li> <li>• Discusses TWO operations strategies that could be used to manage inventory</li> <li>• Makes some evaluation of TWO issues relating to corporate social responsibility</li> </ul>	13 – 16
<ul style="list-style-type: none"> <li>• Indicates features of a business report and uses some business terminology, concepts and statistics</li> <li>• May include an executive summary</li> <li>• May outline ONE product strategy and/ or ONE distribution strategy that could be changed</li> <li>• Attempts to discuss two or less operations strategies that could be used to manage inventory</li> <li>• Makes a limited evaluation of two or less issues relating to corporate social responsibility</li> </ul>	9 – 12
<ul style="list-style-type: none"> <li>• Includes some features of a business report and uses basic business terminology</li> <li>• May or may not include an executive summary</li> <li>• Very brief outline ONE product strategy and/ or ONE distribution strategy that could be changed</li> <li>• May/may not attempt to discuss two or less operations strategies that could be used to manage inventory</li> <li>• Little or no evaluation of two or less issues relating to corporate social responsibility</li> <li>•</li> </ul>	5 – 8
<ul style="list-style-type: none"> <li>• Uses basic business terminology</li> <li>• Does not include an executive summary</li> <li>• May make reference to product or distribution strategies</li> <li>• May refer to operations strategies that could be used to manage inventory</li> <li>• No evaluation of two or less issues relating to corporate social responsibility</li> </ul>	1 - 4

Suggested layout/answers may include

#### 1.0 Executive summary

- Who the report is for
- Why the report is being written
- The prime function of the business and position in the business life cycle (if relevant)
- What the report will outline

#### 2.0 Business strategies

Introductory sentence stating the importance of business planning and strategies

##### 2.1 Product strategy

- Branding
- Packaging
- Product range

##### 2.2 Distribution strategy

- Distribution channels
- Channel choice (intensive, selective, exclusive)
- Physical distribution issues (transport, warehousing, inventory)
- Global sourcing/outsourcing
- Supply chain management

#### 3.0 Inventory management

Define as an introductory sentence

##### 3.1 Operations strategies to improve inventory management

- LIFO
- FIFO
- JIT

#### 4.0 Evaluation of issues relating to CSR

Evaluate requires that you "Make a judgement based on criteria; determine the value of"

- Define CSR (refers to open and accountable business actions based on respect for people, community/society and the broader environment. It involves businesses doing more than just complying with the laws and regulations)
- Legal compliance
- Ethical responsibility
- Environmental sustainability
- Social responsibility

#### 5.0 Conclusion

- Optional
- General summary of key points

**NOTE:**

*\*Reference to the mining boom and direct links to the case study throughout are encouraged*

*\*Top marks required an effective 'evaluation' of the importance of addressing CSR issues*

*\*Ensure key terms are defined and clear headings/sub-headings are used throughout*

## Question 27

Evaluate the effectiveness of the marketing process in achieving the goals of the business.

Criteria	Marks
<ul style="list-style-type: none"><li>Clearly identifies and incorporates case studies or study throughout the response</li><li>Clearly shows an effective evaluation/makes a judgement regarding the effectiveness of the marketing process in achieving business goals</li><li>Presents a logical well structured answer to the question and clearly communicates appropriate business terminology and concepts</li></ul>	17-20
<ul style="list-style-type: none"><li>Identifies and incorporates case studies or study throughout the response</li><li>Makes an evaluation/makes a judgement regarding the effectiveness of the marketing process in achieving business goals</li><li>Presents a well structured answer to the question and communicates appropriate business terminology and concepts</li></ul>	13-16
<ul style="list-style-type: none"><li>Describes business case study or case studies and makes some reference to them or it</li><li>Provides some links between the effectiveness of the marketing process in achieving business goals</li><li>Communicates using some terminology and concepts</li></ul>	9-12
<ul style="list-style-type: none"><li>Describes business case study or case studies</li><li>Sketches in general terms the general features of the marketing process</li><li>Communicates using some terminology</li></ul>	5-8
<ul style="list-style-type: none"><li>Makes some reference to case studies</li><li>May refer to the marketing process</li><li>Uses basic business terminology</li></ul>	1-4

Answers may include:

### *The marketing process*

- situational analysis – SWOT, product life cycle
- market research
- establishing market objectives
- identifying target markets
- developing marketing strategies
- implementation, monitoring and controlling – developing a financial forecast; comparing actual and planned results, revising the marketing strategy

Evaluate - "Make a judgement based on criteria; determine the value of".

## Question 28

Evaluate the effectiveness of operations processes in achieving the goals of the business.

Criteria	Marks
<ul style="list-style-type: none"><li>Clearly identifies and incorporates case studies or study throughout the response</li><li>Clearly shows an effective evaluation/makes a judgement regarding the effectiveness of operations processes in achieving business goals</li><li>Presents a logical well structured answer to the question and clearly communicates appropriate business terminology and concepts</li></ul>	17-20
<ul style="list-style-type: none"><li>Identifies and incorporates case studies or study throughout the response</li><li>Makes an evaluation/makes a judgement regarding the effectiveness of operations processes in achieving business goals</li><li>Presents a well structured answer to the question and communicates appropriate business terminology and concepts</li></ul>	13-16
<ul style="list-style-type: none"><li>Describes business case study or case studies and makes some reference to them or it</li><li>Provides some links between the effectiveness of operations processes in achieving business goals</li><li>Communicates using some terminology and concepts</li></ul>	9-12
<ul style="list-style-type: none"><li>Describes business case study or case studies</li><li>Sketches in general terms the general features of operations processes</li><li>Communicates using some terminology</li></ul>	5-8
<ul style="list-style-type: none"><li>Makes some reference to case studies</li><li>May refer to operations processes</li><li>Uses basic business terminology</li></ul>	1-4

Answers may include:

### *Operations processes*

- inputs
  - transformed resources (materials, information, customers)
  - transforming resources (human resources, facilities)
- 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
- outputs
  - customer service
  - warranties

Evaluate - "Make a judgement based on criteria; determine the value of".