STUDENT NUMBER: _____

2015 TRIAL HSC

Pymble Ladies' College

BUSINESS STUDIES

General Instructions

- Reading time – 5 minutes
- Working time – 3 hours
- Write using black or blue pen
- Board-approved calculators may be used

Total marks – 100

Section I – pages 2-8 **20 marks**

- Attempt Questions 1-20
- Allow about 35 minutes for this section

Section II –pages 9-16 **40 marks**

- Attempt Questions 21-24
- Allow about 1 hour and 15 minutes for this section

Section III – page 17 **20 marks**

- Attempt Question 25
- Allow about 35 minutes for this section

Section IV – page 18 **20 marks**

- Attempt Question 26 or 27
- Allow about 35 minutes for this section

Section 1 (20 marks)

Attempt Questions 1-20. Use the Multiple Choice Answer Sheet provided. Select the alternative that best answers the question.

1. **Which of the following methods of payment represents the lowest risk to exporters?**

A. Bill of exchange

B. Clean payment

C. Letter of credit

D. Payment in advance

2. **Which of the following actions will improve a business' solvency?**

A. Offering discounts to debtors for early payment

B. Issuing new shares

C. Using a SWOT analysis

D. Outsourcing

3. **What method is used to identify a niche market?**

A. Market segmentation

B. Product life cycle analysis

C. Monitoring and controlling

D. Competitor analysis

4. **Which of the following could be looked at when segmenting a market by demographic characteristics?**

A. Personalities, gender, age, marital status

B. Product use, personality, age, occupation

C. Age, gender, religion, nationality

D. Personality, age, religion, occupation

5. **What type of equity finance allows existing shareholders to purchase new issues of shares in the same company?**

A. Australian Securities Exchange

B. Private equity

C. Rights issues

D. Placements

6. **Which of the following are features of the communication process in marketing?**

A. Advertising and personal selling

B. Opinion leaders and personal selling

C. Opinion leaders and word of mouth

D. Transport and warehousing

7. **What is the name of the legal document that is an agreement between an employer and a group of employees about pay and working conditions?**

A. Award

B. Employment contract

C. Enterprise agreement

D. National employment standards

8. What is the current national legislation for industrial relations?

A. Industrial Relations Act

B. Workplace Relations Act

C. Competition and Consumer Act

D. Fair Work Act

9. How can the human resource function add value to a business?

A. By training and motivating employees

B. By complying with relevant legislation

C. By recognising the stakeholders in the human resource management process

D. By ensuring the business belongs to an employer association

10. What is an advantage of debt finance?

A. Dividends must be paid back

B. A lower level of gearing

C. Interest payments are tax deductible

D. Regular payments have to be made

Use the following information to answer Question 11

Selected cash information for Jenny's Wine Bar

Item	February	March	April	May
Cash inflows	$50000	$40000	$45000	$60000
Cash outflows	$40000	$50000	$50000	$45000

11. What is the closing cash balance for the end of May? (assuming a cash balance of $10000 at the start of February)

A. $20000

B. $35000

C. $15000

D. $10000

12. A Gantt chart is best described as:

A. A type of pie chart that aims to show scheduled work over time

B. A scheduling method that aims to record the number of tasks involved in a project and the estimated time for each task

C. A type of bar chart that shows the scheduled and completed work over a period of time

D. A chart showing the length of time and the volume produced over a period of time

13. Which of the following describes a business that is most likely to be a cost leader?

A. It uses the least amount of input possible to produce a given output

B. It has a high level of customer contact

C. It has low volume and produces standardised products

D. It has a high variation in demand

14. A company has recently lowered its accounts receivable from 42 days to 32 days. To which objective of financial management is this related?

A. Growth

B. Profitability

C. Efficiency

D. Equity

15. Julie drinks low fat milk because she believes it is healthier for her?

What factor is influencing her choice?

A. Economic

B. Government

C. Sociocultural

D. Psychological

16. Which of the following is an example of involuntary separation?

A. Resignation

B. Retirement

C. Redundancy

D. Referral

17. What term describes the process where a manufacturer promises to fix a defect that occurred in the making of product?

A. Customer service

B. Quality control

C. Guarantee

D. Warranty

18. A sporting goods company prepares a job description for a new role. This is an activity within which human resource process?

A. Acquisition

B. Selection

C. Identify staff needs

D. Maintenance

19. How can the risks of exchange rate fluctuations be minimised?

A. Global branding

B. Debt finance

C. Hedging

D. Variable interest rates

20. Which of the following strategies will give a business a marketing competitive advantage when operating in an overseas market?

A. Global branding

B. Global outsourcing

C. Selective distribution

D. Global sourcing

Section 11 (40 marks) **Student No. _____**

Attempt Questions 21 – 25. Answer the questions in the spaces provided.

Question 21 (10 marks)

North Shore Printing Pty Ltd is a large printer located in the business district at North Ryde. Management is keen to adopt a cost leadership approach in their operations to gain a competitive advantage. Printing services include brochures, magazines, books, catalogues, labels and letterheads.

(a) Distinguish between a transformed and a transforming resource. Provide an example of each. (2 marks)

(b) Explain TWO methods that North Shore Printing Pty Ltd could employ to gain cost leadership. (4 marks)

(d) Analyse the influence of volume and variety on operational processes at the North Shore Printing Pty Ltd. (4 marks)

Question 22 (10 marks) Student No. _____

Youee Australian Ltd provides car and home insurance. About 75% of existing staff are members of the Financial Services Union. Management and the Union are currently in negotiations to finalise a new Enterprise Bargaining Agreement.

a) Outline the impact ONE stakeholder has on the human resource function. (2 marks)

b) Distinguish between an Award and an Enterprise Bargaining Agreement. (2 marks)

c) Describe ONE social influence that would impact on human resources at Youee Ltd. (2 marks)

d) Analyse TWO human resources strategies that Youee Ltd could employ to motivate and retain valuable staff. (4 marks)

Question 23 (10 marks) **Student No.**_____

Lulu's is a well-known Australian women's fashion label. They produce and market party and casual dresses, tops, bottoms, playsuits and jackets. They have a number of well-located retail stores in the main capital cities of Australia. Lulu's also distributes to other fashion retail stores like Stelly and Portmans. The marketing department is currently updating their Marketing plan to reflect recent changes in the external environment.

a) Describe ONE method a business can use to conduct a situational analysis (2 marks)

b) Explain why a business would use a selective distribution channel. (2 marks)

c) Analyse how the marketing strategies of Lulu's could be monitored and controlled.
(6 marks)

Question 24 (10 marks) **Student No. _____**

Southern Wines Pty Ltd is a boutique wine manufacturer in the Hunter Valley. Its management is intending to expand overseas using debt finance (long term borrowing). Management has used the Balance Sheet (extracts below) to help in its decision making and planning for the future.

Extracts from the Balance Sheet of Southern Wines Pty Ltd 30/6/14 and 30/6/15

	2014 $ 000's	2015 $ 000's
Current Assets	4000	6000
Non-Current Assets	16000	17000
Current Liabilities	2000	4000
Non-Current Liabilities	6000	7000
Shareholder's Equity	12000	12000

a) Identify TWO financial institutions from which debt finance can be obtained. (2 marks)

b) Describe ONE limitation of this financial report. (2 marks)

c) Assess the solvency of Southern Wines Pty Ltd using comparative gearing ratio analysis (Total Liabilities/Owners Equity). (2 marks)

d) Analyse risks involved in global financial transactions. (4 marks)

Section 111

20 marks

Attempt Question 25

Allow about 35 minutes for this section

Answer the question in the writing booklet provided.

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 business terminology and concepts; and
- present a sustained, logical and cohesive in the form of a business report

Question 25 (20 marks)



Aussie Cheese Pty Ltd produces artisan gourmet cheeses. In the last 5 years Aussie's Cheese's Australian market share has grown achieving sales of $15 million in 2014. This has corresponded with the implementation of a successful new marketing plan including the development of a new range of low fat cheeses.

Recent expansion and the use of new technology have resulted in Aussie Cheese achieving lower costs through economies of scale. The company is now looking to target the global market and meet the needs of global consumers. The new packaging is better for the environment and the solar panels on the factory roofs reduce energy costs. The firm recognises that there are advantages in operating in a social responsible manner.

You have been employed as a consultant to prepare a report for Aussie Cheese Pty Ltd. In your report describe the interdependence between operations and marketing and explain why ethical behavior and globalisation are key concerns for operations and marketing management.

Section IV

20 marks
Attempt either Question 26 or Question 27.

Answer the question in a SEPARATE writing booklet.

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 relevant business terminology and concepts
- Present a sustained, logical and cohesive response.

Question 26

Assess how financial management strategies can improve business performance.

OR

Question 27

Assess how the processes of human resources can improve business performance.

PLC BUSINESS STUDIES 2015
TRIAL HIGHER SCHOOL CERTIFICATE EXAMINATION
MARKING GUIDELINES

Section I — Multiple Choice

Question No.	Answer	Question No.	Answer
1	D	11	A
2	B	12	B
3	A	13	A
4	C	14	C
5	C	15	D
6	C	16	C
7	C	17	D
8	D	18	A
9	A	19	C
10	C	20	A

Section II — Short Response

40 Marks

Question 21 (6 marks)

(A) (2 marks)

Criteria	Mark
Clearly recognises the differences between transformed and transforming resources and includes an appropriate example of each	2
Clearly recognises the differences between transformed and transforming resources OR includes an appropriate example of each	1

Answers could include:-

- Transforming – resources that are changed by operations process eg. Materials, information, customers
- Transformed – resources which cause the transformed resources to be changes eg. HR, facilities

(B) (4 marks)

Criteria	Mark
Successfully shows the effects of TWO methods that NS printing could employ to gain cost leadership	4
Provides characteristics and features of measures to gain cost leadership	2-3
Identifies/mentions ONE measure of cost leadership	1

Answers could include:-

- Economies of scale
- Standardisation
- Technology
- Minimise waste

(C) (4 marks)

Criteria	Mark
Analyses (implications) the impact of volume and variety on operations process at NS printing	4
Analyses (implications) the impact of volume OR variety on operations process at NS printing and sketches in general terms the impact of the other V	3
Analyses (implications) the impact of volume OR variety on operations process at NS printing OR sketches in general terms the impact of volume and variety	2
Identifies some impact of volume OR variety	1

Answers could include:-

- High volume – more systemised, more automated technology, lower cost
- High variety – more flexible, less systemised, higher cost

Question 22 (7 marks)

(A) (2 marks)

Criteria	Mark
Sketches in general terms the impact of ONE stakeholder on the HR function	2
Refers to ONE stakeholder	1

Answers could include:-

- Employees, employers, trade unions, employer association, government

(B) (2 marks)

Criteria	Mark
Clearly recognises the differences between an Award and a EBA	2
Sketches in general terms the meaning of either an Award or EBA	1

Answers could include:-

- Award – legal minimum (wages and conditions)
- EBA – negotiated agreement with employer and employees (rep by trade union) and ratified with FWA

(C) (2 marks)

Criteria	Mark
Provides characteristics and features of social influence that would impact HR at Youee	2
Recognises and names ONE social influence	1

Answers could include:-

- Changing work patterns
- FWC

(D) (4 marks)

Criteria	Mark
Analyses (implications) of TWO HR strategies that Youee could employ to motivate and retain valuable staff	4
Analyses (implications) of ONE HR strategies that Youee could employ to motivate and retain valuable staff and sketches in general terms the other	3
Analyses (implications) the impact process ONE HR strategies that Youee could employ to motivate and retain valuable staff OR sketches in general terms TWO HR strategies	2
Identifies some HR strategy	1

Answers could include:-

- Rewards, training and development, leadership style, job design, performance management

Question 23 (7 marks)

(A) (2 marks)

Criteria	Mark
Provides characteristics and features of ONE method a business can use to conduct a SWOT analysis	2
Recognises and names ONE method a business can use to conduct a SWOT analysis	1

Answers could include:-

- SWOT analysis
- PLC
- Competitor analysis

(B) (2 marks)

Criteria	Mark
Successfully shows the effects of ONE method a business can use to conduct a SWOT	2
Provides characteristics and features of ONE method a business can use to conduct a SWOT	1

Answers could include:-

- Few selected outlets, Provide appropriate support from the retailer

(C) (6 marks)

Criteria	Mark
Analyses (implications) of how the MS of Lulu's could be monitored and controlled	5-6
Provides characteristics and features of how the MS of Lulu's could be monitored and controlled	3-4
Identifies how the MS of Lulu's could be monitored and controlled	1-2

Answers could include:-

- Monitoring – checking using sales analysis, market share analysis etc
- Controlling – comparing planned versus actual results, taking corrective action, revising marketing strategies

Question 24 (10 marks)

(A) (2 marks)

Criteria	Mark
Recognises and names TWO financial institutions from which debt finance can be obtained	2
Recognises and names ONE financial institutions from which debt finance can be obtained	1

Answers could include:-

- Banks
- Merchant banks
- Finance companies

(B) (2 marks)

Criteria	Mark
Provides characteristics and features of ONE limitation of financial reports	2
Recognises and names ONE limitation of financial reports	1

Answers could include:-

- Normalised earnings, capitalising expenses, valuing assets, timing issues, debt repayments, notes to the financial statements

(C) (2 marks)

Criteria	Mark
Correctly calculates the gearing ratio for 2014 and 2105 and makes an appropriate judgement on the businesses solvency	2
Correctly calculates the gearing ratio for 2104 and 2015 OR makes an appropriate comment on its solvency	1

Answers could include:-

- Gearing 2014 66%, 2015 92%
- More highly geared, less solvent, more vulnerable to interest rate increases and downturn in the economy

(D) (4 marks)

Criteria	Mark
Analyses (implications) TWO risks involved in global transactions	4
Analyses (implications) ONE risk involved in global transactions and describes another	3
Analyses (implications) ONE risk involved in global transactions OR describes TWO	2
Describes ONE risk involved in global transactions	1

Answers could include:-

- Exchange rates
- Methods of payments

Marking Criteria Question 25

Grade	Marks	Description
A	17-20	• Demonstrates comprehensive knowledge and understanding related to the question, using relevant terminology, concepts and information provided • Successfully provides characteristics of the interdependence of operations and marketing • Comprehensively shows the effects of ethical behaviour and globalisation on operations and marketing • Presents a sustained, logical and cohesive response in the form of a business report
B	13-16	• Demonstrates knowledge and understanding related to the question, using relevant terminology, concepts and information provided • Provides a sketch of the interdependence of operations and marketing • Shows some effects of ethical behaviour and globalisation on operations and marketing • Presents a well-organised response in the form of a business report
C	9-12	• Demonstrates some knowledge and understanding related to the question using some relevant terminology, concepts and information provided • Recognises some link between operations and marketing • Provides characteristics and features of ethical behaviour and globalisation • Presents a response using features of a business report
D	5-8	• Demonstrates limited knowledge and understanding using limited terminology, concepts and information • Recognises operations and marketing • Provides some characteristics of ethical behaviour and globalisation • Includes some features of a business report
E	0-4	• Refers to business information • May refer to operations, marketing, ethical behaviour OR globalisation • Uses basic terminology

Question 26

Grade	Marks	Description
A	17-20	• Demonstrates comprehensive knowledge and understanding related to the question, using relevant terminology, concepts and business case study/studies • Provides an informed judgement of the effectiveness of financial strategies in improving business performance • Presents a sustained, logical and cohesive response to the question
B	13-16	• Demonstrates knowledge and understanding related to the question, using relevant terminology, concepts and business case study/studies • Provides a sound judgement of the effectiveness of financial strategies in improving business performance • Presents a cohesive response to the question
C	9-12	• Demonstrates some knowledge and understanding related to the question, using some relevant terminology, concepts and business case study/studies • Sketches in general terms an understanding of the effectiveness of financial strategies • Presents a response with some structure
D	5-8	• Demonstrates limited knowledge and understanding using limited terminology and may refer to business case study/studies • Makes general statements about the effectiveness of some financial strategies • Presents a response with limited structure
E	0-4	• Uses basic knowledge and terminology • May refer to some financial strategies

Question 27 Trial 2012

Grade	Marks	Description
A	17-20	• Demonstrates comprehensive knowledge and understanding related to the question, using relevant terminology, concepts and business case study/studies • Provides an informed judgement of the effectiveness of how the processes of HR can improve business performance • Presents a sustained, logical and cohesive response to the question
B	13-16	• Demonstrates knowledge and understanding related to the question, using relevant terminology, concepts and business case study/studies • Provides a sound judgement of the effectiveness of how the processes of HR can improve business performance • Presents a cohesive response to the question
C	9-12	• Demonstrates some knowledge and understanding related to the question, using some relevant terminology, concepts and business case study/studies • Sketches in general terms how an understanding of the effectiveness of the processes of HR • Presents a response with some structure
D	5-8	• Demonstrates limited knowledge and understanding using limited terminology and may refer to business case study/studies • Makes general statements about the effectiveness of the processes of HR • Presents a response with limited structure
E	0-4	• Uses basic knowledge and terminology • May refer to some HR processes