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

1. Which stakeholders are represented by Unions?

    (A) Employees
    (B) Employers
    (C) Government
    (D) Society

2. 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

3. Which of the following is a benefit of the just-in-time method to manage working capital?

    (A) It improves the control of inventory
    (B) It improves the value of current assets
    (C) It improves the control of cash
    (D) It improves the accounts receivable position

4. Which of the following represents an effective recruitment process in a business?

    (A) Job applications received from a select but suitably qualified group of candidates
    (B) An induction program that informs new employees about organisational culture
    (C) A series of job interview questions that allows candidates to showcase their skills and abilities
    (D) A retrenchment process that removes underperforming employees thereby improving the efficiency of the business

5. A clothing manufacturer sells its label online.

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

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

6. A company requires funding and advice in order to purchase a foreign business worth $1 billion.

   Which financial institution would typically assist this company in raising the required finance?

   (A) Superannuation Fund
   (B) Credit Union
   (C) Investment bank
   (D) Insurance company

7. What is benchmarking?

   (A) Business practices that are regarded as the best or of the highest standard in the industry.
   (B) Customers gaining a 'package' of goods and services in addition to the tangible good they purchased
   (C) What is spent on a business's non-current or fixed assets
   (D) A process in which indicators are used to compare business performance between internal sections of a business or between businesses

8. Which of the following are internal sources of funds for a business?

   (A) Capital and overdraft
   (B) Mortgage and retained profits
   (C) Capital and retained profit
   (D) Drawings and retained profits

9. SJS Ltd has prices 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

10. 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

Use the following financial information for ABC Ltd to answer questions 11 and 12.

	2011 ($)	**2012 ($)**
Cash	50 000	70 000
Debtors	35 000	40 000
Vehicles	150 000	135 000
Buildings	150 000	170 000
Overdraft	20 000	30 000
Creditors	60 000	80 000
mortgage	200 000	190 000
Capital	105 000	115 000

11. Which statement regarding working capital (CA-CL) for ABC Ltd is correct?

    (A) Net working capital has increased by $5 000
    (B) Net working capital has decreased by $5 000
    (C) Net working capital has increased by $10 000
    (D) Net working capital has decreased by $10 000

12. The values for vehicles and buildings have changed between 2011 and 2012.

    Which of the following terms best describe these changes respectively?

    (A) Depreciation and appreciation
    (B) Depreciation and comparative analysis
    (C) Appreciation and depreciation
    (D) Appreciation and comparative analysis

13. What is the purpose of a Balance Sheet?

    (A) To show assets and liabilities of a business at a point in time
    (B) To show the shareholders of the business what they own
    (C) To show the profitability of the business at a point in time
    (D) To show the financial stability of the business at a point in time

14. 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

15. If a business is attempting to minimise risk when trading internationally, which of the following strategies are they likely to use?

    (A) Quality assurance
    (B) Hedging
    (C) Standardisation
    (D) Training and development of staff

16. Which of the following represent social influences on human resource management?

    (A) Equal employment opportunity and anti-discrimination policies
    (B) Outsourcing and globalisation
    (C) Changing work patterns and living standards
    (D) Inflation and unemployment rates

17. 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

18. Which of the following best defines human resources?

    (A) Minimising staff turnover due to industrial action
    (B) Managing the total relationship between the employer and the employee
    (C) Employing the correct casual staff in the finance department
    (D) Lowering the cost of wages for the company to maximise profitability

19. 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

20. 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

Section II

Attempt questions 21- 24

Allow about 1 hour and 15 minutes for this section

Answer the questions in the spaces provided. These spaces provide guidance for the expected length of response.

Question 21 (10 marks)

(a) Distinguish between a transformed resource and a transforming resource. **2**

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(b) Explain the importance of corporate social responsibility for an operations manager. **4**

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Question 21 continued on the next page

(c) Analyse ONE global factor that has impacted on the operations management in Australian businesses. **4**

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Question 22 (12 marks)

(a) Outline ONE factor influencing consumer choice. **2**

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(b) What is the purpose of consumer laws? Give an example to support your answer. **2**

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(c) How might a business benefit when a marketing manager acts in an ethical manner? Support your answer with relevant examples. **4**

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Question 22 continued on the next page

(d) Explain the importance of a situational analysis. **4**

Question 23 (8 marks)

Use the following information to answer the questions.

Income Statement for XYZ Ltd as at 30.06.2011	
Sales	**$100 000**
COGS	**$20 000**
Gross Profit	**$80 000**
Expenses	**$70 000**
Net Profit	**$10 000**

2010 results: GPR = 60% and NPR = 20%

(a) Calculate the Gross Profit Ratio (Gross Profit/Sales) of XYZ Ltd. **1**

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(b) Calculate the Net Profit Ratio (Net Profit/Sales) of XYZ Ltd. **1**

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(c) Comment on the profitability of XYZ Ltd. **2**

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Question 23 continued on the next page

(d) Explain ONE strategy that could be used to improve the overall profitability of XYZ Ltd. **4**

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Question 24 (10 marks)

(a) Outline ONE legal responsibility that employers have? **2**

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(b) What is the purpose of an employment contract? **2**

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(c) Analyse the impact of changing work patterns on Australian businesses. **4**

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Question 24 continued on the next page

(d) Why do Human Resource managers use domestic and/or global contractors? **2**

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Section III

20 marks

Attempt Question 25

Allow about 35 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 25 (20 marks)

Pooch Dog Foods is a Sydney based factory that supplies premium quality dog food to pet stores throughout Australia. Over the past 12 months there have been an increasing number of customer complaints regarding the packaging and labelling of products. The dry dog food packets have not been sealed airtight and canned dog food has been labelled incorrectly.

As a consequence there has been a fall in sales which has led to cash flow problems and concerns by management of declining profits.

You have been employed by Pooch Dog Foods to prepare a report for management on the issues outlined above.

In your report, recommend strategies for operations and finance that the firm could implement to improve its performance.

Section IV

20 marks

Attempt either Question 26 or Question 27

Allow about 35 minutes for this section

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

Question 26 (20 marks)

Explain how businesses exhibit ethics and corporate social responsibility in the management of human resources.

Question 27 (20 marks)

Explain how globalisation has affected marketing management.

2013 BUSINESS STUDIES TRIAL HSC EXAMINATION

Marking Guidelines

Section I

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

Section II

Q21 (a) Distinguish between a transformed resource and a transforming resource

Criteria	**Marks**
• Distinguishes between a transformed and a transforming resource	2
• Defines term/s	1

Answers may include:

Transformed resources are inputs that are changed or converted in the operations process eg materials WHEREAS transforming resources are inputs that are involved in (carry out) the transformation process eg machinery and human resources

Q21 (b) Explain the importance of corporate social responsibility for an operations manager

Criteria	Marks
• Explains the importance of corporate social responsibility for an operations manager	3-4
• Describes the importance of corporate social responsibility for an operations manager	2
• Defines corporate social responsibility	1

Answers may include:

Corporate social responsibility is open and accountable business practices based on respect for people, community and the environment.

Managers need to be mindful of this when making decisions regarding operations. CSR can lead to improved customer relationships, reputation, growth and profits

Q21 (c) Analyse ONE global factor that has impacted on the operations management in Australian businesses

Criteria	Marks
• Analyse ONE global factor that has impacted on the operations management in Australian businesses	4
• Explains ONE global factor that has impacted on the operations management in Australian businesses	3
• Describes ONE global factor that has impacted on the operations management in Australian businesses	2
• Identifies ONE global factor that has impacted on the operations management in Australian businesses	1

Answers may include:

Global sourcing – finding suppliers who offer lower prices, higher quality and more advances technology

Economies of scale – cost advantages by producing on a larger scale

Scanning and learning – learning from best practices of other businesses around the world

Research and development – investing money to develop new products or methods of production to improve competitiveness

Q22(a) Outline one factor influencing consumer choice

Criteria	Marks
• Outlines one factor influencing consumer choice	2
• Identifies a factor that influences consumer choice	1

Answers may include:
Psychological – individual traits/preferences that affect buying behaviour
Socio cultural – pressure exerted by other people/groups that affect buying behaviour
Economic – consumers' willingness and ability to spend
Government – policies that impact on the level of economic activity

Q22 (b) What is the purpose of consumer laws? Give an example to support your answer

Criteria	Marks
• Provides a purpose of consumer laws and a supporting example	2
• Provides a purpose of consumer laws OR gives an example of a law	1

Answers may include:
Laws improve protection and rights of consumers and clarifies the rights and responsibilities of businesses.
Example – should be explicit eg. Competition and Consumer Act 2010, misleading advertising, price discrimination

Q22 (c) How might a business benefit when a marketing manager acts in an ethical manner? Support your answer with relevant examples

Criteria	Marks
• Provides relationships between ethical behaviour and business performance and uses examples to support	3-4
• Provides characteristics of ethical behaviour and business performance and uses examples to support	2
• Defines ethical behaviour OR gives examples of ethical behaviours	1

Answers may include:
Ethical behaviour improves business reputation, and consumers' perception, leading to increase loyalty, sales, growth, profitability.
May give business a competitive advantage
Examples of unethical behaviours include creation of needs, use of sex to sell, use of stereotypical images, product placement. Businesses engaging in ethical marketing would not use these.
****It is a good idea to use examples of real businesses*

Q22 (d) Explain the importance of a situational analysis

Criteria	Marks
• Explains the importance of a situational analysis	3-4
• Describes a situational analysis	2
• Defines situational analysis or provides examples of components of analysis	1

***Answers may include*:**
Situational analysis provides a business with accurate information about its current position in the market and where it is heading.
It is important because it enables management to make informed marketing decisions based on accurate and up to date information

Q23 (a) Calculate the Gross Profit Ratio of XYZ Ltd

Criteria	Marks
• Correctly calculates the ratio	1

Answers may include:
80 000/ 100 000 = 0-8 or 80%

Q23 (b) Calculate the Net Profit Ratio of XYZ Ltd

Criteria	Marks
• Correctly calculates the ratio	1

Answers may include:
10 000/100 000 = 0.1 or 10%

Q23 (c) Comment on the profitability of XYZ Ltd

Criteria	Marks
• Comments on both GPR and NPR figures and compares to previous year	2
• Comments on both GPR and NPR	1

***Answers may include*:**
GPR is 80% which means for every $1 sales the business makes $0.80 GP. It is above the 2010 figure of 60%
NPR is 10% which means for every $1 sales the business makes $0.10 NP. It is below the 2010 figure of 20%

Q23 (d) Explain one strategy that could be used to improve the overall profitability of XYZ Ltd

Criteria	Marks
• Explains one strategy that will improve profitability	3 - 4
• Describes one strategy that will improve profitability	2
• Identifies one strategy that will improve profitability	1

Answers may include:
Expense minimisation – reducing expenses will improve NP
*****it is important that you make use of the data provided in the stimulus to answer this.*

Q24 (a) Outline one legal responsibility that employers have

Criteria	Marks
• Outlines a legal responsibility of employers	2
• Identifies a legal responsibility of employers	1

Answers may include:
Provision of safe working conditions
Employment contracts
Tax payments
Protection of human rights

Q24 (b) What is the purpose of an employment contract?

Criteria	Marks
• Outlines the purpose of an employment contract	2
• Defines an employment contract	1

Answers may include:
Legally binding document that protects both the employer and the employee relationship by clarifying the duties and responsibilities of both the employer and the employee in the workplace

Q24 (c) Analyse the impact of changing work patterns on Australian businesses

Criteria	Marks
• Analyses the impact of changing work patterns on Australian businesses	4
• Explains the impact of changing work patterns on Australian businesses	3
• Describes the impact of changing work patterns on Australian businesses	2
• Outlines changing work patterns	1

***Answers may include*:**
Changing work patterns include: career flexibility and job mobility, increased female participation, aging workforce, early retirement
As a result businesses need to be: flexible, motivate staff to ensure loyalty, change business culture, offer family friendly work environments

Q24 (d) Why do human resource managers use domestic and/or global contractors?

Criteria	Marks
• Outlines a reason(s) for the use of contractors	2
• Defines contractors or lists a reason	1

Answers may include:
Create cost savings
Greater access to specialists
Improve competitiveness

Section III 20 marks
QUESTION 25

You have been employed as a consultant to prepare a report Pooch Dog Foods
In your report recommend strategies for operations and finance that the firm could implement to improve its performance

Criteria	Marks
• Presents a sustained, logical and cohesive business report integrating relevant business terminology and concepts • Makes effective use of the information provided, demonstrating extensive knowledge and understanding relevant to the question • Clearly provides reasons in favour of operations strategies which will improve business performance • Clearly provides reasons in favour of finance strategies which will improve business performance	17 – 20
• Presents a logical and cohesive business report integrating relevant business terminology and concepts • Makes some use of the information provided, demonstrating knowledge and understanding relevant to the question • Provides reasons in favour of operations strategies and characteristics of finance which will improve business performance **OR** provides reasons in favour of finance strategies and characteristics of operations strategies which will improve business performance	13 - 16
• Includes features of a business report and uses some business terminology and concepts • Provides characteristics and features of operations and finance strategies	9 - 12
• Includes some features business report and uses basic business terminology • Sketches in general terms operations and finance strategies	5 - 8
• Uses basic terminology • May make reference to operations **OR** finance	0 - 4

Answers may include:
Appropriate operations strategies include:

- *Performance objectives*
  - *Quality*
  - *Dependability*
- *Quality management*
  - *Control – using inspections at various points in production to check for problems and defects*
  - *Assurance – use of a system to ensure set standards are achieved in production*
  - *Improvement – continuous improvement and total quality management*
- *Technology*

Appropriate finance strategies include:

- *Cash flow*
  - *Distribution of payments, discounts for early payments, factoring*
- *Profitability*
  - *Revenue controls – marketing objectives*
  - *Cost controls – expense minimisation*

THE STRATEGIES THAT ARE RECOMMENDED MUST BE APPROPRIATE TO THE STIMULUS

Section IV 20 marks
QUESTION 26

Explain how businesses exhibit ethics and corporate social responsibility in the management of human resources

Criteria	Marks
• Presents a sustained, logical and cohesive response and communicates clearly using relevant business terminology and concepts • Shows the relationship between ethics and corporate social responsibility in the management of human resources • Applies relevant case study/studies and contemporary business issues	17 – 20
• Presents a logical and cohesive response using relevant business terminology and concepts • Provides features and characteristics of ethics and corporate social responsibility in the management of human resources • Uses relevant case study/studies and contemporary business issues	13 - 16
• Communicates using business terminology and concepts • Provides features and characteristics of ethics and corporate social responsibility OR human resource management • May make some reference to case study/studies and contemporary business issues	9 - 12
• Communicates using some business terminology and concepts • Makes some reference to ethics and corporate social responsibility OR human resource management • May make limited reference to case study/studies and contemporary business issues	5 - 8
• Uses basic terminology • May refer ethics or human resources • May refer to case study	0 - 4

Answers may include:

Definition of ethics and corporate social responsibility
*Ethics and CSR are **NOT** the same thing*
Definition of human resource management
Examples of ethical behaviour include: improved/positive working environment, performance recognition, motivation, teamwork, provision of additional facilities in the workplace eg coffee machine, morning tea
Examples corporate social responsibility include: employment of local people, using local businesses and resources, giving back to the community
Effects of such examples lead to staff retention, low absenteeism, lower costs, improved business performance, marketing opportunities – best practice

Section IV 20 marks
QUESTION 27

Explain how globalisation has affected marketing management

Criteria	Marks
• Presents a sustained, logical and cohesive response and communicates clearly using relevant business terminology and concepts • Shows the relationship between globalisation and marketing management • Applies relevant case study/studies and contemporary business issues	17 – 20
• Presents a logical and cohesive response using relevant business terminology and concepts • Provides features and characteristics of globalisation and marketing management • Uses relevant case study/studies and contemporary business issues	13 - 16
• Communicates using business terminology and concepts • Provides features and characteristics of globalisation OR marketing management • May make some reference to case study/studies and contemporary business issues	9 - 12
• Communicates using some business terminology and concepts • Makes some reference to globalisation OR marketing management • May make limited reference to case study/studies and contemporary business issues	5 - 8
• Uses basic terminology • May refer globalisation • May refer to case study	0 - 4

Answers may include:

Definition of globalisation
Definition of marketing management
Globalisation strategies include:

- *Global branding – worldwide use of name, logo, symbol to identify the business/product*
- *Standardisation – the product will be the same no matter where in the world it is sold*
- *Customisation – the product needs to be changed to suit the needs of people in different places*
- *Global pricing – coordination of pricing policies across different countries; impacts on profits*
- *Competitive positioning – how the business will differentiate its products in global markets*