Section I

20 marks

Attempt Questions 1 – 20

Allow about 35 minutes for this section

Use the Multiple Choice Answer Sheet for questions 1 – 20

1. A manager analyses the present state of the business and sees that it has a well-recognised brand.
   What element of a SWOT analysis would this belong to?

   (A) Strengths
   (B) Weaknesses
   (C) Opportunities
   (D) Threats

2. Consider the following Gantt Chart for the production of a new mascara:

   How will the time taken to complete the project be affected if Activity D takes one extra week to complete?

   (A) The project completion date will be extended by one week
   (B) The project completion date will be reduced by one week
   (C) The completion date will remain unchanged
   (D) The Gantt Chart cannot be used to forecast the completion date

3. A computer manufacturing business engages in mass production of a limited range of items to achieve economies of scale. Its factory produces a constant amount each month and its facilities are closed to customers.

   Which of the following best describes its transformation processes?

   (A) High volume, low variety, moderate variation in demand and no visibility
   (B) High volume, low variety, no variation in demand and no visibility
   (C) High volume, high variety, no variation in demand and moderate visibility
   (D) Low volume, high variety, no variation in demand and moderate visibility

4. A customer decides to purchase a particular brand of beverage because he thinks it will make him appear strong and athletic to his peers.

   What factor has influenced his choice?

   (A) Economic
   (B) Government
   (C) Psychological
   (D) Sociocultural

5. John owns a restaurant and has made the decision to use billboard advertising around the city. The advertisements show his staff wearing provocative uniforms.

   Which ethical issue is involved here?

   (A) Good taste in advertising
   (B) Sugging
   (C) Engaging in unfair competition
   (D) Truth and accuracy in advertising

6. A hairdressing business aims to offer lengthy consultation before cutting and styling to the unique specifications set out by the customer.

   What operations performance objective is best described by this process?

   (A) Quality
   (B) Speed
   (C) Cost
   (D) Customisation

7. Consider the following marketing report for Shady Haze Pty Ltd. Its main marketing objective is to maximise sales revenue.

	Planned Sales ($million):		Actual Sales ($million):	
	2012	*2013*	*2012*	*2013*
Product A	10	12	10	12
Product B	8	8	8	12
Product C	10	12	8	6
Product D	12	14	10	8

Which of the product lines should be expanded if Shady Haze Pty Ltd is to achieve its objective?

(A) Product A
(B) Product B
(C) Product C
(D) Product D

8. A hydraulics business orders its stock as it is needed.

What is the term for this inventory method?

(A) LIFO
(B) FIFO
(C) JIFO
(D) JIT

9. What is the best description for the transformed resources for an accounting firm?

(A) Materials
(B) Information
(C) Human resources
(D) Facilities

10. In which of the following markets is a company that supplies flour to bakeries?

(A) Industrial
(B) Stock
(C) Consumer
(D) Intermediate

11. Which pricing strategy is often used for products in a niche market?

    (A) Cost pricing
    (B) Price points
    (C) Penetration pricing
    (D) Price skimming

12. Which of the following is associated with logistics?

    (A) Cost of technology
    (B) Material, handling and packaging
    (C) Insurance and security of stock held
    (D) Checking quality of outputs

13. A business decides to redesign its company logo.

    Which marketing strategy is undergoing the change?

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

14. Snap Cameras uses inspections of their cameras at selected points in the production process.

    Which quality management strategy is Snap Cameras using?

    (A) Quality control
    (B) Quality assurance
    (C) Total quality management
    (D) Quality improvement

15. To ensure costs are minimised, Pine Tree Furniture has developed a network of supplies from four different countries.

    Which of the following best describes this strategy?

    (A) Reverse engineering
    (B) Quality expectation
    (C) Domestic web
    (D) Supply chain management

16. Which of the following is an output of the operations process?

    (A) Labour
    (B) Facilities
    (C) Customer service
    (D) Materials

17. Which of the following is an example of price discrimination?

    (A) Selling products only at certain predetermined prices
    (B) Offering country consumers cheaper prices than city customers for the same product
    (C) Charging men and women different prices for different products
    (D) Selling at the retail price imposed by the manufacturer

18. Playtime Pty Ltd has decided to increase its production in an attempt to decrease its average cost per unit.

    Which operations strategy is Playtime Pty Ltd implementing?

    (A) Research
    (B) Global sourcing
    (C) Economies of scale
    (D) Scanning and learning

19. Juicy Drinks Ltd has a worldwide name and logo but charges different prices for the same product around the world.

    Which TWO global marketing strategies is Juicy Drinks Ltd using?

    (A) Global web and customisation
    (B) Global branding and global pricing
    (C) Global promotion and competitive positioning
    (D) Competitive positioning and global pricing

20. What is a legal regulation that influences operations management?

    (A) Provision of safety training
    (B) Engaging in fair competition
    (C) Meeting taxation obligations
    (D) Purchasing new computers for staff

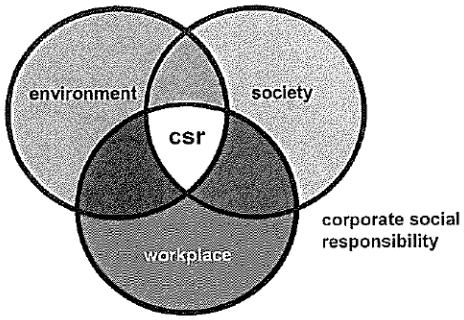
Section II

40 marks

Answer each question in the space provided.

Question 21 (20 marks)

Observe the diagram below.



(a) Define the term operations. **2**

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(b) Explain the value of management ensuring that there is interdependence between operations and the other key business functions. **4**

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(c) Distinguish between legal compliance and ethical responsibility. **2**

(d) Evaluate why corporate social responsibility is an important consideration in operations management. **8**

(e) Explain how producing a large variety of products may impact on the operations process of a business. Use an example to support your answer. **4**

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Question 22 (20 marks)



(a) What is the strategic role of marketing goods and services? **2**

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(b) Distinguish between the production approach and the marketing approach. **2**

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(c) Describe ONE factor that influences the choices of customers. **4**

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(d) Explain how consumer laws influence the decisions of managers. Use examples to support your answer. **6**

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(e) Analyse the importance of the marketing plan in the success of a business. **6**

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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)

Top Value Fashion (TVF) is a discount retail clothing business that has stores located in many major shopping centres across Australia. The business has been successful for more than fifteen years.

The CEO is concerned about the declining profitability of the business over the last two years.

Investigations have revealed:

- A new competitor entered the market two years ago that is able to provide similar products at a lower cost.

- Retail staff have been complaining about the increased time taken for delivery of new season stock from China, and difficulty locating items in the small stock rooms at the back of stores since the product range was expanded two years ago.

You have been hired as a consultant to prepare a report for the CEO on the identified issues.

Write a report recommending operations and marketing strategies to improve the performance of the business.

Student Name:_____

YEAR 12 BUSINESS STUDIES
2015 HALF-YEARLY EXAM
Marking Guidelines

Section I

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

Section II

Q21 (a) Define the term 'operations'

Criteria	Marks
• Correctly defines operations	2
• Uses some appropriate terms, or examples	1

Answers may include:

Operations refers to the process whereby inputs are transformed into outputs.

Q21 (b) Explain the value of management ensuring that there is interdependence between operations and the other key business functions

Criteria	Marks
• Explains the importance of the interdependence of operations and the other key business functions	4
• Describes the importance of the interdependence of operations and the other key business functions	3
• Outlines the importance of the interdependence of operations and the other key business functions	2
• Identifies the key business functions	1

Answers may include:

Key business functions include operations, marketing, finance and human resources.
Interdependence refers to the relationship that exists between the functions
It is important for management to ensure that there is interdependence between the key business functions because it ensures the efficient operation of the business to achieve the goals of the business.

Q21 (c) Distinguish between legal compliance and ethical responsibility

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:

Legal compliance refers to the business obeying the laws set down by government whereas ethical responsibility is behaving in a moral and just way

Q21 (d) Evaluate why corporate social responsibility is an important consideration in operations management

Criteria	Marks
• Evaluates the importance of CSR in operations management	5-6
• Explains the importance of CSR in operations management	4
• Describes CSR	3
• Defines CSR	2
• Provides examples of CSR	1

Answers may include:

CSR refers to the open and accountable business actions based on respect for people, community and the broader environment.

It is important because it develops a positive relationship between the business and its stakeholders.

While costing money it leads to customer loyalty and a positive public image for the business.

Q21 (e) Explain how producing a large variety of products may impact on the operations process of a business. Use an example to support your answer

Criteria	Marks
• Explains the impact of producing a large variety of products on the operations process • Uses an example to support the answer	4
• Explains the impact of producing a large variety of products on the operations process • Describes the impact of producing a large variety of products on the operations process AND uses an example	3
• Describes the impact of producing a large variety of products on the operations process	2
• Outlines the impact of a large variety of goods	1

Answers may include:

Variety refers to the mix of products a business makes.

The larger the variety the more the business needs to allow for variation in demand.

May also require a change in facilities and inputs.

Q22 (a) What is the strategic role of marketing goods and services?

Criteria	Marks
• Sketches in general terms the strategic role	2
• Identifies a feature of marketing	1

Answers may include:

The strategic role of marketing involves managers working with the management of the other key business functions to achieve the goals of the business, primarily profit maximization.

Q22 (b) Distinguish between the production approach and the marketing approach

Criteria	Marks
• Distinguishes between the production and the marketing approach	2
• Defines both approaches	1

Answers may include:

The production approach focuses on the productions of goods and services WHEREAS the marketing approach focuses on finding out what customers want.

Q22 (c) Describe ONE factor that influences the choices of customers

Criteria	Marks
• Provides characteristics and features of one factor that influences customer choices	3-4
• Sketches in general terms one factor that influences customer choices	2
• Identifies one factor that influences customer choices	1

Answers may include:

Psychological – influences within the individual that affect buying behaviours
Sociocultural – are forces from other people and groups that affect buying behaviours
Economic – the state of the economy in terms of employment opportunities and income levels
Government – policies that may affect customer spending habits

Q22 (d) Explain how consumer laws influence the decisions of managers. Use examples to support your answer.

Criteria	Marks
• Shows the effects of consumer laws on management decisions • Uses examples to support the answer	6
• Shows the effects of consumer laws on management decisions	5
• Provides characteristics and features of consumer laws and management decisions • Uses examples to support the answer	4
• Provides features and characteristics of consumer laws and management decisions	3
• Sketches in general terms consumer laws	2
• Identifies a consumer law	1

Answers may include:

Managers must be aware of the Australian Consumer Law (ACL) 2011. It covers all Australian consumers and businesses

Laws are in place to protect consumers against undesirable practices (misrepresenting the contents of products, country of origin or misleading and deceptive advertising).

Laws also regulate competition within the market

Examples of breaking the laws include:

- *Deceptive and misleading advertising*
- *Price discrimination*
- *Implied conditions*

Q22 (e) Analyse the importance of the marketing plan in the success of a business

Criteria	Marks
• Relates the implication of a marketing plan to the success of the business	5 - 6
• Relates the marketing plan to the success of the business	4
• Provides characteristics and features of a marketing plan	3
• Outlines the purpose of a marketing plan	2
• Defines the marketing plan	1

Answers may include:

A marketing plan gives direction and purpose to the business's activities. It sets out the situational analysis of the business and details the marketing goals and planned actions over a period of time.

Steps involves in planning include:

- *SWOT*
- *Market research*
- *Setting marketing objectives*
- *Identifying target markets*
- *Developing marketing strategies*
- *Implementation, monitoring and controlling*

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 operational and marketing strategies that **TVF** could implement to **improve the performance of the business** • 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 **characteristics and features** of operational and marketing strategies that **TVF** could implement to **improve the performance of the business** • 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 • **Sketches in general terms** operational and marketing strategies that **TVF** could implement to **improve business performance** • Presents a response using features of a business report	9 - 12
• Demonstrates limited knowledge and understanding using limited terminology, concepts and information • Sketches in general terms some operations and/or marketing strategies • 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

Performance objectives – quality, speed, dependability, flexibility, customisation, cost

New product or service design and development

Supply chain management – logistics, e-commerce, global sourcing

Outsourcing

Technology

Inventory control

Quality management – control, assurance, improvement

Overcoming resistance to change

Global factors

Marketing strategies

Market segmentation

Product

Price

Promotion

Place

People, processes and physical evidence

e-marketing

Global marketing

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