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Business Studies HSC Course

Assessment Task 4 Trial HSC Examination

Thursday 22 August 2013
Weighting 40%

General Instructions

- Reading time 5 minutes
- Working time 3 hours
- Write using black or blue pen
- A board approved calculator may be used
- Attempt ALL Questions from Section I, Section II and Section III
- Attempt ONE question from Section IV

Section I

(20 marks)

Attempt Questions 1 – 20

Allow about 20 minutes for this section

Section II

(40 marks)

Attempt Questions 21 – 24

Allow about 50 minutes for this section

Section III

(20 marks)

Attempt Question 25

Allow about 55 minutes for this section

Section IV

(20 marks)

Attempt Question 26 or Question 27

Allow about 55 minutes for this section

Total Marks

100 marks

Section I

20 marks

Questions 1–20

Use the multiple-choice answer sheet below for Questions 1–20.

- 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 I

20 marks

Attempt Questions 1–20

Allow about 20 minutes for this section

Use the multiple-choice answer sheet for Questions 1–20.

- 1 Which of the following markets would be involved for a wholesaler of confectionery who sells to retailers as well as individuals?
 - (A) Resource and industrial
 - (B) Niche and mass market
 - (C) Industrial and intermediate
 - (D) Intermediate and consumer

- 2 Which of the following would a doctor likely use to differentiate from competitors?
 - (A) Qualifications and experience
 - (B) Cross branding and ownership
 - (C) Value and augmented features
 - (D) Augmented features and materials

- 3 The NJ Store is a clothing retailer that is always finding it is short on stock.

Which of the following would be a way the business could best address these physical distribution issues?

 - (A) Utilise stocktaking regularly to check the total value of all stock
 - (B) Undertake warehousing to ensure efficient delivery of the products
 - (C) Bring in a scanning system to ensure that products are more secure
 - (D) Use price skimming to ensure that inventory is less likely to run out

- 4 Which of the following would be the biggest factors influencing the decision of a teenager to purchase the latest fashions in clothing?
 - (A) Reference groups and motives
 - (B) Personality and consumer laws
 - (C) Family roles and economic activity
 - (D) Regulations and learning experiences

- 5** Which of the following pieces of legislation would be being breached if a woman was looked over for a promotion because she was pregnant?
- (A) Fair Work Act 2009
 - (B) Sex Discrimination Act 1984
 - (C) Affirmative Action Act 1986
 - (D) Workplace Relations Act 1996
- 6** Which of the following examples would be considered misleading and deceptive?
- (A) A retailer refuses to refund a TV that is faulty as they have a “No Refunds” sign
 - (B) A plumber that usually charges \$200 charges \$350 knowing the urgency of the job
 - (C) A seafood store states it is Tasmanian produce on display without having evidence
 - (D) A weight loss pill states in fine print that their product will not be guaranteed to work
- 7** A business manufacturing fruit juice uses pineapples from a local farm.
- Which of the following would the pineapples be classified as?
- (A) Industrial resource
 - (B) Transformed resource
 - (C) Transforming resource
 - (D) Transformation resource
- 8** Harry’s Hoola Hoops have traditionally produced their products then used direct selling to encourage retailers to stock their goods for years. They have now decided to find out what the retailers want and tailor their product to the needs of their customer.
- Which of the following statements about Harry’s Hoola Hoops is true?
- (A) The business has moved from a production approach to a selling approach
 - (B) Their focus has recently shifted from a selling approach to a marketing approach
 - (C) They originally used the marketing approach and now use the production approach
 - (D) There has been a change of mindset from a quality approach to a marketing approach
- 9** Which of the following involves monitoring the flow of materials to best meet the needs of customers?
- (A) Global sourcing
 - (B) Critical path analysis
 - (C) Value adding process
 - (D) Supply chain management

10 Sally finds that after paying a very high price for her android phone that was advertised as having the latest technology incorporated with it that it does not stay on for more than 10 minutes at a time.

Which of the following legal matters could Sally raise with the manufacturer that have been breached?

- (A) Materialism
- (B) Puffery claims
- (C) Implied conditions
- (D) Dishonest advertising

11 Which of the following would NOT be considered ethical issues in marketing products?

- (A) Creation of needs
- (B) Product placement
- (C) Product warranties
- (D) Gender stereotyping

12 A pizza deliver service needs to ensure that its product is produced and delivered in a timely and reliable manner where the pizza is hot and of a high quality.

Which of the following elements of services marketing are they focusing on?

- (A) People and product
- (B) Processes and people
- (C) Place and physical evidence
- (D) Physical evidence and processes

13 A business is aiming to reduce its total level of debts so that they can remain a viable proposition in the long term.

Which of the following objectives of financial management are they currently trying to address?

- (A) Growth
- (B) Liquidity
- (C) Solvency
- (D) Profitability

14 Which of the following statements about recruitment is true?

- (A) Internal recruitment is cheaper to use and can demotivate other staff
- (B) External recruitment is more expensive to use and can motivate staff
- (C) External recruitment is cheaper to use and can provide more qualified staff
- (D) Internal recruitment is more expensive to use and can provide more qualified staff

15 Which of the following would be the most useful strategies for a business hoping to position the product as very high quality?

- (A) Direct selling and product packaging
- (B) Selective distribution and e-marketing
- (C) Product branding and exclusive distribution
- (D) Intensive distribution and penetration pricing

16 A global fast food business that is well established has a powerful brand image and wants to expand into a new market in South East Asia with limited existing fast food outlets would be most focused on what in the initial stages of expansion?

- (A) Global pricing and standardisation
- (B) Standardisation and transfer pricing
- (C) Competitive positioning and global pricing
- (D) Customisation and competitive positioning

Questions 17 and 18 use the following information on BRKs as at 30/06/13:

Inventory	78 000
Motor Vehicles	70 000
Mortgage	340 000
Accounts Receivable	2 000
Cash in Bank	3 000
Property	680 000
Credit Card Balance	36 000
Equipment	98 000
Overdraft	34 000
Accounts Payable	86 000
Long Term Loan	42 000

17 What is the current ratio for BRKs on the above date?

- (A) 0.09:1
- (B) 0.53:1
- (C) 0.69:1
- (D) 1.89:1

- 18** Which of the following strategies would be most useful for BRKs to improve its liquidity?
- (A) Factoring
 - (B) Sale and lease back
 - (C) Distribution of payments
 - (D) Discounts for early payment
- 19** Which of the following forms of promotion would be most appropriate for a business that has a visually appealing product that hopes to reach a mass market?
- (A) Billboard ads
 - (B) Public relations
 - (C) Direct marketing
 - (D) Relationship marketing
- 20** Which of the following gives the buyer the right but not the obligation to buy currency at a specified time in the future?
- (A) A swap contract
 - (B) A futures contract
 - (C) An options contract
 - (D) A derivative contract

Section II

40 marks

Attempt Questions 21–24

Allow about 50 minutes for this section

Answer the questions in the spaces provided.

Question 21 (10 marks)

Marks

- (a) Identify TWO factors that distinguish casual workers from part-time workers

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- (b) Compare and contrast the use of collective agreements with common law contracts.

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- (c) Explain how performance management could be used to benefit both the employee and the employer.

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Question 22 (10 marks)

Marks

Pescado del Dia is a pet store specialising in fish and aquariums that has been operating in six major cities across Australia for 15 years. They are looking to expand into Asia in the future and need some help investigating how they could do so successfully.

- (a) Identify ONE primary and ONE secondary form of market research that *Pescado del Dia* could use to improve the potential for their global expansion **2**

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- (b) Propose and justify TWO factors that *Pescado del Dia* would need to consider for their product when expanding into Asia **4**

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Question 22 continues on the following page

(c) Evaluate the potential for E-marketing to be used by *Pescado del Dia* with their new ideas

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Question 23 (10 marks)

Marks

Fashionista is a proposed fashion magazine on the latest glamorous trends and upcoming product launches which is in the planning stages prior to their first release into a highly saturated market.

(a) Complete a simple SWOT analysis for *Fashionista* in the space below

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(b) Propose and justify a primary target market for *Fashionista*

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(c) Recommend and justify ONE pricing strategy that could be used for *Fashionista*

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Cash Flow Statement of XYZ Ltd for the Quarter Ended 30/06/13	
<u>Cash flows from operating activities</u>	
Receipts from customers	45 000
Payments to suppliers and employees	(35 000)
Dividends received	22 000
Interest received	7 000
Net cash provided by operating activities	?
<u>Cash flows from investing activities</u>	
Proceeds from sale of assets	135 000
Payment of plant and equipment	(260 000)
Net cash from investing activities	?
<u>Cash flows from financing activities</u>	
Proceeds from issues of shares	190 000
Proceeds from borrowings	40 000
Repayments of borrowings	(85 000)
Dividends paid	(35 000)
Net cash from financing activities	?
Net increase in cash	?
Cash at beginning of the quarter	15 000
Closing cash balance	?

(a) What is the purpose of a cash flow statement for a business?

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Question 24 continues on the following page

(b) Calculate the closing cash balance for XYZ Ltd. 2

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(c) Assess the cash flow of XYZ Ltd for the quarter using the cash flow statement above. 3

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(d) Recommend ONE action would you make to XYZ Ltd to help them improve their cash flow 3

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END OF SECTION II

Section III

20 marks

Attempt Question 25

Allow about 55 minutes for this section

Answer the question in a 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
 - 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 25 (20 marks)

Harry's Getaway is a large family hotel located in the tropics of Queensland that has over 150 employees. It has been operating successfully for 15 years but over the past 12 months it has been struggling with occupancy rates falling from an average of 72% previously to 45% this year and starting to make a loss.

Management realise that they need to make changes to ensure the business improves its performance and are open minded about what they could do including adding new facilities and services to the hotel as needed. They have a feeling that staff are not very motivated in their jobs due to the lack of quality evident in their performance standards and an increasing level of staff turnover this year and know that some of their maintenance costs are increasing given the age of the facilities.

It is hoped that the hotel can turn around its fortunes this year to improve sales and profitability while developing a dependable staff like they've had in previous years.

Examine the processes of HRM that management could address and strategies the business could use to improve profitability.

Section IV

20 marks

Attempt either Question 26 or Question 27

Allow about 55 minutes for this section

Answer the question in a 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
 - Use relevant business case study/studies
 - Communicate using relevant business terminology and concepts
 - Present a sustained, logical and cohesive response
-

Question 26 (20 marks)

How can quality management help a business achieve its performance objectives?

OR

Question 27 (20 marks)

How can market segmentation help a business achieve its marketing objectives?

END OF PAPER

HSC Business Studies 2011

Task 1 Marking Criteria

Section I – Multiple Choice

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

Question 21 (10 marks)

a)

Marking Criteria	Marks
Names TWO factors that distinguish casual workers from part-time workers	1 each

Answers could include:

- Fixed hours, casual loading, leave entitlements

FEEDBACK – you need to be very clear on the differences

b)

Marking Criteria	Marks
Clearly shows how collective agreements are similar and different to common law contracts	3-4
Sketches in general terms the two contracts without distinguishing between the two	1-2

Answers could include:

- Both are negotiated and improve productivity
- Collective agreements are for specific workplaces while common law are individual contracts
- BOOT is used for both
- Tribunals vs courts
- Collective are registered with FWA while common law are not

c)

Marking Criteria	Marks
Clearly shows how performance management could be used to benefit both the employee and the employer	3-4
Sketches in general terms performance management without clearly showing the benefit to both the employee and employer	1-2

Answers could include:

- Employee will gain feedback on what they do well and ways to improve and can lead to more opportunities and potential for pay increases
- Employer will gain more productive workers which will improve productivity and reflect on what they may need to improve

FEEDBACK – isolate each of employer and employee and get the balance right between the two

Question 22 (10 marks)

a)

Marking Criteria	Marks
Names ONE primary and ONE secondary form of market research relevant to <i>Pescado del Dia</i>	1 each

Answers could include:

- Primary – surveys, observation
- Secondary – data on population and number of pet owners from census

FEEDBACK – you need to be specific for the business rather than broad and specify which type it is

b)

Marking Criteria	Marks
Puts forward with reasons to support TWO factors that <i>Pescado del Dia</i> would need to consider for their product when expanding into Asia	2 each
Puts forward without logical reasons TWO factors that <i>Pescado del Dia</i> would need to consider for their product when expanding into Asia	1 each

Answers could include:

- Types of aquariums and pets offered
- Cultural differences
- State of the economy in Asian nations
- Pricing strategies
- How to distribute

c)

Marking Criteria	Marks
Makes a judgment with supporting evidence on the potential for E-marketing to be used by <i>Pescado del Dia</i> with their new ideas	3-4
	1-2

Answers could include:

- Use of websites to show established brand and improve market reach from being online

FEEDBACK – you need to make a judgement and support with reasons

Question 23 (10 marks)

a)

Marking Criteria	Marks
Identifies a logical strength, weakness, opportunity and threats for <i>Fashionista</i>	1 each

Answers could include:

- Strength – up to date trends, catchy name
- Weakness – no experience, low customer base
- Opportunity – tap into new ideas, expand product range
- Threat – people stop buying magazines, competition try to eliminate

FEEDBACK – opportunities and threats should be for the FUTURE

b)

Marking Criteria	Marks
Puts forward and supports with evidence a logical primary target market for <i>Fashionista</i>	3
Puts forward with limited support a primary target market for <i>Fashionista</i>	1*2

Answers could include:

- Designers, retail managers, women with high incomes

c)

Marking Criteria	Marks
Puts forward and supports with evidence ONE pricing strategy that could be used for <i>Fashionista</i>	3
Puts forward with limited support ONE pricing strategy that could be used for <i>Fashionista</i>	1

Answers could include:

- Price skimming, competition based, penetration

FEEDBACK – the strategy should fit in with the target market mentioned above

Question 24 (10 marks)

a)

Marking Criteria	Marks
Clearly illustrates the purpose of a cash flow statement for a business	2
Indicates a general outline of what a cash flow statement is	1

Answers could include:

- Helps identify areas of cash inflow and outflow that a business need to address to ensure the business has the ability to pay debts as they fall due

b)

Marking Criteria	Marks
Clearly calculates the closing cash balance as being \$39,000 showing working	2
Shows the correct working but makes a calculation error	1

FEEDBACK – remember the dollar sign

c)

Marking Criteria	Marks
Makes a judgement on the cash flow of XYZ Ltd for the quarter using evidence from the cash flow statement	3
Attempts to examine the cash flow without using the evidence	1-2

Answers could include:

- It is overall good with positive cash flow but it has problems with investing activities and financial activities to an extent
- It has low receipts on sales
- A large chunk of cash was from issuing shares not operations

d)

Marking Criteria	Marks
Puts forward ONE logical action to help XYZ Ltd improve their cash flow with supporting evidence	3
Sketches in general terms a strategy without relating back to XYZ's cash flow	1

Answers could include:

- Distribution of payments, discounts for early payments

FEEDBACK – be careful as sale and lease back will HINDER cash flow in the future while improving cash flow in the present. It will however spread out the payments.

Section III – Business Report

Question 25 (20 marks)

Examine the processes of HRM that management could address and strategies the business could use to improve profitability

Criteria	Marks
<ul style="list-style-type: none"> • Presents a sustained, logical and well-structured answer and clearly communicates in the form of a business report using relevant business terminology and concepts • Demonstrates extensive knowledge and uses the information provided effectively • Clearly illustrates why HRM processes need to be addressed for the business and how to address them • Clearly illustrates in depth how specific strategies would improve profitability for the business 	17-20
<ul style="list-style-type: none"> • Presents a well-organised business report using relevant business terminology and concepts • Demonstrates detailed knowledge and uses the information provided • Illustrates the importance of HRM processes for the business • Illustrates with some detail how specific strategies would address profitability for the business 	13-16
<ul style="list-style-type: none"> • Includes features of a business report and uses some business terminology and concepts • Demonstrates some knowledge and may use the information provided • Sketches in general terms HRM processes that could be used • Sketches in general terms profitability strategies 	9-12
<ul style="list-style-type: none"> • May include some features of a business report and uses basic business terminology • Demonstrates limited knowledge of the information provided • May refer to some elements of HRM processes and profitability management 	5-8
<ul style="list-style-type: none"> • Uses basic business terminology • May refer to aspects of the various business functions 	1-4

Answers could include:

processes of human resource management

- acquisition
- development
- maintenance
- separation

financial management strategies

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

Comments:

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Feedback:

- very good use of headings and subheadings with links between them
- most of you are using lots of theory and defining key terms
- good executive summaries for the most part and most of you had titles
- ensure that you use ALL relevant parts of the stimulus as a lot of you forgot to look at maintenance costs which ties into profitability strategies and also didn't mention how they could improve facilities or activities on offer which was what was specified as their options
- refer to the goals consistently which were stated in the last paragraph as improve sales and profits
- be specific in suggestions for the hotel to increase revenue rather than just say they should update their facilities. Say things like a pool, gym etc.
- make sure that you use paragraphs and sentences which in some cases were crazily long! The reader needs to pause to take in one idea before absorbing the next one
- specifics are needed on types of rewards, recruitment procedures

Section IV – Extended Response

Question 26 (20 marks)

How can quality management help a business achieve its performance objectives?

Criteria	Marks
<ul style="list-style-type: none">• Presents a sustained, logical and well-structured answer and clearly communicates using relevant business terminology and concepts• Clearly supports response with reference to relevant business case study/studies• Clearly shows the implications of quality management on a business achieving its performance objectives	17–20
<ul style="list-style-type: none">• Presents a well-organised answer and uses relevant business terminology and concepts• Makes reference to relevant business case study/studies• Shows the effects of quality management on a business with some links shown to performance objectives	13–16
<ul style="list-style-type: none">• Communicates using business terminology and concepts• May make reference to business case/studies• Sketches in general terms quality management and performance objectives without linking the two	9–12
<ul style="list-style-type: none">• Communicates using some business terminology• May make reference to case/studies• Broadly addresses quality management and objectives	5–8
<ul style="list-style-type: none">• Uses basic business terminology• May refer to operations management	1–4

Answers could include:

operations strategies

- performance objectives – quality, speed, dependability, flexibility, customisation, cost
- quality management
 - control
 - assurance
 - improvement

Comments:

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Feedback:

- the case study was integrated well throughout by all students
- there was a good level of theory brought in for each point by most students
- the better responses stated strategies to improve quality then showed how they improve the quality of the product and then linked this to how they can therefore achieve their objectives
- again, better use of paragraphs are needed to isolate the points and show enough depth on each
- make sure that you actually answer the question by showing how one segmentation leads to achieving the objectives

Question 27 (20 marks)

How can market segmentation help a business achieve its marketing objectives?

Criteria	Marks
<ul style="list-style-type: none">• Presents a sustained, logical and well-structured answer and clearly communicates using relevant business terminology and concepts• Clearly supports response with reference to relevant business case study/studies• Clearly shows the implications of market segmentation on a business achieving its marketing objectives	17–20
<ul style="list-style-type: none">• Presents a well-organised answer and uses relevant business terminology and concepts• Makes reference to relevant business case study/studies• Shows the effects of market segmentation on a business with some links shown to marketing objectives	13–16
<ul style="list-style-type: none">• Communicates using business terminology and concepts• May make reference to business case/studies• Sketches in general terms market segmentation and marketing objectives without linking the two	9–12
<ul style="list-style-type: none">• Communicates using some business terminology• May make reference to case/studies• Broadly addresses market segmentation and marketing objectives	5–8
<ul style="list-style-type: none">• Uses basic business terminology• May refer to marketing management	1–4

Answers could include:

marketing process

- establishing market objectives

marketing strategies

- market segmentation, product/service differentiation and positioning

Comments:

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Feedback:

- the case study was integrated well throughout for the vast majority of responses
- there was a good level of theory brought in for each point by most students
- you need to know the difference between influences on marketing and segmentation strategies as this was often written incorrectly
- the better responses stated segmentation strategies then showed how they could have better targeting marketing strategies which would then help them to achieve their objectives
- again, better use of paragraphs are needed to isolate the points and show enough depth on each
- make sure that you actually answer the question by showing how one segmentation leads to achieving the objectives