

Shore School

2012

Higher School Certificate Trial Examination

Business Studies

Total marks – 100

Section I Pages 2–8

20 marks

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

Section II Pages 9–16

40 marks

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

Section III Page 17

20 marks

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

Section IV Page 18

20 marks

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

General Instructions

- Reading time – 5 minutes
- Working time – 3 hours
- Write using black or blue pen
- Draw diagrams using pencil
- Board-approved calculators may be used
- Write your Student Number at the top of pages 9, 11, 13, 15, 17 and 18

Section I**Multiple Choice****20 Marks**

- 1 If a business wants to quickly increase market share, which pricing strategy would it use?
- (A) Price points
 - (B) Price skimming
 - (C) Price penetration
 - (D) Price pressure

- 2 A large mining company has decided to make changes to their operations due to the passage of the Clean Energy Act and because they have noticed that global consumers are demanding their products.

Which two factors have influenced this business's operations?

- (A) Globalisation and environmental sustainability
 - (B) Legal regulations and globalisation
 - (C) Legal regulations and environmental sustainability
 - (D) Quality expectations and technology
- 3 Which of the following are examples of operational performance objectives?
- (A) Quality, dependability and speed
 - (B) Flexibility, customisation and volume
 - (C) Cost, variety and dependability
 - (D) Quality, customisation and variation

- 4 John designs and makes unique gold jewellery pieces to order.

In what market will John sell his jewellery in?

- (A) Industrial
- (B) Resource
- (C) Niche
- (D) Mass

Use the information below to answer Questions 5 and 6.

Revenue Statement of WAZ'S Fitness Centre Pty Ltd as at 30 July 2012

Interest Charges	800
Closing Stock	6 500
Bad Debts	1 000
Petrol Expenses	800
Wages	30 500
Sales	220 000
Rent Paid	5 200
Purchases	74 500
Electricity	1 400
Advertising	1 200
Opening Stock	36 000

- 5 Which of the following is the level of *Gross Profit* for Waz's Fitness Centre?
- (A) \$116 000
 - (B) \$104 000
 - (C) \$75 100
 - (D) \$117 000
- 6 Which of the following is the *net profit* for Waz's Fitness Centre?
- (A) \$76 100
 - (B) \$116 000
 - (C) \$104 000
 - (D) \$75 100
- 7 Stix Clothing Pty Ltd decides to sell its accounts receivable to a specialist business in order to increase the amount of cash on its balance sheet.

Which strategy is Stix's clothing using?

- (A) Commercial Bills
- (B) Sale and lease back
- (C) Factoring
- (D) Hedging

- 8 A total of 130 computer games were purchased by a business. The business is using the 'last in, first out' (LIFO) approach. The cost break down is the first 60 attracted a cost of \$80, the second 50 attracted a cost of \$100 and the last 20 attracted a cost of \$120. Twenty games remained unsold.

Using the LIFO approach, which of the following is correct?

- (A) The cost of unsold stock is \$2 400 and the total cost of goods sold is \$9 800.
- (B) The total cost of goods sold is \$10 600 and the cost of unsold goods is \$1 600.
- (C) The total cost of goods sold is \$9 800 and the cost of unsold goods is \$1600.
- (D) The cost of goods sold is \$10 600 and the cost of unsold goods is \$2 400.

- 9 Which of the following best describes a 'selling approach' to marketing?

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

- 10 A new employee to a business is shown around the office, introduced to colleagues and instructed in the way to do her job.

What is this process known as?

- (A) Induction
- (B) Maintenance
- (C) Separation
- (D) Outsourcing

- 11 Which most recent Federal Employment Relations Act sets out a comprehensive safety net of minimum employment conditions?

- (A) Trade Practices Act
- (B) Fair Work Act
- (C) Work Choices Act
- (D) Industrial Relations Act

Use the following information to answer Question 12.

Current Liabilities	\$200 000
Non-Current Liabilities	\$300 000
Current Assets	\$250 000
Non-Current Assets	\$650 000
Net Profit	\$ 80 000

- 12 What is the *return on owners' equity ratio* for this business?
- (A) 125%
 - (B) 20%
 - (C) 16%
 - (D) 8.9%
- 13 Which of the following is not part of the marketing mix for a service?
- (A) Production
 - (B) People
 - (C) Processes
 - (D) Physical evidence
- 14 Wallabies Pty Ltd has contracted a company in Hong Kong to manufacture their goods. To complete the contract the company must meet a pre-established set of manufacturing criteria and standards.

Which of the following describes this practice?

- (A) Quality control
- (B) Quality assurance
- (C) Quality improvement
- (D) Benchmarking

- 15 Factors that are “internal to an individual that affect their decisions and preferences” are known as?
- (A) Economic
 - (B) Government
 - (C) Sociocultural
 - (D) Psychological
- 16 Which of the following are short-term sources of debt finance?
- (A) Overdraft, placements, leasing
 - (B) Factoring, commercial bills, overdrafts
 - (C) Commercial bills, overdrafts, unsecured notes
 - (D) Overdrafts, factoring, leasing
- 17 Which of the following is a benefit of outsourcing human resources?
- (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
- 18 Which of the following includes ALL four elements of the product marketing mix?
- (A) Warehousing, opinion leaders, price points and branding
 - (B) Exclusive channel choice, transport, packaging and publicity
 - (C) Warehousing, personal selling and relationship marketing, packaging and distribution channels
 - (D) Branding, price points, skimming and word of mouth

- 19 Which of the following represents the strategic role of human resources?
- (A) Minimising staff turnover due to industrial action
 - (B) Lowering the cost of employee benefits for the company to maximise profits
 - (C) Managing the total relationship between the employer and employee
 - (D) Employing the correct casual and part-time staff in the marketing department
- 20 'Natal Sharks Ltd' issued the following efficiency data for 2011 and 2012.

	2011	2012
Sales*	\$200 000	\$250 000
Expenses	\$10 000	\$26 000
Accounts Receivable	\$30 000	\$50 000

*All sales are credit sales

Which of the following statements are correct with respect to the business's efficiency?

- (A) The expenses ratio and the accounts receivable turnover ratio have both improved.
- (B) The expenses ratio has improved and the accounts receivable turnover ratio has deteriorated.
- (C) The expenses ratio has deteriorated and the accounts receivable turnover ratio has improved
- (D) The expenses ratio and the accounts receivable turnover ratio have both deteriorated.

2012 HIGHER SCHOOL CERTIFICATE TRIAL EXAMINATION

Business Studies

Section II

40 marks

Examination Number: _____

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 the response.

Question 21 (10 marks)

Green Cross is a local designer and manufacturer of leather accessories. Management at *Green Cross* are going to expand their business operations throughout Asia and Africa.

- (A) Outline ONE input which *Green Cross* would use in its operational process. **2**

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- (B) Describe how *Green Cross* would utilise sequencing and scheduling in the operations process. **2**

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Question 21 continues on page 10

Question 22 (10 marks)

Examination Number: _____

- (A) Identify FOUR stakeholders of the human resource function. **2**

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- (B) Describe ONE social influence that has impacted upon human resource management in Australian businesses. **2**

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Question 22 continued on page 12

(A) Outline ONE consumer law and ONE ethical influence on marketing. 2

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(B) Recommend ONE method a business could use in order to improve its communication process when increasing sales and market share. 2

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Question 23 continued on page 14

Financial Statement for Coastal Coffee Beans as at 30 June 2012

	2012		2012
Current Assets		Current Liabilities	
Cash	4 450	Overdraft	13 500
Accounts Receivable	8 500	Accounts Payable	11 600
Inventory	13 600		
		Non Current Liabilities	
		Mortgage	280 000
Non Current Assets		Owners Equity	
Equipment	37 550	Capital	165 000
Property	410 000	Net Profit	95 000
Vehicles	91 000		

ADDITIONAL INFORMATION:

- 2011 debt to equity ratio: 0.8:1
- 2011 liquidity was 2.4:1
- 2011 net profit: \$323 000

(A) Calculate the current ratio for 'Coastal Coffee Beans' in 2012. 1

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(B) Calculate and comment on the gearing of 'Coastal Coffee Beans'. 2

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Question 24 continues on page 16

2012 HIGHER SCHOOL CERTIFICATE TRIAL EXAMINATION

Business Studies

Section III

20 marks

Examination Number: _____

Attempt Questions 25

Allow about 35 minutes for this section

Answer the questions in the writing books 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
 - present a sustained, logical and cohesive response in the form of a business report
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Question 25 (20 marks)

‘Natal Sharks Electrical’ is a large domestic manufacturer of air-conditioners.

The business has lost market share to cheaper imported products in recent years and hence the marketing and financial objectives of the business were not met. It is experiencing cash flow problems due to excessive credit and an increasing accounts receivable turnover ratio.

The management have investigated relocating part of its operations to cheaper labour cost countries in Asia and selling their products not only in Australia but also to the global market.

You have been employed as a consultant to prepare a report for ‘Natal Sharks Electrical’.

In your report:

- Explain ONE legal and ONE economic influence on human resources in Australia which lead to management considering relocating operations to Asia.
- Describe TWO global marketing strategies that ‘Natal Sharks Electrical’ could use.
- Analyse ONE cash flow management strategy and ONE working capital management strategy which could be used to improve the business’s financial position.

2012 HIGHER SCHOOL CERTIFICATE TRIAL EXAMINATION

Business Studies

Section IV

20 marks

Examination Number: _____

Attempt Questions 26

Allow about 35 minutes for this section

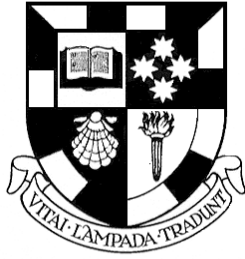
Answer the questions in a SEPARATE writing booklet. Extra writing booklets are available.

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 (20 marks)

Explain how operations strategies can help a business sustain its competitive advantage and meet its financial objectives.



Shore

2012

**HSC ASSESSMENT TASK 4
HSC TRIAL EXAM**

Business Studies

Examiner's Comments

- MC answers and comments
- SA marking guidelines and comments
- ER marking guidelines and comments
- ER Exemplars

Mark Breakdown

97 students sat the exam.

MC Q1-20		
Marker MJW		Avg 15.8
SA		
Q21 Marker NTA		Avg 8.6
Q22 Marker WPD		Avg 7.9
Q23 Marker WPD		Avg 7.2
Q24 Marker NTA		Avg 5.8
Q25 Marker GCA		Avg 14.8
Q26 Marker JIM		Avg 13.3
Exam		Avg 73.4



HSC Trial Examination

Business Studies

Multiple choice answer sheet

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

1 A B C D

2 A B C D

3 A B C D

4 A B C D

5 A B C D

6 A B C D

7 A B C D

8 A B C D

9 A B C D

10 A B C D

11 A B C D

12 A B C D

13 A B C D

14 A B C D

15 A B C D

16 A B C D

17 A B C D

18 A B C D

19 A B C D

20 A B C D

SECTION II – Short Answer Questions

QUESTION 21 (NTA)

a) Outline ONE input which Green Cross would use in its operational process. 2

Criteria	Marks
•Sketches in general terms ONE input that ‘Green Cross’ would use in its operations	2
•Recognises and names ONE input that ‘Green Cross’ would use in its operations	1

Answers could include:

- transformed resources (materials, information, customers)
- transforming resources (human resources, facilities)

*Sample: ‘Green Cross’ would use the input of **materials** – a transformed resource. These are the basic elements in the production process and are generally called raw materials. For Green Cross this would include leather, thread and dyes.*

b) Describe how Green Cross would utilise sequencing and scheduling in the operations process.

Criteria	Marks
•Provides characteristics and features of sequencing and scheduling could be used in operations process management at Green Cross	2
• Sketches in general terms how sequencing and/or scheduling could be used in operations process management	1

Answers could include:

- transformation processes
 - sequencing and scheduling – Gantt charts, critical path analysis

Sample: An understanding of both sequencing and scheduling is necessary for operations managers at Green Cross as they assist with structuring and ordering the transformation processes.

Sequencing refers to the order in which activities in the operations process occur eg the steps involved in creating a leather handbag. Scheduling refers to the length of time activities take within the operations process to predict the time frame to deliver customer orders and the impact of any process delays. The two main scheduling tools are Gantt charts and Critical Path Analysis (CPA).

c) Explain how Green Cross’ operations are interdependent with TWO other key business functions.

Criteria	Marks
•Provides characteristics and features of how operations is interdependent with TWO other key business function at ‘Green Cross’ (designer/manufacturer leather goods)	5-6
•Provides characteristics and features of how operations is interdependent with ONE other key business function at ‘Green Cross’ (designer/manufacturer leather goods) OR •Sketches in general terms how marketing is interdependent with TWO other key business function OR •Provides characteristics and features of TWO key business function at ‘Green Cross’ (designer/manufacturer leather goods)	3 -4
•Sketches in general terms TWO key business functions	2
•Sketches in general terms ONE key business function at ‘Green Cross’ OR identifies TWO key business functions at ‘Green Cross’	1

*GENERAL COMMENTS: Need to give sufficient detail to explain (rather than describe/outline)
Need to show Interdependence (not just one depending on the other)*

Sample:

Operations at Green Cross refers to the business processes that involve transformation of inputs (eg leather, staff) into outputs (leather accessories) for sale/distribution. The operations function is interdependent with the marketing/finance/HR function in the business as they depend on each other to achieve business goals effectively in a collaborative and coordinated way.

Operations and Marketing: Marketing focuses on meeting the needs and wants of consumers through provision of products (both goods and services) at prices that the market is prepared to pay. When developing ideas for new products such as a leather bag, marketing need to work with operations to understand the production processes involved and implications of a new product on machinery/staff/capacity/production schedules. If market research indicates a new colour of handbag is in fashion for the season, operations will need to make changes to processes to accommodate a new colour in a product range.

Operations and HR: HR deals with the people the business employs and the issues arising from their employment. When operations identifies staff requirements, they would consult with HR to develop job specifications and descriptions so that HR can recruit suitable staff. HR would measure performance of operations staff through establishing performance objectives relevant to operations and offer monetary/non-monetary rewards.

QUESTION 22 (WPD)

A) Identify FOUR stakeholders of the human resource function (2)

Criteria	Marks
Recognise and name FOUR stakeholders of the human resource function	2
Recognise and name TWO stakeholders of the human resource function	1

Answers could include:

Employers, employees, employer associations, unions, government organisations, society

B) Describe ONE social influence that has impacted upon human resource management in Australian businesses. (2)

Criteria	Marks
Provide characteristics and features of ONE social influence that has impacted upon human resource management in Australian businesses.	2
Recognises and names ONE social influence that has impacted upon human resource management in Australian businesses.	1

Answers could include:

Changing work patterns, living standards

Sample:

Social changes relating to living standards influence HRM because they affect the demands of workers and the quality and quantity of labour available. As living standards rise, workers push for better working conditions. More people tend to attend tertiary education, leading to a smaller but more skilled labour supply.

Social changes relating to changes in working patterns influence HRM because they affect the quantity and quality of labour available. Change in social values and economic conditions have changed. For example, the increases in casualization, outsourcing, and female employment giving managers more options as they make labour more flexible and more plentiful. Other changes in work patterns include: the workforce is now more ethnically diverse, people are more likely to make career changes more often, and the population is aging.

C) Explain the importance of TWO processes in human resource management.

Criteria	Marks
Provides characteristics and features of the importance of TWO processes in HR management	5-6
Sketches in general terms the importance of TWO processes in HR management	3-4
Recognises and names TWO processes in HR management OR sketches in general terms ONE process in HR management	2
Recognises and names ONE process in HR management	1

Answers could include:

Acquisition, Development, Maintenance and Separation

Sample:

The development of employees is a process of HRM that involves the provision of programs and training which aims to develop employees' skills. This can involve programs and lectures that aim to provide employees with the required up to date skills which will make them more efficient. The constant improvement in technology means that employee training is ongoing. This training will enable the business to maintain a competitive edge. Through training employees will have a wider skills set and a greater job satisfaction and hence have increased levels of motivation. Development is an important HR process as improved employee skills will enable the employees to complete their tasks more efficiently and effectively. This will result in an increase in the business's productivity which would lead to profit maximisation. This will result in lower levels of staff turnover, absenteeism and disputation.

Maintenance is also an important process which involves the provision of entitlements including monetary and non-monetary rewards to motivate staff to work to their potential. It is important as a motivated and happy staff will enable the business to hold onto their quality staff and result in staff being more efficient and effective at their jobs. This will result in a quality product or service being provided to customers and hence an increase in the business's reputation and an increase in sales and hence profits. The business will also be known as an employer who looks after their staff.

QUESTION 23 (WPD)

A) Outline ONE consumer law and ONE ethical influence on marketing. (2)

Criteria	Marks
Sketch in general terms ONE consumer law and ONE ethical influence on marketing	2
Recognises and names ONE consumer law and ONE ethical influence on marketing OR sketches in general term ONE consumer law or ONE ethical influence on marketing	1

Answers could include:

Consumer law: Deceptive and misleading advertising, price discrimination, implied conditions, warranties, Competition and Consumer Act

Ethical: truth, accuracy and good taste in advertising, products that may damage health, engaging in fair competition, sugging

Sample:

Legal - Deceptive and misleading advertising: it is illegal for an advertisement to make false, misleading claims about a business's product or service.

Ethical - Engaging in fair competition: It is important for a business to be perceived by the public to be engaging in fair competition as this will impact its reputation or company image. Ethically, companies should refrain from slagging off about its competitors, particularly in its adverts.

B) Recommend ONE method a business could use in order to improve its communication process when increasing sales and market share. (2)

Criteria	Marks
Puts forward for consideration, with supporting arguments ONE method a business could use in order to improve its communication process when increasing sales and market share.	2
Identifies and names ONE method a business could use in order to improve its communication process when increasing sales and market share.	1

Answers could include:

Opinion leaders, worth of mouth

Sample:

An opinion leader is a public figure or recognised celebrity that would promote a business's product. They would be the 'face' of the product or service. Customers would want to buy the product as a celebrity is promoting and or using the business's product. The celebrity would communicate a positive message about the business's products to the target market and hence improve sales and market share.

C) Explain the marketing process. (6)

Criteria	Marks
Provides characteristics and features of the SIX elements of the marketing process	5-6
Sketches in general terms the SIX elements of the marketing process	3-4
Recognises and names FOUR elements of the marketing process or sketches in general terms ONE element of the marketing process	2
Recognises and names TWO elements of the marketing process	1

Answers could include:

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).

Sample:

The marketing process involves 6 steps that need to be taken to ensure that the business achieves its objectives. Step one involves a situational analysis which analyses the internal and external environment to ascertain where the business is presently. This analysis would involve a SWOT analysis and determine which stage of the product life cycle the business's products are in. It assists in determining what the business is doing well and where it needs to improve. Market research is the investigation of the current market in terms of its trends. This would involve determining the information needs of the business and collecting primary and secondary data for a specific marketing issue and then analysing and interpreting this data to enable the business to establish specific and relevant marketing objectives. These marketing objectives would be SMART and would be what the business aims to achieve from a marketing perspective. The business would need to identify its target market, which is the group of people the business aims to sell its product to. The objectives and target market would influence the type of marketing strategies the business aims to implement. The marketing strategies would include elements of the marketing mix (Product, price, place and promotion). These marketing strategies would explain how the business would strategically, tactically and operationally market their products to achieve its objectives. The last stage of the process is the implementation, monitoring and controlling of the marketing process.

This would involve a financial forecast, comparing actual and planned results and revising the marketing strategies if there are areas that require improvement.

QUESTION 24 (NTA)

A) Calculate the current ratio for 'Coastal Coffee Beans' in 2012.

Criteria	Marks
•Determines from given figures the correct current ratio for Coastal Coffee Beans in 2012	1

Answers could include:

$$\begin{aligned} \text{Current Ratio} &= \text{Current Assets} \div \text{Current Liabilities} \\ &= (4450 + 8500 + 13600) \div (13500 + 11600) \\ &= 26550 \div 25100 \\ &= 1.057:1 \text{ OR } 1.06:1 \text{ OR } 1.1:1 \text{ OR } 105.78\%(\text{make sure they are rounded correctly}) \end{aligned}$$

B) Calculate and comment on the gearing of 'Coastal Coffee Beans'

Criteria	Marks
•Determines from given figures the correct gearing/debt to equity ratio for Coastal Coffee Beans in 2012 and comments on gearing/solvency of the business	2
•Determines from given figures the correct gearing/debt to equity ratio for Coastal Coffee Beans in 2012	1

Answers could include:

$$\begin{aligned} \text{Debt to equity ratio} &= \text{total liabilities} \div \text{total equity} \\ &= (13500 + 11600 + 280000) \div (165000 + 95000) \\ &= 305100 \div 260000 \\ &= 1.17:1 \text{ OR } 117.35\% \end{aligned}$$

For every \$1 of equity the business has \$1.17 of debt finance. CCB reported gearing in 2011 of 0.8:1 or 80%. With more debt finance than equity finance and a ratio significantly higher than the 2011 figure, there is a higher level of gearing and risk which means Coastal Coffee Beans is less solvent than before.

C) Recommend and justify ONE global financial management strategy the management of 'Coastal Coffee Beans' could look to implement in 2013

Criteria	Marks
•Puts forward for consideration, with supporting arguments, ONE global financial management strategy that 'Coastal Coffee Beans' could implement in 2013	3
•Provides characteristics and features of ONE global financial management strategy that 'Coastal Coffee Beans' could implement in 2013	2
•Sketches in general terms a global financial management strategy that 'Coastal Coffee Beans' could implement in 2013 (OR IDENTIFIES???)	1

Answers could include:

- global financial management
 - exchange rates
 - interest rates
 - methods of international payment – payment in advance, letter of credit, clean payment, bill of exchange
 - hedging
 - derivatives

Sample: **Method of Payment:** In dealing with overseas suppliers and/or customers, Coastal Coffee Beans (CCB) will need to consider their financial management strategies in terms of methods of payments used and the associated risks. In order to minimise their risk of non-payment, CCB should use payment in advance with their overseas customers where the clients pay for the goods ordered and then CCB ships them when payment received. When dealing with overseas suppliers,

CCB should use a *bill of exchange*: a document drawn up by the supplier which arranges CCB's payment at a specified time – then the goods can be collected.

D) Recommend TWO profitability strategies that management could use to improve its profitability in 2013.

Criteria	Marks
•Puts forward for consideration, with supporting arguments, TWO profitability management strategies that 'Coastal Coffee Beans' could use to improve their profitability in 2013	4
•Provides characteristics and features of TWO profitability management strategies that 'Coastal Coffee Beans' could use to improve their profitability in 2013	3
•Sketches in general terms TWO profitability management strategies (or outlines ONE and identifies ONE); Outlines/Identifies TWO other possible strategies (non-syllabus)	2
•Recognises and names TWO profitability management strategies; sketches in general terms ONE profitability management strategy; Outlines/Identifies ONE other possible strategy (non-syllabus)	1

Answers could include:

financial management strategies

• *profitability management*

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

Sample:

1. Revenue Control – Marketing Objectives: *By setting marketing goals eg specific sales*

targets for the coffee business; or introduction of a new product (eg different coffee roast), CCB can work to increase sales. A new product may draw the attention of new customers and encourage them to buy CCB products. This will increase revenue as also profit levels, especially if price is set carefully.

2. Cost Control – Expense Minimisation: *In order to improve profitability, CCB could focus on reducing costs through expense minimisation. CCB should review their costs and work to reduce them through strategies such as negotiating with suppliers for better deals. This will improve the margin for profit on each sale made.*

Question 25 (20 marks) (GCA)**Outcomes Assessed:** H1.2, H2.1, H3.2, H5.1, H5.3**Targeted Performance Bands:** 2-6

Criteria	Marks
<ul style="list-style-type: none"> • Presents a sustained, logical and cohesive response in the form of a business report • Demonstrates extensive knowledge and understanding relevant to the question, using relevant terminology, concepts and information provided • Clearly explains ONE legal and ONE economic influence on human resources in Australia which lead to management considering relocating operations to Asia. • Clearly describes TWO global marketing strategies that 'Natal Sharks Electrical' could use. • Clearly analyses ONE cash flow management strategy and ONE working capital management strategy which could be used to improve the business's financial position. 	17-20
<ul style="list-style-type: none"> • Presents a well-organised response in the form of a business report • Demonstrates detailed knowledge and understanding relevant to the question using relevant terminology, concepts and information provided • Good explanation of ONE legal and ONE economic influence on human resources in Australia which lead to management considering relocating operations to Asia. • Good description of TWO global marketing strategies that 'Natal Sharks Electrical' could use. • Good analysis of ONE cash flow management strategy and ONE working capital management strategy which could be used to improve the business's financial position. 	13-16
<p>Presents a response using features of a business report Demonstrates some knowledge and understanding relevant to the question using some relevant terminology, concepts and information provided Fair explanation of ONE legal and ONE economic influence on human resources in Australia which lead to management considering relocating operations to Asia. Fair description of TWO global marketing strategies that 'Natal Sharks Electrical' could use. Fair analysis of ONE cash flow management strategy and ONE working capital management strategy which could be used to improve the business's financial position.</p>	9-12
<p>Includes some features of a business report Demonstrates limited knowledge and understanding relevant to the question using limited terminology, concepts and information provided Weak explanation of ONE legal and ONE economic influence on human resources in Australia which lead to management considering relocating operations to Asia. Weak description of TWO global marketing strategies that 'Natal Sharks Electrical' could use. Weak analysis of ONE cash flow management strategy and ONE working capital management strategy which could be used to improve the business's financial position.</p>	5-8
<p>Uses basic terminology Refers to the information provided May make reference to various bullet point issues</p>	1-4

Examiner's comments:

The question was well attempted by most students. Boys seemed to have prepared well, with most demonstrating knowledge of the relevant syllabus points, and understanding the requirements of the directive terms.

Boys demonstrated knowledge of business report format with good Exec. Overviews at the beginning and a Summary of Recommendations to conclude the Report. A number of answers should have used headings to a greater extent, instead having long passages without directing the reader's eye specifically to relevant points.

Some boys were confused as to what the question was asking: some referred to legal influences in Asia rather than legal influences in Australia. With explanation of the differences between Australia and Asia, this would be reasonable, but reference needed to be made to the Australia legal influences. The section on economic influences was perhaps the weakest part of the answers as a general comment. Better answers recognised the cost benefits associated with a move to Asia, the effect of the appreciating \$A, the expanding market in Asia as a result of the economic boom etc.

The section on financial strategies was quite well done, although some confused the strategies relating to working capital with those associated with cash flow management.

It is important to continuously refer to the stimulus of the question. Some answers referred to the syllabus points with returning to the stimulus in any great way.

Some boys were very long winded: the ability to be concise, while still providing detail is a hallmark of a good report.

Generally, most boys should be encouraged with their efforts in this part of the paper.

GCA

Section IV (JIM)

Criteria	Marks
<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 how an understanding of the operations strategies help sustain a competitive advantage and meet financial objectives • Presents a sustained, logical and cohesive response to the question 	17-20
<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 how an understanding of the operations strategies help sustain a competitive advantage and meet financial objectives • Presents a cohesive response to the question 	13-16
<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 operations strategies help sustain a competitive advantage and meet financial objectives • Presents a response with some structure 	9-12
<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 operations strategies, competitive advantage and/or financial objectives • Presents a response with limited structure 	5-8
<ul style="list-style-type: none"> • Uses basic knowledge and terminology • May refer to some business operations strategies 	1-4

Answers could include:

Answers could include information from many areas of the syllabus OR not specifically drawn from the syllabus but have validity in terms of the question asked.

Operations strategies

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

Financial Objectives

- objectives of financial management – profitability, growth, efficiency, liquidity, solvency – short-term and long-term

Competitive advantage of a business could be achieved in terms of:

- Operational goals/objective
- Financial goals/objectives
- Marketing goals/objectives
- Human resource goals/objectives