



NSW Education Standards Authority

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Centre Number

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Student Number

2024 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 (pages 21–22)

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

Section IV – 20 marks (page 23)

- 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** Who is most likely to represent employees for an increase in wages?

 - A. A trade union
 - B. Fair Work Australia
 - C. An employer association
 - D. Federal Court of Australia

- 2** The banning of dangerous goods such as asbestos is due to

 - A. global sourcing.
 - B. business policies.
 - C. legal regulations.
 - D. operational regulations.

- 3** At which stage of the human resource process would a performance appraisal of an employee be conducted?

 - A. Acquisition
 - B. Development
 - C. Induction
 - D. Separation

- 4** A retailer sells a new style of sunglasses at a significantly higher price for the first month they are sold.

What pricing strategy is being used by the retailer?

 - A. Price skimming
 - B. Price penetration
 - C. Price discrimination
 - D. Price and quality interaction

- 5 Which row of the table shows the results of effective human resource management?

	<i>Workplace accidents</i>	<i>Absenteeism</i>
A.	Increase	Decrease
B.	Increase	Increase
C.	Decrease	Decrease
D.	Decrease	Increase

- 6 A government is providing businesses with a tax benefit if they source their electricity through renewable energy sources.

The most likely reason for offering this tax benefit is to

- A. minimise government debt.
 - B. minimise government utility costs.
 - C. encourage competition between businesses.
 - D. encourage businesses to be more environmentally sustainable.
- 7 An employee has badly injured their shoulder at work and is seeing a physiotherapist for treatment.

The treatment that the physiotherapist provides can be described as a

- A. customised good.
 - B. standardised good.
 - C. customised service.
 - D. standardised service.
- 8 An employee has engaged in misconduct and has been told to leave the organisation.

Which of the following terms describes this employee's separation from the organisation?

- A. Attrition
- B. Dismissal
- C. Redundancy
- D. Retrenchment

- 9** The role of an operations manager is to
- A. reduce waste and increase efficiency.
 - B. reduce output and increase customisation.
 - C. improve customisation and decrease speed.
 - D. improve quality and decrease economies of scale.

- 10** A business has the following financial information.

Sales	\$800 000
Cost of goods sold	\$200 000
Gross profit	\$600 000
Net profit	\$250 000

$$\text{Expense ratio} = \text{total expenses} \div \text{sales}$$

What is the expense ratio for this business?

- A. 25%
 - B. 31%
 - C. 35%
 - D. 44%
- 11** A distributor of a new mop surveys people in a shopping centre about their cleaning habits. The distributor then uses persuasive selling techniques to try and convince the shoppers surveyed to buy their mop.

This is an example of which selling technique?

- A. Sugging
- B. Personal selling
- C. Illegal marketing
- D. Relationship marketing

- 12** A global business is considering replacing its operations manager for its European division.

What type of employment offer would suit this position?

- A. Casual contract
- B. Individual contract
- C. Collective agreement
- D. Greenfields agreement

- 13** LimpLeaf Pty Ltd conducted research before entering the tea market. The research found that customers, because of the company's brand name, thought the product would be inferior.

What factor is influencing the customers' choice?

- A. Financial reasons
- B. Implied conditions
- C. Environmental reasons
- D. Psychological reasons

- 14** The table shows the cash flow information for a business.

	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>
<i>Opening balance (\$)</i>	40 000		
<i>Cash in (\$)</i>	30 000	10 000	22 000
<i>Cash out (\$)</i>	20 000	13 000	15 000

What is the closing cash balance for September?

- A. \$7000
- B. \$47 000
- C. \$54 000
- D. \$150 000

- 15** Which organisation functions as the market operator for companies wanting to raise public finance?
- A. Australian Taxation Office
 - B. Australian Securities Exchange
 - C. Australian Prudential Regulation Authority
 - D. Australian Securities and Investment Commission

- 16** An Australian manufacturer sells its product in the USA and Australia without changing its marketing mix.

What is an advantage of using the same marketing mix?

- A. The promotion can be modified in each country.
 - B. Economies of scale can be utilised in advertising.
 - C. World sales will be maximised through customisation.
 - D. It gives the same access to all customers around the world.
- 17** A business owner is selling their business.
- If the business owner is unethical, what may they be motivated to do?
- A. Undervalue assets and undervalue liabilities
 - B. Overvalue assets and overvalue liabilities
 - C. Understate income and overstate expenses
 - D. Overstate income and understate expenses
- 18** Which of the following are common characteristics of a critical path analysis?
- A. What tasks need to be done, how long they take, delivery timing
 - B. What tasks need to be done, how long they take, what order is necessary
 - C. Which tasks can be completed simultaneously, how long they take, quality testing
 - D. Which tasks can be completed simultaneously, how long they take, how many components are required

- 19** A private company wants to expand its operations. To raise funds, it intends to become a public listed company.

What name is given to this form of equity finance?

- A. Private equity
 - B. Commercial bill
 - C. New issue of shares
 - D. Share purchase plan
- 20** A company sets its primary marketing objective for 2025 to be the dominant market leader in the product it distributes. Its sales results are shown in the table.

<i>Year</i>	<i>Advertising Budget</i>	<i>Sales (\$)</i>	<i>Market Share (%)</i>
2023	\$1 million	\$10 million	20%
2024	\$2 million	\$15 million	15%

What should the marketing manager do to achieve the marketing objective?

- A. Increase the advertising budget to boost market share
- B. Make no changes as sales have increased by \$5 million
- C. Decrease the advertising budget as the market is growing
- D. Control the marketing mix as the market share has declined

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Centre Number

Business Studies

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Student Number

Section II Answer Booklet

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) A manufacturer of flags has seen a steady increase in sales, which coincides with the start of a major sporting event. The operations manager has increased the working hours of all employees to meet this demand.

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Explain the interdependence between operations and ONE other key business function for this business.

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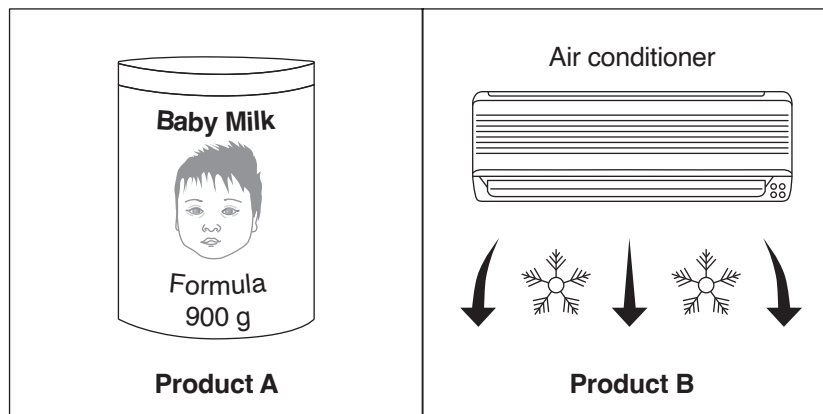
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- (b) A department store is considering the quantity of products they will need to order and store for the following year.

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How can each of these TWO products affect inventory management?

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Question 21 continues on page 11

Question 21 (continued)

- (c) An ice-cream business is considering allowing customers to choose their own ice-cream flavours and toppings rather than having a set menu of ice-creams.

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Discuss the influence of visibility (customer contact) for this business.

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End of Question 21

Please turn over

Question 22 (10 marks)

A business has highly skilled employees who are valued for their input in the decision-making process. Employees are consulted in setting objectives and have an influence on strategies adopted, including flexible working conditions.

- (a) Outline the relationship between ONE stakeholder and the human resources function of this business. **2**

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- (b) Explain how this business exhibits corporate social responsibility in the management of employees. **3**

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Question 22 continues on page 13

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Question 22 (continued)

- (c) Justify the importance of maintenance in human resource management for this business.

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End of Question 22

Please turn over

Question 23 (10 marks)

A piano teaching business which guarantees highly qualified and experienced teachers is rapidly expanding across all states of Australia.

- (a) Outline how marketing of this business relies on an effective human resources department. **2**

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- (b) How may economic factors influence customers choosing this business? **4**

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Question 23 continues on page 15

Question 23 (continued)

- (c) Propose TWO ways this business can use market segmentation to continue its growth.

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End of Question 23

Please turn over

Question 24 (10 marks)

- (a) The following is an extract from a business balance sheet.

<i>Assets</i>		<i>Liabilities</i>	
Cash at bank	\$5 000	Overdraft	\$9 000
Accounts receivable	\$20 000	Accounts payable	\$11 000
Inventory	\$5 000	Long-term loan	\$90 000
Office equipment	\$70 000	<i>Owners' equity</i>	
Motor vehicles	\$80 000	Capital	\$55 000
		Retained profits	\$15 000

- (i) Calculate the current ratio for this business. Show all working.
(Current ratio = current assets ÷ current liabilities)

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- (ii) Explain the influence of ONE financial institution on the financial management of this business.

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Question 24 continues on page 17

Question 24 (continued)

- (b) Explain how offering discounts for early payment may improve a business's cash flow and reduce working capital.

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End of Question 24

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)

Please turn over

Question 25 (20 marks)

Hans-Made Watches is a business that designs and hand-makes European-style watches with a lifetime warranty.


Features of the business include:

- family run business
- selling watches to the local community
- autocratic leadership style.

The business has seen a decrease in sales and market share. The owner is retiring soon and his children are hoping to improve the performance of the business.

Below is an expression of interest for an assistant manager role that has been distributed to the business's family and friends only.

Hans-Made Watches



Established 1976

Expression of interest: Assistant Manager

You will be required to work in the shop and manage day-to-day business needs. Hours of work are 8 am to 6 pm Monday to Saturday.

General information

- award wages offered
- free parking onsite
- use of coffee machine
- reports to the owner
- no experience necessary.

You have been hired as a consultant by the owner to write a business report.

In your report:

- describe the product differentiation strategy for this business
- discuss the current acquisition process for this business
- recommend appropriate human resource strategies for this business.

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)

How can financial strategies affect the objectives of financial management?

OR

Question 27 (20 marks)

How can operations strategies affect corporate social responsibility?

End of paper

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