



NSW Education Standards Authority

2018 HIGHER SCHOOL CERTIFICATE EXAMINATION

Business Studies

General Instructions

- Reading time – 5 minutes
- Working time – 3 hours
- Write using black pen
- Draw diagrams using pencil
- Calculators approved by NESA may be used

Total marks: 100

Section I – 20 marks (pages 2–7)

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

Section II – 40 marks (pages 9–20)

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

Section III – 20 marks (page 21)

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

Section IV – 20 marks (page 22)

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

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** Sarah works 40 hours per week. Her contract entitles her to sick leave, paid annual leave and superannuation.

What type of employment is this?

- A. Casual full-time
- B. Casual part-time
- C. Permanent full-time
- D. Permanent part-time

- 2** An entrepreneur uses social media to sell make-up to her friends and acquaintances.

What marketing strategy is the entrepreneur using?

- A. E-marketing
- B. Personal selling
- C. Product differentiation
- D. Intensive channel choice

- 3** Phil goes overseas to a photographic equipment trade fair where he sees other businesses using more efficient methods of taking passport photos.

What is this an example of?

- A. Process layout
- B. Economies of scale
- C. Scanning and learning
- D. Inventory management

4 Which of the following is an example of voluntary separation in the workplace?

- A. Dismissal
- B. Promotion
- C. Reinstatement
- D. Resignation

5 A landscaping business includes an image of a large purple coloured tree on its website and its vehicles.

Which of the following is the most likely reason for this?

- A. Sales promotion
- B. Niche marketing
- C. Product branding
- D. Competitive positioning

6 A cake manufacturer buys more sugar as its production output increases. This enables it to buy the sugar at a lower price per kilogram.

What is this an example of?

- A. Logistics
- B. Just-in-time
- C. Global sourcing
- D. Economies of scale

7 In which of the following are both sources of funds appropriate for a business purchasing extra stock before a busy trading period?

- A. Debentures and factoring
- B. Retained profits and unsecured notes
- C. Debentures and bank overdraft
- D. Retained profits and bank overdraft

8 The Fair Work Commission has finalised a dispute between a large business and a union.

Which strategy has been used to resolve this workplace dispute?

- A. Mediation
- B. Arbitration
- C. Negotiation
- D. Common law action

9 A soup manufacturer finds it difficult to cope with the increase in demand for soup in winter.

Which performance objective could assist this business to meet the demand?

- A. Cost
- B. Customisation
- C. Dependability
- D. Flexibility

10 Which approach is being used when a business creates a focus group to evaluate a product?

- A. Marketing
- B. Production
- C. Selling
- D. Standardisation

11 An increasing number of employees are seeking a better work–life balance. As a result, many businesses are adopting job sharing.

This is an example of establishing

- A. communication systems in response to a social influence.
- B. flexible working conditions in response to a social influence.
- C. communication systems in response to an economic influence.
- D. flexible working conditions in response to an economic influence.

12 Kevin is considering investing in a business.

To help Kevin determine which business to invest in, he should consider comparative ratio analysis because

- A. cash flow is assessed.
- B. market share is determined.
- C. similar businesses are evaluated.
- D. business sales growth is measured.

13 Sani works for a large manufacturing business. She organises the transport of raw materials and finished products across Australia.

Which of the following describes her area of responsibility?

- A. Logistics
- B. Service design
- C. Global sourcing
- D. Leading edge technology

14 Recently a business has removed one of its products from sale because it may contain toxic ingredients that could pose a health risk.

What is the most likely influence on this marketing decision?

- A. Competitive fairness
- B. Product differentiation
- C. Government legislation
- D. Economic considerations

15 What is a benefit to an Australian clothing company of outsourcing its manufacturing overseas?

- A. It can control the production costs.
- B. It can lower human resource compliance costs.
- C. It can decide which particular employees manufacture its products.
- D. It can consider the foreign manufacturer's workers as its own employees.

16 Which of the following lists three examples of transformed resources?

- A. Customers, information, materials
- B. Facilities, information, technology
- C. Customers, human resources, materials
- D. Facilities, human resources, technology

17 Staff members at VAL's vegan restaurant wear uniforms with a large letter V on them. They are expected to greet customers with a smile and clean up any spills immediately.

Which element of the marketing strategy are these requirements an example of?

- A. Packaging
- B. Positioning
- C. Promotion mix
- D. Physical evidence

18 Australian businesses export to Canada.

What would happen if the value of the Australian dollar increased compared to the Canadian dollar?

- A. There would be no effect on Canadian businesses.
- B. Australian imports from Canada would become more expensive.
- C. Canadian businesses would find Australian products more affordable.
- D. Australian products would become more expensive for Canadian businesses.

Use the following information to answer Questions 19 and 20.

A business provided the following financial information.

Sales	\$600 000
Owner's equity	\$320 000
Accounts receivable	\$41 000
Cost of goods sold	\$200 000
Expenses	\$60 000

Additional information:

- Gross profit ratio = gross profit ÷ sales
- Accounts receivable turnover ratio = sales ÷ accounts receivable

19 What is the gross profit ratio for the business?

- A. 53%
- B. 67%
- C. 78%
- D. 90%

20 What is the average number of days the business takes to collect its debts?

- A. 15 days
- B. 25 days
- C. 29 days
- D. 30 days

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Centre Number

Business Studies

Section II Answer Booklet

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Student Number

40 marks

Attempt Questions 21–24

Allow about 1 hour and 15 minutes for this section

Instructions

- Write your Centre Number and Student Number at the top of this page.
- Answer the questions in the spaces provided. These spaces provide guidance for the expected length of response.
- Extra writing space is provided at the back of this booklet. If you use this space, clearly indicate which question you are answering.

Please turn over

Question 21 (10 marks)

A large business repairs trucks that transport heavy loads. The business struggles to complete many different types of repairs in an efficient manner. It has had difficulty meeting legal regulations and customer expectations.

- (a) Describe TWO transformation processes that the business should implement. **4**

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Question 21 continues on page 11

Do NOT write in this area.

Question 22 (10 marks)

The annual staff survey at a large retail store has revealed that employees are unmotivated and management does not listen to their suggestions and is unwilling to change. Management is concerned that many employees may leave the company and has brought in a consultant to manage change.

- (a) Outline the strategic role of human resources in this business. 2

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- (b) Demonstrate how the leadership style of this business has affected employee performance. 4

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Question 22 continues on page 13

Do NOT write in this area.

Question 22 (continued)

(c) Justify the use of ONE human resource management process to improve the culture of this workplace.

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End of Question 22

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Question 23 (10 marks)

A manufacturing business has conducted a situational analysis and determined the following:

- It has loyal customers who make repeat purchases.
- The size of the Australian market is shrinking.
- Some staff need further training to use the factory machinery.
- The owner has been invited to invest in similar factories in Europe.

(a) Identify ONE threat to this business. 1

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(b) Why could monitoring and controlling be an important part of the marketing process for this business? 3

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Question 23 continues on page 15

Do NOT write in this area.

Question 23 (continued)

- (c) How would the situational analysis change if the business decides to expand into Europe?

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End of Question 23

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Question 24 (10 marks)

(a) Why is liquidity an objective of financial management? **2**

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(b) How could a business improve management of its accounts receivable turnover? **3**

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Question 24 continues on page 17

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Section II extra writing space

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Business Studies

Section III

20 marks

Attempt Question 25

Allow about 35 minutes for this section

Answer the question in the Sections III and IV Writing Booklet. Extra writing booklets are available.

Your answer 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
 - present a sustained, logical and cohesive response in the form of a business report
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Question 25 (20 marks)

Fast Burgers Ltd is a large fast food business that has been operating for 15 years in a market with high levels of competition.

Recently Fast Burgers Ltd has offered its employees an extra day of annual leave in order to participate in charity work. This has been popular among staff, and the business publishes a short summary of these activities on its social media sites. Additionally Fast Burgers Ltd received an award for its services to its staff and to society.

Similar businesses are now adopting this approach, so Fast Burgers Ltd is considering what else can be done to maintain its record as an excellent employer.

Write a report for the directors of Fast Burgers Ltd in which you:

- describe the role of operations management for this business
- demonstrate why corporate social responsibility should remain a key concern in the operation of this business
- recommend **THREE** human resource strategies that Fast Burgers Ltd could use to maintain its record as an excellent employer.

Please turn over

Section IV

20 marks

Attempt either Question 26 or Question 27

Allow about 35 minutes for this section

Answer the question in the Sections III and IV Writing Booklet. Extra writing booklets are available.

Your answer 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
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Question 26 (20 marks)

Explain the influence of global markets on financial management of businesses.

OR

Question 27 (20 marks)

Explain the influence of globalisation on the interaction of price and quality.

End of paper