Section I

20 marks

Attempt Questions 1 – 20

Allow about 35 minutes for this section

Use the Multiple Choice Answer Sheet for question 1 – 20

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1. What is the advantage of using focus groups and personal interviews as techniques to gather data?

   (A) It is more expensive than using primary data
   (B) The data can be analysed by competitors in the industry
   (C) The business gets detailed information from secondary sources
   (D) The questions can be directed at gaining data about a specific problem

2. A clothing manufacturer sells its label online.

   Which of the following choice of distribution channels are they using?

   (A) Exclusive
   (B) Intensive
   (C) Selective
   (D) physical

3. SJS Ltd has priced their new range of products below that of their competitors in the introductory phase.

   Which pricing strategy is this an example of?

   (A) Price points
   (B) Loss leader
   (C) Price skimming
   (D) Price penetration

4. Which of the following best defines efficiency?

    (A) The ability of a business to use its resources effectively in ensuring financial stability and profitability
    (B) The use of on-line systems to manage supply
    (C) The practice of using the internet to perform most business activities
    (D) The use of training and development to up skill workers

5. Which of the following terms refers to the development of long term relationships between the business and its customers?

    (A) Relationship management
    (B) Relationship creation
    (C) Relationship marketing
    (D) Customer relations

6. When a business uses a Gantt chart, what are they attempting to do?

    (A) Schedule and sequence activities
    (B) Improve task design
    (C) Change plant layout
    (D) Monitor, control and improve activities

7. How should an Australian business operating a factory overseas ensure that they act in an ethically responsible manner?

    (A) The business should comply with foreign environmental laws
    (B) The business should ensure that copyright and patents are not broken
    (C) The business should engage in practices that are environmentally sustainable
    (D) The business should provide high wages for child workers

8. The marketing department decides to divide the total market according to personality characteristics, motives, opinions, socioeconomic group and lifestyles.

    What type of segmentation is this?

    (A) Psychographic
    (B) Demographic
    (C) Social
    (D) Economic

9. An Australian coffee company, ‘Impulsecoffee’, creates a new logo to establish a global brand image.

   Which type of marketing strategy is ‘Impulsecoffee’ addressing?

   (A) Promotion
   (B) Price
   (C) Place
   (D) Product

10. Which of the following is a compliance cost of producing a new product?

    (A) Emitting carbon following the Carbon Emission Scheme
    (B) Purchasing raw material
    (C) Marketing the product
    (D) Purchasing new machinery to undertake production

11. A business that sets quality objectives based on pre-determined standards is implementing which of the following management strategies?

    (A) Quality flexibility
    (B) Quality assurance
    (C) Quality improvement
    (D) Quality design

12. In an attempt to increase its market share, ‘Trust Us Bank’ is offering a new service to its customers. Upon customer request, ‘Trust Us Bank’ staff will travel to the customer’s home out of normal business hours to discuss loan applications.

    What type of marketing is ‘Trust Us Bank’ using?

    (A) Customer marketing
    (B) Relationship marketing
    (C) Production marketing
    (D) Sales marketing

13. Which market involves the purchasing of resources to be used in the production of other goods?

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

14. 'Ticktok Pty Ltd' sells watches and has decided to use a pricing strategy whereby the company sells lines of watches are predetermined prices.

    Which pricing strategy is 'Ticktok' using?

    (A) Loss leader
    (B) Supply and demand
    (C) Price penetration
    (D) Price points

15. A business has set one of its strategic objectives as being a cost leader in the industry.

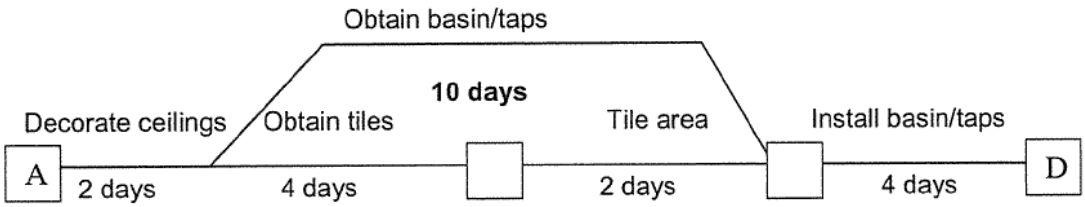
    What must the business aim to do in order to achieve the objective?

    (A) Use mass production in order to standardise its products
    (B) Aim to have the lowest cost in the industry while maintaining profitability
    (C) Aim to have the highest cost in the industry while compromising profitability in the short tem
    (D) Aim to provide only quality products to consumers through global sourcing

16. Which of the following is an essential aspect of logistics?

    (A) Creating a budget for new machinery
    (B) Materials handling and packaging
    (C) Checking the quality of outputs
    (D) Undertaking a skills audit

17. A local restaurant is currently undergoing renovations and has used the following sequencing diagram.



What is the name given to this diagram?

(A) Critical Path Analysis
(B) Job Delegation
(C) Task Design
(D) Gantt Chart

18. Using the diagram above, what is the minimum time it will take to ensure the renovation is complete?

(A) 12 days
(B) 16 days
(C) 22 days
(D) 28 days

19. Which of the following describes transformed resources?

(A) Resources that relate to human skill and effort
(B) Resources that carry out the transformation process
(C) Resources that are converted during the production process
(D) Resources that are sourced from overseas because they are cheaper

20. The operations manager for a clothing company has planned the physical arrangement of all equipment to ensure efficiency in the manufacturing process.

What task has the operations manager performed?

(A) Skills audit
(B) Task design
(C) Process layout
(D) Critical path analysis

Section II

35 marks

Answer each question in the space provided.

Question 21 (15 marks)

Billabong's products are manufactured in operations located in Australia, North America, Europe, Japan, New Zealand and Brazil. This requires a sophisticated system of monitoring the production and delivery schedules.

(a) Why is supply chain management important for Billabong? **(2)**

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(b) Explain how technology may improve Billabong's supply chain management. **(4)**

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Question 21 continued on next page

(c) Distinguish between leading edge technology and established technology. Support your answer with relevant examples. **(4)**

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(d) Explain how globalisation can influence the operations management of a business. Use examples to support your answer. **(5)**

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Question 22 (15 marks)

Billabong is a global brand appealing to the young, trendy, active market involved in outdoor activities. Management are constantly on the lookout for new opportunities to increase market share.

(a) Outline ONE method that could be used by Billabong to collect relevant data about its target market. **(2)**

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(b) Explain why it is important for Billabong to engage in ethical practices. **(4)**

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Question 22 continued on next page

(c) Describe how a business would benefit from using opinion leaders in the marketing of their product. Support your answer with a relevant example. **(4)**

(d) Analyse the importance of branding and packaging when developing a product. **(5)**

Section III

20 marks

Attempt Question 23

Answer the question in the writing booklet provided. 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 the hypothetical business situation
- Communicate using relevant terminology and concepts
- Present a sustained, logical and cohesive response in the form of a business report

Question 23 (20 marks)

Fitz Pty Ltd is an Australian furniture manufacturer that has experienced a loss of market share and increasing customer complaints over the past two years.

Management have identified opportunities in the international market and is considering expanding the operations into several new countries. This will require major changes in the operations of the business as well as an extensive marketing campaign.

You have been employed by Fitz Pty Ltd to prepare a report for management.

In your report, recommend marketing and operations strategies that management could implement to facilitate the proposed global expansion.

Student Name:_____

YEAR 12 BUSINESS STUDIES
2014 HALF-YEARLY EXAM
Marking Guidelines

Section I

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

Section II

Q21 (a) Why is supply chain management important for Billabong?

Criteria	Marks
• Defines supply chain management and gives reason as to why it is important to Billabong	2
• Defines supply chain management	1

Answers may include:

Supply chain management is the integration and management of the flow of supplies throughout the inputs, transformation processes and outputs in order to best meet the needs of customers.
It is important for Billabong as it ensures the efficiency throughout all locations of the business and thereby customer satisfaction.

Q21 (b) Explain how technology may improve Billabong's supply chain management.

Criteria	Marks
• Relates effect of technology to improve Billabong's supply chain management	4
• Relates effect of technology on supply chain management	3
• Describes technology and supply chain management	2
• Outlines technology and supply chain management	1

Answers may include:

Technology refers to the application of innovative devices to improve efficiency and lower costs.
Technology can improve ordering, inventory control and communication between suppliers and Billabong leading to improved efficiency and cost minimisation.

Q21 (c) Distinguish between leading edge technology and established technology. Support your answer with relevant examples.

Criteria	Marks
• Distinguishes between leading edge and established technology • Provides relevant examples to support answer	4
• Distinguishes between leading edge and established technology	3
• Provides definitions of leading edge and established technology	2
• Provided definition of leading edge OR established technology OR provides a relevant example of each technology	1

Answers may include:

Leading edge technology is the technology that is the most advanced or innovative at any point in time, for example robotics/nanotechnology WHEREAS established technology is the technology that has been developed and widely used, for example CAD,CAM and bar coding.

Q21 (d) Explain how globalisation can influence the operations management of a business. Use examples to support your answer.

Criteria	Marks
• Provides effect of globalisation on operations management • Uses appropriate examples to support answer	5
• Provides effect of globalisation on operations management	4
• Describes globalisation and operations management with examples	3
• Describes globalisation and operations management	2
• outlines globalisation and operations management	1

Answers may include:

Globalisation is the breaking down of barrier between countries – facilitates the movement of capital, labour, financial and natural resources.

Operations management can become more complex as businesses source materials/markets on a global scale; economies of scale can be gained; access to R&D; access to wider range of raw materials and technologies.

Q22 (a) Outline one method that could be used by Billabong to collect relevant data about its target market.

Criteria	Marks
• Sketches in general terms an appropriate method of data collection	2
• Identifies an appropriate method of data collection	1

Answers may include:
Market research – surveys/questionnaires on social media
Observation
Information in magazines

Q22 (b) Explain why it is important for Billabong to engage in ethical practices

Criteria	Marks
• Relates cause and effect of ethical practices for Billabong	4
• Provides characteristics and features of ethical practices for Billabong	3
• Sketches in general terms some ethical practices	2
• Defines ethical practices	1

Answers may include:
Ethical practices are those that are designed to meet/satisfy the moral codes of stakeholders.
It is important for Billabong to engage in ethical practices to ensure that stakeholders feel as though the business is not purely profit driven and that they represent the values of the community. This ensures customer loyalty in the long run.

Q22 (c) Describe how a business would benefit from using opinion leaders in the marketing of their product. Support your answer with a relevant example.

Criteria	Marks
• Provides characteristics and features of the benefits of using opinion leaders • Provides a relevant example	4
• Provides characteristics and features of the benefits of using opinion leaders	3
• Sketches in general terms the benefits of using opinion leaders	2
• Defines opinion leaders	1

Answers may include:
Opinion leaders are those individuals who are able to influence the thoughts and actions of others.
Businesses can therefore be positively or negatively impacted upon by the actions of opinion leaders.
Positive feedback can lead to increased sales (eg good customer service, excellent quality) and negative feedback can lead to loss of reputation and sales (eg poor quality service, faulty products)

Q22 (d) Analyse the importance of branding and packaging when developing a product.

Criteria	Marks
• Relates implications of branding and packaging when developing a product	5
• Relates cause and effect of branding and packaging when developing a product	4
• Provides features and characteristics of branding and packaging when developing a product	3
• Sketches in general terms branding and packaging	2
• Defines branding OR packaging	1

Answers may include:

Branding and packaging are part of the product.

Quality branding and packaging add to the value of the product which then impacts on the price that can be applied to the product.

Lack of branding can lead to poor recognition of the product by prospective customers.

Poor packaging can lead to product damage leading to customer dissatisfaction and eventual lost sales and falling profit levels.

Section III 20 marks

Criteria	Marks
• Demonstrates comprehensive knowledge and understanding related to the question, using relevant terminology, concepts and information provided • Provides **reasons** in favour of global operational and global marketing strategies that **Fitz Pty Ltd** could implement to **facilitate the proposed global expansion** • Presents a sustained, logical and cohesive response in the form of a business report	17 – 20
• Demonstrates knowledge and understanding related to the question, using relevant terminology, concepts and information provided • Provides **reasons** in favour of operational and marketing strategies that **Fitz Pty Ltd** could implement to **facilitate the proposed global expansion** • Presents a well-organised response in the form of a business report	13 - 16
• Demonstrates some knowledge and understanding related to the question using some relevant terminology, concepts and information provided • Provides **characteristics and features** of operational and marketing strategies that **Fitz Pty Ltd** could implement to **facilitate global expansion** • Presents a response using features of a business report	9 - 12
• Demonstrates limited knowledge and understanding using limited terminology, concepts and information • Provides **some characteristics and features** of operations and/or marketing • Includes some features of a business report	5 - 8
• Refers to business information • May refer to operational and/or marketing strategies • Uses basic terminology	0 - 4

Answers could include the following information:

Operations strategies

Global sourcing

Economies of scale

Scanning and learning

Research and development

Marketing strategies

Global branding

Standardisation

Customisation

Global pricing

Competitive positioning

AS PER HSC EXPECTATIONS – TO RECEIVE A 17 – 20 MARK 3 STRATEGIES NEED TO BE RECOMMENDED

FOR OPERATIONS AND MARKETING