



NSW Education Standards Authority

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Centre Number

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Student Number

2023 HIGHER SCHOOL CERTIFICATE EXAMINATION

Business Studies

General Instructions

- Reading time – 5 minutes
- Working time – 3 hours
- Write using black pen
- Calculators approved by NESA may be used
- Write your Centre Number and Student Number at the top of this page

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 Businesses offer employees rewards in order to
- A. prevent the possibility of industrial action.
 - B. recognise the value of their effort to the business.
 - C. fulfil federal government legislation requirements.
 - D. provide employees with an income to meet the costs of living.
- 2 A florist designs floral displays for weddings to suit the colour preferences of individual couples.
- Which of the following would be the main performance objective being targeted by this florist?
- A. Customisation
 - B. Flexibility
 - C. Quality
 - D. Speed
- 3 Which of the following best illustrates *relationship marketing*?
- A. Creating long-term customer loyalty
 - B. Distributing goods directly to customers
 - C. Using promotions to increase customer sales
 - D. Basing the marketing mix on customer feedback
- 4 An employee receives an electrical burn while working. The employee requires hospital treatment and is unable to return to work for three months.
- As a result of this injury, what support is this employee entitled to?
- A. Mediation
 - B. Payment in advance
 - C. Workers compensation
 - D. Training and development

5 A business wants to quickly achieve a large market share for a product.

Which marketing strategy would most likely be used?

- A. Branding
- B. Skimming
- C. Penetration
- D. Price points

6 A mattress manufacturer reduced the working hours of its factory workers due to a decrease in demand.

Which influence on human resources is most likely to have led to this?

- A. Economic
- B. Legal
- C. Operations
- D. Social

7 Which of the following shows the correct order of the steps in a marketing plan?

- A. Market research, establishing market objectives, identifying target markets, situational analysis
- B. Establishing market objectives, identifying target markets, situational analysis, market research
- C. Identifying target markets, situational analysis, market research, establishing market objectives
- D. Situational analysis, market research, establishing market objectives, identifying target markets

8 An export company based in Sydney sells Australian-made art to the Asian market.

Which form of payment has the lowest level of risk for the exporter?

- A. Clean payment
- B. Letter of credit
- C. Bill of exchange
- D. Payment in advance

- 9** The training of staff in the manufacturing process is an example of interdependence between which of the following business functions?
- A. Finance and marketing
 - B. Marketing and operations
 - C. Finance and human resources
 - D. Operations and human resources
- 10** An energy drink business uses a celebrity to promote its products online.
- Which marketing strategy is being used?
- A. Loss leaders
 - B. Opinion leaders
 - C. Personal selling
 - D. Sales promotion
- 11** Which of the following is involved in making workplace agreements and resolving workplace disputes?
- A. Fair Work Commission
 - B. Australian Human Rights Commission
 - C. Australian Securities and Investments Commission
 - D. Australian Competition and Consumer Commission
- 12** An Australian theme park wants to implement a new point-of-sale system that allows improved tracking of stock levels. The system will cost \$185 000 to establish.
- Which long-term source of finance would be most appropriate for this system?
- A. Derivatives
 - B. Hedging
 - C. Leasing
 - D. Overdraft

- 13** A customer returns a recently purchased 5G mobile phone to the place of purchase as the phone was faulty.

Under consumer law, why must the business refund the customer the cost of the mobile phone?

- A. It is ethical to replace defective goods.
- B. It is within the implied conditions of the contract.
- C. It is important to meet corporate social responsibility.
- D. It can be considered deceptive and misleading advertising.

- 14** The Australian dollar increases from 0.50 to 0.70 USD.

What impact would this have on the goods imported to Australia and the goods exported to the United States?

	<i>Imports</i>	<i>Exports</i>
A.	More expensive	More expensive
B.	Less expensive	More expensive
C.	Less expensive	Less expensive
D.	More expensive	Less expensive

- 15** A large construction company has decided to focus their operations on design and innovation.

Which of the following best describes this operations management strategy?

- A. Outsourcing
- B. Cost leadership
- C. Supply chain development
- D. Goods/services differentiation

16 The table shows extracts from the financial statements of a business for 2022.

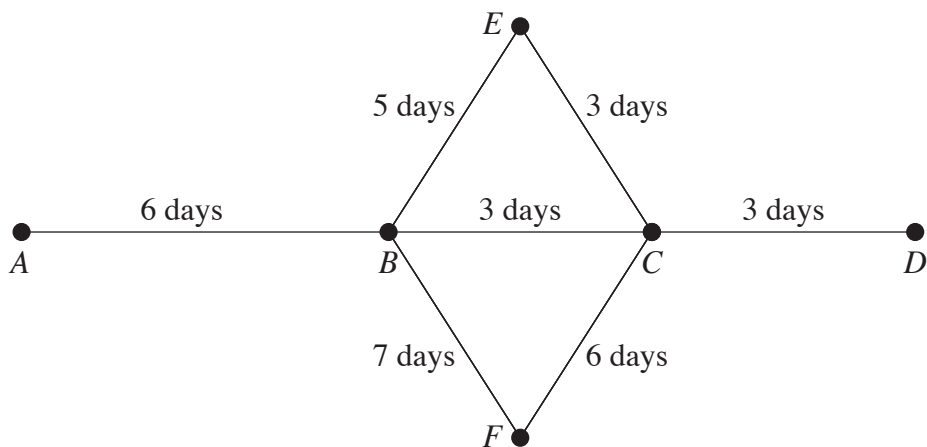
	2022 (\$)
Sales	300 000
Cost of goods sold	200 000
Gross profit	100 000
Expenses	40 000

What is the net profit ratio for this business in 2022? (Net profit ratio = net profit ÷ sales)

- A. 13%
- B. 20%
- C. 53%
- D. 150%

Refer to the following diagram to answer Questions 17–18.

A critical path analysis is shown for a job.



17 Which tasks could be occurring at the same time?

- A. *AB, BC and CD*
- B. *AB, BF and FC*
- C. *BE, BF and BC*
- D. *BE, BF and EC*

18 Task *EC* is delayed and takes an additional 7 days.

By how many days will the length of the critical path change?

- A. 0 days
- B. 2 days
- C. 4 days
- D. 6 days

19 Which of the following stakeholders has the power to implement workplace reforms to support employees of various abilities, ages and genders?

- A. Unions
- B. Society
- C. Employer associations
- D. Government organisations

20 The following is an extract from a business balance sheet.

Assets	(\$)	Liabilities	(\$)
Cash	6 500	Accounts payable	18 500
Accounts receivable	12 500	Overdraft	3 500
Inventory	40 000	Short-term bank loan	21 400
Furniture and fittings	16 000	Mortgage	13 000
Plant machinery	12 500	Capital	45 000
Office equipment	5 000	Net profit	134 100
Buildings	360 000		
<i>Total assets</i>	452 500	<i>Total liabilities</i>	235 500
		Owner's equity	217 000

Which strategy would be most effective in improving the current ratio for this business?
(Current ratio = current assets ÷ current liabilities)

- A. Sell excess machinery and equipment
- B. Borrow money on a short-term bank loan
- C. Take on a new mortgage to purchase buildings
- D. Offer a discount to customers for early payment

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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)

An Australian tyre manufacturer is expanding its business. In order to reduce operating costs and increase sales and profit, rubber will be sourced from the global market.

The business wants to:

- maintain quality outputs
- achieve economies of scale.

(a) Outline ONE potential issue this business could face in relation to both cost and quality of outputs. 2

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(b) Explain the benefits of achieving economies of scale for both the business and consumers. 3

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Question 21 continues on page 11

Question 21 (continued)

- (c) The owners of the tyre manufacturing business have purchased leading-edge technology to help achieve economies of scale.

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Explain why both staff and management might be resistant to this change.

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End of Question 21


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Question 22 (10 marks)

(a) What is the purpose of Equal Employment Opportunity (EEO) legislation? 2

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(b) The advertisement for a store manager is shown. 3



Teddy Bear Store

Est. 1990

Teddy Bear Store aims to bring joy to children.

We are looking for a Store Manager. If you are interested, please contact us.

<u>Role:</u>	<u>Responsibilities:</u>	<u>General information:</u>
– Manage a team of 8 staff members	– Organise inventory	– \$65 000 salary
– Manage day-to-day operations	– Train staff	– Union membership not permitted
	– Assist customers	– No superannuation included

Outline TWO human resource issues found in this advertisement.

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Question 22 continues on page 13

Question 22 (continued)

- (c) The table shows labour force participation rates for males and females in Australia, 1981–2021.

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<i>Year</i>	<i>Males</i>	<i>Females</i>
1981	78%	44%
2001	73%	55%
2021	71%	62%

Explain the social influences that have contributed to the changing labour force participation rates in the period 1981–2021.

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End of Question 22

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Question 23 (10 marks)

A cereal manufacturer has decided to change the packaging of its product in an attempt to reverse a drop in sales and remain competitive with existing businesses. It is also considering growing its target market by catering for health-conscious consumers in Australia and eventually expanding into the global market.

- (a) Outline the current product life cycle stage of this cereal. **2**

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- (b) How could a *niche market approach* increase sales for this cereal manufacturer? **3**

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Question 23 continues on page 15

Do NOT write in this area.

Question 23 (continued)

- (c) Justify ONE global marketing strategy this cereal manufacturer could use to expand into the global market.

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End of Question 23

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Question 24 (10 marks)

(a) What is the purpose of a cash flow statement?

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(b) Explain a possible conflict between ONE short-term and ONE long-term financial objective.

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Question 24 continues on page 17

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Question 24 (continued)

(c) Explain TWO limitations of financial reports.

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End of Question 24

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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
-

Question 25 (20 marks)

Future Century Gaming Pty Ltd operates an online gaming platform targeting players aged 18–40 in Australia. It has been in operation since 2012, providing subscription access to a variety of online games.

The business is considering expanding into emerging global markets but is finding it challenging to recruit and retain skilled, qualified game designers and developers in Australia. It is considering international labour markets to overcome staff shortages.

The business has decided to finance its expansion into global markets through external sources.

The directors have asked you to write a business report in which you:

- outline some of the challenges including the global factors of costs, skills and supply the business may need to consider in recruiting and retaining staff
- compare the use of debt and equity as sources of finance
- recommend ONE source of finance this business could use to fund its expansion.

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)

To what extent do influences on marketing affect business success?

OR

Question 27 (20 marks)

To what extent do influences on operations affect business success?

End of paper