Section I

20 marks

Attempt questions 1 – 20

Allow about 30 minutes for this section

Use the multiple choice answer sheet provided

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1. A factory has recently had 35 solar panels installed on its roof to reduce power consumption. Which of the following factors likely influenced their decision?

    A. Globalisation
    B. Legal regulation
    C. Environmental sustainability
    D. Quality expectations

2. A newsagency is selling cold cans of soft drink for less than cost price.
   What is this strategy called?

    A. Distribution
    B. Loss leader
    C. Warehousing
    D. Price and quality interaction

3. Jenny owns a café in a small town. She is concerned that another café is about to open on the same street.
   To what area of the SWOT analysis does this development belong?

    A. Strength
    B. Weakness
    C. Opportunity
    D. Threat

4. A warranty is an example of what type of operations process?

    A. Output
    B. Throughput
    C. Input
    D. Solvency

5. There is a legal requirement that the goods a business sells must meet the customers intended purpose of use.
   What area of consumer law is this?

   A. Price discrimination
   B. Implied conditions
   C. Good taste in advertising
   D. Guarantee

6. A manufacturing company is replacing a range of manual tasks with automated machinery. They have offered that affected staff receive attractive voluntary redundancy or retraining.
   What operations strategy is this?

   A. FIFO
   B. Quality management
   C. Global factors
   D. Overcoming resistance to change

7. What is the most likely reason that a business would use *intensive distribution*?

   A. To limit costs
   B. To ensure a higher price can be charged
   C. To achieve maximum availability
   D. To decrease warehousing costs

8. A large company has recently purchased a new laser cutter for its factory.
   Which process of operations is this?

   A. Informational
   B. Ethical responsibility
   C. Transformed resources
   D. Transforming resources

9. Prior to launching a new product, a soft drink company conducted extensive research on its target market to discover a typical customer's motive for purchase.
   Which influence on consumer choice is this?

   A. Psychological
   B. Economic
   C. Sociocultural
   D. Demographic

10. Which of the following tools will assist with sequencing and scheduling in transformation processes?

    A. Monitoring
    B. Critical path analysis
    C. Warranty
    D. Computer Aided Design

11. A factory has recently implemented an inventory management system which has lowered the lead time on stock acquisition and reduced holding costs.
    What type of inventory management system would this likely be?

    A. Computer Aided Design
    B. FIFO
    C. JIT
    D. LIFO

12. A company has decided to revise its marketing strategy because the targeted market share was not achieved.
    Which marketing process is this an example of?

    A. Implementation
    B. Monitoring
    C. Controlling
    D. Forecasting

13. Which of the following best defines *relationship marketing*?

    A. Production of goods and services for customers
    B. Promotion of products to customers through advertising
    C. Gathering of market research in order to design a new product
    D. Development of trusting long term dealings with individual customers

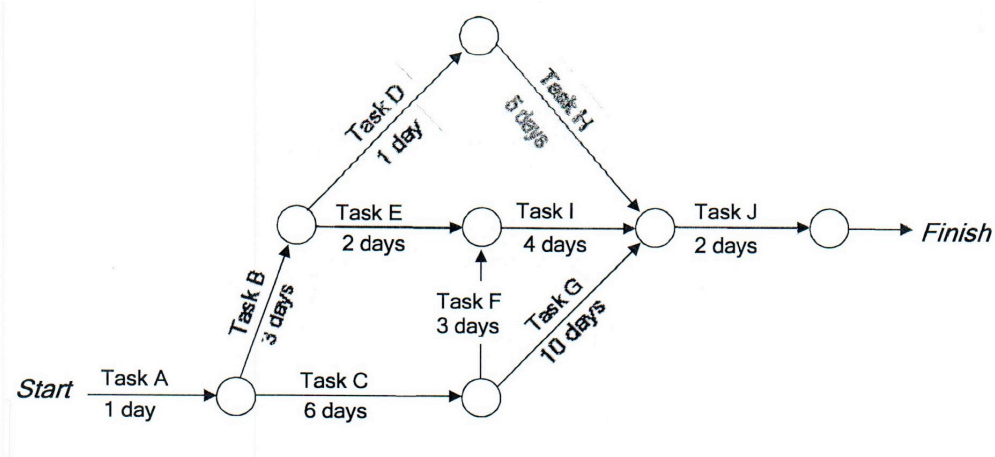
14. Which of the following operations influences would lead to increased long term costs?

    A. Increased globalisation
    B. Increased technology
    C. Increased cost based competition
    D. Increased legal regulation

15. A manufacturer is looking to achieve *economies of scale*.
    What should they do?

    A. Change to a cheaper supplier
    B. Increase the level of output and pollution
    C. Use more efficient technology so that cost per unit decreases
    D. Move to just in time inventory management

16. The diagram below represents the tasks involved in a project



What is the *critical path* for this project?

A. 37 days
B. 19 days
C. 12 days
D. 10 days

17. A business invests in the design of a logo and then makes cardboard boxes and a website with similar colours and symbolism.
Which product feature is being developed?

A. Packaging
B. E-commerce
C. Quality
D. Branding

18. A T-shirt manufacturer has a team of people who inspect each item throughout the production process.
Which of the following best describes this process?

A. Quality assurance
B. Quality control
C. Continuous improvement
D. Just in time

19. Pippa's Pies are advertising their products as having 5% fat. Independent tests reveal that the fat content is much higher.
What is this an example of?

A. Deceptive advertising
B. Price discrimination
C. Sugging
D. Good taste in advertising

20. Which of the following is an advantage of *outsourcing*?

A. Ability to focus on core business
B. Organisational change and redesign
C. Communication and language
D. Loss of quality control

Section II

35 marks

Attempt all questions

Allow about 45 minutes for this section

Write your answers in the spaces provided. Extra paper is at the end of this section.

Question 21 (14 marks)

a) Distinguish between operations management in a secondary (manufacturing) business and in a tertiary (service) business. 2 marks

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b) Outline ONE non-financial cost which creates resistance to change in a business. 2 marks

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c) Describe ONE benefit to a business when operations managers act in an ethical and socially responsible manner. 4 marks

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Question 21 continued on the next page

d) Explain the relationship between transformation and value adding. Use a specific business example in your answer. 6 marks

Question 22 (16 marks)

a) Outline a key difference between a good and a service. 2 marks

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b) Explain why it is important for a business to have a promotion mix. 6 marks

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Question 22 continued on the next page

c) Assess the importance of people, processes and physical evidence when marketing services. Use examples to support your answer. 8 marks

Question 23 (5 marks)

Analyse why business managers should ensure that there is interdependence between marketing and operations. Use specific business examples to support your answer. 5 marks

EXTRA SPACE FOR ANSWERS TO SECTION II

CLEARLY MARK THE QUESTION YOU ARE ANSWERING

EXTRA SPACE FOR ANSWERS TO SECTION II

CLEARLY MARK THE QUESTION YOU ARE ANSWERING

Section III

20 marks

Attempt Question 25

Allow about 45 minutes for this section

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 business terminology and concepts
- Present a sustained, logical and cohesive response in the form of a business report

Question 24

X SPORTZ is a successful manufacturer and retailer of extreme sportswear in Australia. In recent times however, the company has been experiencing increased customer complaints and difficulty meeting demand. In addition, **X SPORTZ** is now facing increased competition from cheaper, overseas products. All of these factors have led to falling sales.

Management of **X SPORTZ** recognise that to remain competitive in the Australian market they need to review how operations and marketing are managed.

Assume that you have been employed by **X SPORTZ** management to prepare a report that addresses the areas of concern.

In your report:

- Outline the strategic role of operations and marketing.
- Recommend operations and marketing strategies **X SPORTZ** could implement to Improve business performance.

Student Name:_____

YEAR 12 BUSINESS STUDIES
2016 HALF-YEARLY EXAM
Marking Guidelines

Section I

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

Section II

Q21 (a) Distinguish between operations management in a secondary (manufacturing) business and in a tertiary (service) business

Criteria	Marks
• Demonstrates the difference between operations management in a manufacturing business and a service business	2
• Provides a definition of manufacturing and service industries	1

Answers may include:

Operations management in a manufacturing business involves managing the transformation processes of inputs into outputs WHEREAS management of a service business concentrates on the provision of customer services

Q21 (b) Outline ONE non financial cost which creates resistance to change

Criteria	Marks
• Names and sketches in general terms one on financial cost of resistance to change	2
• Names a non financial cost of resistance to change	1

Answers may include:

Inertia – the fear of change, or the unwillingness to change because of the unknown consequences

Q21 (c) Describe ONE benefit to a business when operations managers act in an ethical and socially responsible manner

Criteria	Marks
• Provides general features/characteristics of benefits to the business of ethical and socially responsible behaviour	4
• Sketches in general terms the benefits to the business of ethical and socially responsible behaviour	3
• Identifies a benefit of ethical behaviour OR • Defines ethics and socially responsible behaviour	2
• Defines either ethics or socially responsible behaviour	1

Answers may include:

Benefits include: improved reputation, increased customer loyalty, increased staff commitment to the business, improved efficiency leading to lower costs, increased profitability

Q21 (d) Explain the relationship between transformation and value adding. Use a specific example in your answer

Criteria	Marks
• Clearly shows the relationship between transformation and value adding AND uses a specific example to support the response	6
• Clearly shows the relationship between transformation and value adding without using a specific example to support the response	5
• Describes the relationship between transformation and value adding AND uses a specific example to support the response	4
• Describes the relationship between transformation and value adding without using a specific example to support the response	3
• Outlines transformation processes and value adding	2
• Defines transformation OR value adding	1

Answers may include:

Transformation refers to the changing/processing of raw materials to produced outputs.
Value adding is the process of creating additional worth or value as inputs are changed into outputs.
It is through transformation that value is added.

Q22 (a) Outline a key difference between a good and a service.

Criteria	Marks
• Sketches in general terms the difference between a good and a service	2
• Defines a good OR a service	1

Answers may include:
Goods – tangible and available for purchase before required
Services – intangible and only available when demanded by customer

Q22 (b) Explain why it is important for a business to have a promotion mix

Criteria	Marks
• Provides the effects of a business having a promotion mix	5-6
• Provides characteristics of a promotion mix	3-4
• Sketches in general terms components of a promotion mix	2
• Defines promotion mix	1

Answers may include:
Promotion mix refers to the range of activities a business uses to promote itself.
Includes advertising, personal selling, relationship marketing, sales promotion and publicity and public relations.
Important because it ensure that the business is in contact with a range of present and potential customers/target markets. Not all consumers are affected by the same strategies

Q22 (c) Assess the importance of people, processes and physical evidence when marketing services. Use examples to support your answer.

Criteria	Marks
• Makes a judgement on the value of people, processes and physical evidence when marketing services AND provides relevant examples	7-8
• Makes a judgement on the value of people, processes and physical evidence when marketing services WITHOUT relevant examples OR • Draws relationships between people, processes and physical evidence when marketing services AND provides relevant examples	5-6
• Draws relationships between people, processes and physical evidence when marketing services WITHOUT relevant examples OR • Provides features and characteristics of people, processes and physical evidence when marketing services AND provides relevant examples	3-4
• Sketches in general terms people, processes and physical evidence when marketing services	2
• Defines people, processes and physical evidence	1

Answers may include:
People – quality of the interaction between the customer and those in the business delivering the service
Processes – the flow of activities that a business will follow in the delivery of a service
Physical evidence – the environment in which the service is delivered – location as well as materials needed

Q23 Analyse why business managers should ensure that there is interdependence between marketing and operations. Use specific examples to support your answer

Criteria	Marks
• Provides an implication of the interdependence between operations and marketing AND uses specific examples to support the answer	5
• Provides an implication of the interdependence between operations and marketing WITHOUT specific examples to support the answer OR • Shows a relationship between operations and marketing WITH examples	4
• Shows a relationship between operations and marketing WITHOUT examples OR • Provides features and characteristics of the interdependence between operations and marketing AND uses specific examples to support the answer	3
• Provides features and characteristics of the interdependence between operations and marketing WITHOUT specific examples to support the answer OR • Sketches in general terms the interdependence between operations and marketing	2
• Sketches possible links between operations and marketing	1

Answers may include:

Marketing, through market research determines what products need to be produced – provides Operations with this information

Operations produce the products that marketing then need to price, promote and place in the market

Section III 20 marks

Criteria	Marks
• Demonstrates comprehensive knowledge and understanding related to the question, using relevant terminology, concepts and information provided • **Sketches in general terms** the strategic role of operations and marketing • Provides **reasons** in favour of operational and marketing strategies that **XSPORTZ** 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 • **Sketches in general terms** the strategic role of operations and marketing • Provides **characteristics and features** of operational and marketing strategies that **XSPORTZ** could implement to **improve the performance of the business** • Provides reasons for marketing **OR** operations • 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** the strategic role of operations and marketing • **Sketches in general terms** operational and marketing strategies that **XSPORTZ** 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 • Makes reference to the strategic role of operations and/or marketing • 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 the strategic role • 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 MINIMUM OF 2 STRATEGIES NEED TO BE RECOMMENDED FOR OPERATIONS AND MARKETING