

SYDNEY TECHNICAL HIGH SCHOOL



**2009
Year 12
Trial HSC Exam**

Business Studies

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 name at the top of every page used

**Total marks – 100
Weighting 40%**

- **Section I** – Pages 2-8
20 marks
 - Attempt Questions 1-20
 - Allow about 35 minutes for this section
- **Section II** – Pages 9-15
40 marks
 - Attempt Questions 21-25
 - Allow about 1 hour and 15 minutes for this section
- **Section III** – Page 16
20 marks
 - Attempt Question 26
 - Allow about 35 minutes for this section
- **Section IV** – Page 17
20 marks
 - Attempt either Question 27 or Question 28
 - Allow about 35 minutes for this section

This paper MUST NOT be removed from the examination room

STUDENT'S NAME:.....
STUDENT'S TEACHER:.....

Section I**20 marks****Attempt each question****Allow about 35 minutes for this section****Student's Name** _____**Student's Teacher** _____

Select the alternative A, B, C or D that best answers the question and indicate your choice with a cross (X) in the appropriate space on the grid below.

| | A | B | C | D |
|----|---|---|---|---|
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Section I

20 marks

Attempt Questions 1-20

Allow about 35 minutes for this part

Use the multiple-choice answer sheet.

Select the alternative A, B, C, or D that best answers the question. Place a cross (X) under the letter that best answers the question.

If you think you have made a mistake, colour the cross out and place a new cross (X) under the letter corresponding with your new answer.

If you change your mind and have crossed out what you consider to be the correct answer, then indicate the correct answer by writing the word *correct* and drawing an arrow indicating your correct answer.

1. An employer plans to hold a meeting with his staff to inform them of a new dress code.

What *management role* is this employer implementing?

- (A) Interpersonal
- (B) Informational
- (C) Decisional
- (D) Technical

2. Observe the following table.

| | |
|---------------|-----------|
| Sales | \$465,000 |
| Opening stock | \$110,000 |
| Purchases | \$53,000 |
| Closing stock | \$68,000 |
| Expenses | \$178,000 |

Calculate the *net profit* of the business?

- (A) \$192,000
- (B) \$ 56,000
- (C) \$370,000
- (D) \$287,000

3. Which market consists of wholesalers and retailers who purchase finished products and sell them again for a profit?

- (A) Intermediate market
- (B) Industrial market
- (C) Consumer market
- (D) Resource market

4. A large company implements a pre-determined set of guidelines to resolve disputes between employees and employers.

Which *communications* system is being implemented by the company?

- (A) Team Briefing
- (B) Enterprise bargaining
- (C) Worker participation
- (D) Grievance procedure

5. Which of the following is a *driver of globalisation*?

- (A) Government increasing tariff levels
- (B) Global financial crisis
- (C) Innovative technology
- (D) Increase in subsidies for local businesses

6. An employee of a marketing agency is asked by management to encourage other employees to increase their sales levels. Management feel that workers will respond to this employee as she has charm and charisma that can influence others.

Identify the *type of power* this employee has.

- (A) Legitimate power
- (B) Coercive power
- (C) Referent power
- (D) Expert power

7. Which of the following is part of the *financial planning cycle*?
- (A) Determining financial elements of the business plan
 - (B) Ensuring that the business maintains low liquidity levels
 - (C) Maximising financial risks and losses
 - (D) Distribution of payments
8. Judy Jenkins reminds every one of her hotel staff of the critical role they play in attracting and retaining good customers. She is applying the:
- (A) Marketing control process
 - (B) Intermediate market concept
 - (C) Marketing mix
 - (D) Marketing concept
9. Which federal organisation is currently responsible for setting *awards* in Australia?
- (A) Australian Industrial Relations Commission
 - (B) Department of Fair Trading
 - (C) Fair Work Australia
 - (D) Fair Pay Commission
10. A large toy company is setting up a subsidiary in Hong Kong. Management has decided to employ their senior management team from Hong Kong as they are familiar with the market and buying pattern of local customers.

Identify the staffing system being used by this company.

- (A) Ethnocentric
- (B) Polycentric
- (C) Geocentric
- (D) Decentralised

11. Which of the following are characteristics of the *classical-scientific management theory*?

- (A) Task specialisation, division of labour and teamwork
- (B) Repetitive tasks, minimum autonomy amongst workers, closed communication
- (C) Division of labour, democratic management style, coalition is formed
- (D) Leading is ignored, closed communication, flexibility in the workplace

12. Observe the following table.

| Rhonda's Beauty Tips 2009 | |
|----------------------------------|-----------|
| Expenses | \$200,000 |
| Owner's Equity | \$350,000 |
| Assets | \$750,000 |
| COGS | \$125,000 |
| Net Profit | \$ 89,000 |

Calculate the *return on owner's equity* for this company.

- (A) 25%
- (B) 57%
- (C) 45%
- (D) 16%

13. The "Firm Bizkit" company uses a unitary approach to managing staff at its factory. This means that management:

- (A) Assumes that goals are shared by staff and that effective motivation can overcome minor differences
- (B) Assumes stakeholders have legitimate interests best managed in an industrial relations system
- (C) Assumes there is fundamental class conflict between the interests of both sides
- (D) Works "hand-in-hand" with the government against employees who strike

14. Which of the following is an *external influence* on a business?

- (A) Political developments
- (B) New business cultures
- (C) New procedures
- (D) E-Commerce

15. Two companies have agreed to invest in an overseas business whereby each company will own 50% of the new business.

This is an example of which of the following methods of expansion?

- (A) Merger
- (B) Joint venture
- (C) Strategic alliance
- (D) Takeover

16. Management at “Money Lent Bank” and “Cash Stop Bank” are considering merging.

Identify the factor which may hinder this merger.

- (A) Privacy and security concerns
- (B) Decreased profits
- (C) Cultural incompatibility
- (D) Cost savings

17. A company has \$310,000 in debt finance and \$95,000 in equity finance.

What would cause *gearing* to deteriorate for this company?

- (A) Increase in the level of interest rates
- (B) Decrease in the level of interest rates
- (C) Increase in the number of shares sold
- (D) Increase in profit levels

18. Market research indicates that actual sales are not going to reach the planned level. What aspect of the marketing plan process has provided this indication?

- (A) Identifying the target market
- (B) Revising the marketing strategy
- (C) Situation analysis
- (D) Monitoring and controlling

19. An employer believes that conflict in the workplace is inevitable because employees and employers have different interests.

What is this employer's perspective on conflict?

- (A) Radical
- (B) Unitary
- (C) Pluralist
- (D) Unionism

20. Some Australian firms have decreased investment levels in Zimbabwe since 2002 in response to the dictatorship of Robert Mugabe.

What *political influence* has impacted on this decision?

- (A) Tensions between protectionism and free trade
- (B) Regionalism
- (C) International organisations
- (D) Civil unrest

Section II

Total marks (40)

Attempt Questions 21-25

Allow about 1 hour and 15 minutes for this section

Student's Name _____

Student's Teacher _____

Answer the questions in the spaces provided.

Marks

Question 21 (6 marks)

“Greenwich Apparel” is a manufacturer of ladies clothing. The business has increased its productivity by 23% over the past five years. The success of the business can be attributed to the behavioural management style it employs.

a) Identify the *leadership management style* advocated in behavioural management. **1**

.....

b) Outline TWO characteristics of behavioural management. **2**

(i)

.....

(ii)

.....

c) Discuss how behavioural management style can be used to increase productivity. **3**

End of Question 21

Student's Name _____

Student's Teacher _____

Marks

Question 22 (8 marks)

a) Identify and briefly describe ONE feature of a niche market.

2

b) Distinguish between the *resource market* and the *industrial market*.

2

c) Define *relationship marketing* and provide TWO examples that illustrates this concept.

4

End of Question 22

Question 23 (8 marks)

The balance sheet of "Home Sweet Home Pty Ltd" is shown below.

**Home Sweet Home Pty Ltd
as at 30 June 2009**

| Current Assets | \$ | Current Liabilities | \$ |
|---------------------------|-----------|------------------------------|-----------|
| Cash | 3,400 | Overdraft | 6,200 |
| Accounts Receivable | 7,200 | Accounts Payable | 6,400 |
| Inventory | 12,000 | | |
| | | | |
| Non Current Assets | | Non Current Liability | |
| Equipment | 65,000 | Mortgage | 400,000 |
| Property | 390,000 | | |
| Vehicles | 85,000 | | |
| | | | |
| | | Owner's Equity | |
| | | Capital | 55,000 |
| | | Net profit | 95,000 |

Additional information for 2009:

Industry Average Liquidity is 3:1

Industry Average Gearing is 3:2

Industry Average Return on Owner's Equity is 52%

- a) Calculate the *liquidity ratio* for "Home Sweet Home Pty Ltd" in 2009.

1

- b) Calculate the *gearing ratio* for "Home Sweet Home Pty Ltd" in 2009 and compare it to the industry average.

2

Question 23 continues on page 12

Student's Name _____

Student's Teacher _____

Question 23 (continued)

Marks

- c) Compare the *Return on Owner's Equity* of "Home Sweet Home Pty Ltd" in 2009 to the industry average.

2

- d) Explain the benefits managers gain by using *comparative ratio analysis*.

3

End of Question 23

Student's Name _____

Student's Teacher _____

| | Marks |
|--|--------------|
| Question 24 (8 marks) | |
| a) Define <i>Employment Relations</i> . | 1 |
| _____ | |
| _____ | |
| b) Identify ONE source of <i>Industrial Conflict</i> in the workplace. | 1 |
| _____ | |
| _____ | |
| c) Distinguish between <i>Conciliation</i> and <i>Arbitration</i> . | 2 |
| _____ | |
| _____ | |
| _____ | |
| _____ | |
| d) Discuss ONE cost and ONE benefit of <i>industrial conflict</i> . | 4 |
| _____ | |
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End of Question 24

Question 25 (10 marks)

The recent global financial crisis has had repercussions for global business. In particular, currency exchange fluctuations, methods of payment, interest rate changes and credit risks pose concerns for financial managers.

a) Define the term "*hedging*".

1

b) Outline TWO effects that the lowering of interest rates in Australia have had on domestic business activity.

2

(i)

.....

(ii)

.....

c) Describe the term "*global approaches to staffing*"

3

Question 25 continues on page 15

Student's Name _____

Student's Teacher _____

Marks

Question 25 (continued)

d) Identify and describe TWO methods of international expansion.

4

End of Question 25

Section III

20 marks

Attempt Question 26

Allow about 35 minutes for this section

Answer the question on the writing paper provided. More paper can be obtained from the supervisors during the exam.

In this section you will be assessed on how well you:

- use your knowledge and the information provided
 - communicate using relevant business terminology and concepts
 - present a logical, well structured answer to the question in the form of a business report
-

Question 26 (20 marks)

Live Well and Health Plus

“Live Well” and “Health Plus” are two magazines that promote sustaining a healthy lifestyle. Both have been operating for more than 8 years. The current economic crisis has resulted in both magazines experiencing a drop in sales levels. This has had a negative impact on both companies’ cash flow statement.

Management of both companies have decided that the most effective way to continue operating is through a merger. The new magazine will be called “Live Plus”. Management of “Live Plus” is now facing three challenges:

- Planning an approach to market the new magazine
- Managing the change effectively
- Improving cash flow position

As a consultant, you have been asked to prepare a business report for the owners of “Live Plus”.

In your report, outline the market planning process, recommend ONE strategy to manage change effectively, and evaluate the strategies which can be implemented to improve the new business’ cash flow.

Please turn over

Section IV

20 marks

Attempt either Question 27 or Question 28

Allow about 35 minutes for this section

Answer the question on the SEPARATE writing paper provided. More paper can be obtained from the supervisors during the exam.

In this section you will be assessed on how well you:

- use your knowledge and relevant business case study/studies
 - communicate using relevant business terminology and concepts
 - present a logical, well structured answer to the question
-

Question 27 (20 marks)

Outline the advantages and disadvantages of differing staffing strategies for global business and analyse the legal AND ethical aspects that all businesses must consider when managing employment relations.

OR

Question 28 (20 marks)

Outline the advantages and disadvantages of differing staffing strategies for global business and analyse the strategies that all businesses can use to achieve AND measure effective employment relations.

End of paper.

SYDNEY TECHNICAL HIGH SCHOOL HSC TRIAL 2009
BUSINESS STUDIES HSC TRIAL EXAMINATION
MARKING GUIDELINES

Section I

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

Section II

Question 21(a)

| Criteria | Marks |
|---|--------------|
| Students identify the leadership management style advocated in behavioral management. This is a democratic leadership style. | 1 |

Question 21(b)

| Criteria | Marks |
|--|--------------|
| Students accurately outline TWO characteristics of behavioural management: <ul style="list-style-type: none"> • Focus on increased labour productivity; • Motivation; • Use of both monetary and non-monetary rewards; • Team work; • Worker involvement in decision making. | 2 |
| Students identify ONE characteristic of behavioural management. | 1 |

Question 21(c)

| Criteria | Marks |
|--|--------------|
| <ul style="list-style-type: none"> • Students discuss how a behavioural management style can be used to increase productivity. Students should identify that motivation encourages employees to work harder and will therefore improve productivity. This motivation can be either monetary or non monetary. • Students can also look at the role of leadership within behavioural theory. Leadership strategies that include workers in the decision making processes will result in higher worker morale and increased levels of productivity. | 2-3 |
| Students identify the means by which behavioural management theory can increase productivity with little or no discussion. | 1 |

Question 22(a)

| Criteria | Marks |
|---|--------------|
| <ul style="list-style-type: none"> • Recognises and names one feature of a niche market – Mass market divided into smaller markets consisting of buyers who have specific needs or lifestyles. • Provides a characteristic and/or feature of a niche market – Caters to a specific group of people. | 2 |
| Students either recognises and names a feature of a niche market OR provides a characteristic and/or feature of a niche market | 1 |

Question 22(b)

| Criteria | Marks |
|---|-------|
| <ul style="list-style-type: none"> Recognises or indicates a difference between resource market and industrial market – Resource market focuses on primary production, i.e., mining, agriculture, forestry and fishing | 2 |
| Students provide details of both or one of resource market and industrial market. | 1 |

Question 22(c)

| Criteria | Marks |
|--|-------|
| <ul style="list-style-type: none"> States the meaning and identifies essential qualities of relationship marketing – Relationship marketing is the development of long-term and cost-effective relationships with individual customers. Provides TWO examples to illustrate relationship marketing e.g. Fly-buys, Frequent Flyer, etc. | 2-3 |
| Students define relationship marketing OR provide an example of relationship marketing. | 1 |

Question 23(a)

| Criteria | Marks |
|---|-------|
| Students correctly calculate the liquidity ratio for Home Sweet Home Pty Ltd. | 1 |
| Working capital ratio = $\frac{\text{Current assets}}{\text{Current Liabilities}}$ Answer = 1.79:1 | |

Question 23(b)

| Criteria | Marks |
|---|-------|
| Students correctly calculate gearing for Home Sweet Home Pty Ltd. | 2 |
| Debt to owner's equity ratio = $\frac{\text{Total liabilities}}{\text{Owner's Equity}}$ Answer = 2.75:1 Students should compare this ratio to the industry average which is 150% or 1.5:1. Compared to the industry average this business is highly geared. This business has \$2.75 in liabilities for every \$1 it has in owner's equity. This can pose a threat to the business's long term financial stability. | |
| Students correctly calculate gearing but make no comparison to the industry average. | 1 |

Question 23(c)

| Criteria | Marks |
|---|-------|
| Students comment on the return on owner's equity of Home Sweet Home Pty Ltd in 2008 compared to the industry average. | 2 |
| Return on owner's equity ratio = $\frac{\text{Net profit}}{\text{Owner's Equity}}$ Answer = 63.3% The return on owner's equity is 63.3 cents return for every dollar invested in the business. This is a very good return. The return on owner's equity for the industry average is 52%. Home Sweet Home Pty Ltd is well above this industry average. | |
| Students comment on the return on owner's equity for Home Sweet Home Pty Ltd but make no comparison to the industry average. | 1 |

Question 23(d)

| Criteria | Marks |
|---|--------------|
| Students explain the benefits managers gain by using comparative ratio analysis including: <ul style="list-style-type: none"> • Allows managers to compare business over time and against industry average to ascertain how their business is performing; • Allows managers to identify trends in relation to profits, costs, short-term debt, liquidity, solvency and efficiency; • Comparison to the industry average allows management to compare itself against its competitors to assess its financial position within the industry; • It allows a business to find any potential problems and develop strategies to rectify them. | 2 - 3 |
| Students make mention of using comparative analysis to compare their company to the industry average. | 1 |

Question 24(a)

| Criteria | Marks |
|---|--------------|
| Students state the meaning and identify the essential features of employment relations as being the total relationship between an employer and an employee; including aspects of wages and working conditions, recruitment and selection, motivation and rewards, training and development. | 1 |

Question 24(b)

| Criteria | Marks |
|--|--------------|
| Students recognises and names ONE source of industrial conflict. This can include one of the following: <ul style="list-style-type: none"> • Wage demands; • Working conditions; • Management policy; • Political goals; • Social issues. | 1 |

Question 24(c)

| Criteria | Marks |
|---|--------------|
| Students indicate that arbitration and conciliation are different. Conciliation and arbitration both involve a third party attempting to help solve the dispute. Any solution proposed by the conciliator is not binding on either of the disputing parties whereas with arbitration, the solution given by the arbitrator is legally binding on both parties. | 2 |
| Students correctly state the meaning and identify the essential qualities of either arbitration or conciliation but do not indicate the difference between the two. | 1 |

Question 24(d)

| Criteria | Marks |
|---|--------------|
| <p>Students identify issues and provide points for and/or against ONE cost and ONE benefit of industrial conflict.</p> <p><u>Costs may include:</u></p> <ul style="list-style-type: none"> • Financial cost – such as lost wages to employees, lost profits to employers; • Personal cost – such as stress and health problems, relocation to a new job; • Social costs – such as bitterness, destruction, injury, police action and disruption to lifestyle. <p><u>Benefits may include:</u></p> <ul style="list-style-type: none"> • Solving the dispute may result in increased worker morale, increased productivity, fewer disputes, and reduced absenteeism and labour turnover; • Better work relationships may result from a clearer understanding of work problems; • OHS problems may be reduced; • New training systems may be introduced | 3 - 4 |
| <p>Students identify issues and provide points for and/or against ONE cost OR ONE benefit of industrial conflict OR they recognise and name a cost AND benefit but offer little or no discussion.</p> | 1 - 2 |

Question 25(a)

| Criteria | Marks |
|--|--------------|
| <p>Students state the meaning and identify the essential features of hedging as being the process of minimizing the risk of currency fluctuations.</p> | 1 |

Question 25(b)

| Criteria | Marks |
|---|--------------|
| <p>Students sketch in general terms and indicate TWO main features of the lowering of interest rates in Australia. This can include TWO of the following:</p> <ul style="list-style-type: none"> • Businesses can expand globally by borrowing locally; • Business refinance their overseas debt by transferring them back to Australia; • Removes the uncertainty of exchange rate movements with repayments. | 2 |
| <p>Students sketch in general terms and indicate ONE main feature of the lowering of interest rates in Australia.</p> | 1 |

Question 25(c)

| Criteria | Marks |
|---|--------------|
| Students provide characteristics and features of global approaches to staffing. Will need to discuss each of Ethnocentric (all key management positions at all company locations are filled by parent company personnel); Polycentric (personnel from the host country manage the subsidiaries, while the parent company personnel fill the key roles at company headquarters); Geocentric (seeking the best people for key jobs throughout the entire organizations, regardless of nationality). | 3 |
| Students correctly provide characteristics and features of TWO of ethnocentric, polycentric and geocentric. | 2 |
| Students correctly provide characteristics and features of ONE of ethnocentric, polycentric and geocentric OR correctly name all three global approaches to staffing. | 1 |

Question 25(d)

| Criteria | Marks |
|---|--------------|
| Students recognise and name TWO methods of international expansion AND provide characteristics and features of TWO methods of international expansion. <u>Methods and Characteristics and features of international expansion may include:</u> | 4 |
| <ul style="list-style-type: none"> • Exporting - Businesses manufacture its products in its home country and sells them in foreign markets. Can involve <u>indirect exporting</u> (a business sells its product to a domestic customer who then exports the product), <u>direct exporting</u> (exporting business sells its products to an agent, intermediary or final consumers in another country); <u>intracorporate exporting</u> (selling of a product by a firm in one country to a subsidiary firm in another). • Foreign Direct Investment – FDI occurs when a business from one country owns property, assets or business interests in another country. Can involve <u>Greenfield strategy</u> (involving a new business venture from scratch with the business purchasing land, constructing facilities and commencing production); <u>Acquisition strategy</u> (involves a business acquiring through a takeover or merger, an existing business already operating in one country) ; <u>Joint venture</u> (means two or more businesses agree to work together and form a jointly owned but separate business) • Relocation of Production (involves closing down the domestic production facilities which are then set up offshore with motivation being cost reduction); • Management Contract (is an arrangement under which a global business provides managerial assistance and technical expertise to a second or host business for a fee which allows the global business to operate in many foreign countries without the expense of production facilities); • Licensing and Franchising (<u>Licensing</u> is an agreement which one business (licensor) permit another (licensee) to produce and market its product, brand name, trademark, copyright and technology, and other intellectual properties in return for a royalty fee; <u>Franchising</u> is where a franchisor grants the franchisee the right to use a company’s trademark and distribute its product). | |
| Students recognise and name TWO methods of international expansion AND provide characteristics and features of ONE form of international expansion. | 3 |
| Students recognise and name TWO methods of international expansion OR provide characteristics and features of ONE form of international expansion. | 2 |
| Students recognise and name ONE method of international expansion. | 1 |

Section III

Question 26

| Criteria | Marks |
|--|--------------|
| <ul style="list-style-type: none"> • Presents a sustained, logical and well-structured answer in the form of a business report with relevant business terminology and concepts. • Provides a detailed sketch and indicates the main features of the market planning process. • Provides reasons in favour and justifies ONE strategy to manage change effectively. • Makes a judgement based on extensive criteria of the strategies which can be implemented to improve the new business's cash flow. | 17-20 |
| <ul style="list-style-type: none"> • Presents and well-organised business report and uses appropriate business terminology and concepts. • Sketches in general terms and indicates the main features of the market planning process. • Provides reasons in favour of ONE strategy to manage change effectively. • Makes a judgement based on criteria of the strategies which can be implemented to improve the new business's cash flow. | 13-16 |
| <ul style="list-style-type: none"> • Presents a sustained, logical and well-structured answer in the form of a business report with relevant business terminology and concepts. • Sketches in general terms the market planning process. • Makes some suggestions as to an appropriate strategy to manage change effectively. • Makes a judgement of the strategies which can be implemented to improve the new business's cash flow. | 9-12 |
| <ul style="list-style-type: none"> • Presents a sustained, logical and well-structured answer in the form of a business report with relevant business terminology and concepts. • Sketches in basic terms the market planning process. • Provides a suggestion of one strategy to manage change effectively. • Limited discussion of the strategies which can be implemented to improve the new business's cash flow. | 5-8 |
| <ul style="list-style-type: none"> • Presents a sustained, logical and well-structured answer in the form of a business report with relevant business terminology and concepts. • May refer to the market planning process. • May make reference to a strategy to manage change effectively. • Demonstrates limited understanding of the strategies which can be implemented to improve the new business's cash flow. | 1-4 |

Answers may include:

- Students need to outline how management at Live Plus can conduct their market planning process. Market planning includes:
 - Performing situational analysis;
 - Establishing market objectives;
 - Identification of the target market;
 - Development of market strategies;
 - Implementing, monitoring and controlling.
- Students need to recommend ONE strategy to manage change effectively. One strategy to manage change effectively includes:
 - Identifying the need for change;
 - Setting achievable goals;
 - Creating a culture of change (encouraging a teamwork approach using change agents);
 - Change models – force field analysis, Lewin's unfreeze/change/refreeze model.
- Students need to evaluate the strategies which can be implemented to improve the business' cash flow. Effective cash flow management may include:
 - Distribution of payments;
 - Discounts for early payments.

Section IV

Question 27

| Criteria | Marks |
|---|--------------|
| <ul style="list-style-type: none"> • Sketches in general terms and indicates the advantages and disadvantages of differing staffing strategies for global business. • Thorough identification of components and the relationship between them of the legal AND ethical aspects which must be considered when managing employment relations. • Comprehensively utilizes case study material to address all aspects of the question. • Presents a clear, logical and well-structured business response and uses relevant business terminology and concepts. | 17-20 |
| <ul style="list-style-type: none"> • Indicates the advantages and disadvantages of differing staffing strategies for global business. • Detailed identification of components and the relationship between them of the legal AND ethical aspects which must be considered when managing employment relations. • Makes reference to relevant case study/studies. • Presents a well-organised answer and uses appropriate business terminology and concepts. | 13-16 |
| <ul style="list-style-type: none"> • Sketches in general terms OR indicates the advantages/disadvantages of differing staffing strategies for global business. • Sketches in general terms some components and the relationship between them of the legal AND ethical aspects which must be considered when managing employment relations. • May make some reference to relevant case study/studies. • Presents an organized answer and communicates using business terminology and concepts. | 9-12 |
| <ul style="list-style-type: none"> • Demonstrates limited understanding of differing staffing strategies for global business • Names and recognises some components and the relationship between them of the legal AND ethical aspects which must be considered when managing employment relations. • May make limited reference to case study/studies. • Communicates using limited business terminology and concepts. | 5-8 |
| <ul style="list-style-type: none"> • May refer to differing staffing strategies for global business. • May refer to some legal and ethical considerations. • Uses basic or limited business terminology. | 1-4 |

Answers may include:

- Students need to outline the advantages and disadvantages of differing staffing strategies for global business, including:
 - Ethnocentric – Advantages: Knowledge of business, Aware of parent company policies and procedures. Disadvantages: Little or no knowledge of local market, Reduction in promotion opportunities for local staff.
 - Polycentric – Advantages: Local knowledge of market, Increased promotion opportunities for local staff. Disadvantages: Little or no knowledge of business, No awareness of parent company policies and procedures.
 - Geocentric – Advantages: Best person for the job, All staff have same opportunity to apply for position. Disadvantages: Cost to relocate successful candidate, May not have knowledge of parent company policies, May not have knowledge of local market.
- Students need to analyse the legal and ethical aspects a business must consider when managing employment relations. They can look at the following areas:
 - Working conditions
 - Occupational Health & Safety (OH&S)
 - Worker’s Compensation – state and/or federal agencies and common law redress
 - Anti-discrimination
 - Equal Employment Opportunity
 - Unfair Dismissal

Question 28

| Criteria | Marks |
|--|--------------|
| <ul style="list-style-type: none"> • Sketches in general terms and indicates the advantages and disadvantages of differing staffing strategies for global business. • Thorough identification of components and the relationship between them of the strategies that businesses can use to achieve AND measure effective employment relations. • Comprehensively utilizes case study material to address all aspects of the question. • Presents a clear, logical and well-structured business response and uses relevant business terminology and concepts. | 17-20 |
| <ul style="list-style-type: none"> • Indicates the advantages and disadvantages of differing staffing strategies for global business. • Detailed identification of components and the relationship between them of the strategies that businesses can use to achieve and measure effective employment relations. • Makes reference to relevant case study/studies. • Presents a well-organised answer and uses appropriate business terminology and concepts. | 13-16 |
| <ul style="list-style-type: none"> • Sketches in general terms OR indicates the advantages/disadvantages of differing staffing strategies for global business. • Sketches in general terms some of the components and the relationship between them of the strategies that businesses can use to achieve and measure effective employment relations. • May make some reference to relevant case study/studies. • Presents an organized answer and communicates using business terminology and concepts. | 9-12 |
| <ul style="list-style-type: none"> • Demonstrates limited understanding of differing staffing strategies for global business • Names and recognises a strategy that can be used to achieve and/or measure effective employment relations. • May make limited reference to case study/studies. • Communicates using limited business terminology and concepts. | 5-8 |
| <ul style="list-style-type: none"> • May refer to differing staffing strategies for global business. • May refer to some strategies for measuring effective employment relations. • Uses basic or limited business terminology. | 1-4 |

Answers may include:

- Students need to outline the advantages and disadvantages of differing staffing strategies for global business, including:
 - Ethnocentric – Advantages: Knowledge of business, Aware of parent company policies and procedures. Disadvantages: Little or no knowledge of local market, Reduction in promotion opportunities for local staff.
 - Polycentric – Advantages: Local knowledge of market, Increased promotion opportunities for local staff. Disadvantages: Little or no knowledge of business, No awareness of parent company policies and procedures.
 - Geocentric – Advantages: Best person for the job, All staff has same opportunity to apply for position. Disadvantages: Cost to relocate successful candidate, May not have knowledge of parent company policies, May not have knowledge of local market.
- Students need to analyse the strategies that can be used to achieve and measure effective employment relations, such as:
 - Communications systems – grievance procedures, worker participation, team briefings;
 - Rewards – financial, non-financial;
 - Training and development – induction;
 - Flexible working conditions – family-friendly programmes.

Question 28 continued

- The following are the strategies that can be used to measure effective employment relations. Students can analyse some or all of these strategies:
 - Levels of staff turnover;
 - Absenteeism;
 - Disputation;
 - Quality;
 - Benchmarking;
 - Employment Relations audits.