



**Shore**

Exam Number:

**Year 12**  
**HSC Business Studies**  
**TRIAL Examination**  
**2015**

**General Instructions**

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

**Note:** Any time you have remaining should be spent revising your answers.

**DO NOT REMOVE THIS PAPER  
FROM THE EXAMINATION  
ROOM**

**Total marks – 100**

**Section I**

**20 marks**

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

**Section II**

**40 marks**

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

**Section III**

**20 marks**

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

**Section IV**

**20 marks**

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



- 1 What does the current ratio measure?
- (A) Efficiency
  - (B) Profitability
  - (C) Solvency
  - (D) Liquidity
- 2 An Australian tea company, 'Red Roses Teas' creates a new logo for its range of teas to establish a recognisable global name.
- Which type of product strategy is 'Red Roses Teas' addressing?
- (A) Promotion
  - (B) Packaging
  - (C) Branding
  - (D) Positioning
- 3 Increased demand for gold due to global financial insecurity causes a gold-mining company to increase the number of people employed in their mines.
- What type of influence on human resources was this?
- (A) Financial
  - (B) Social
  - (C) Economic
  - (D) Legal
- 4 Which government body is the national workplace relations tribunal in Australia?
- (A) Fair Work Australia
  - (B) Australian Industrial Relations Commission
  - (C) Fair Work Commission
  - (D) Fair Pay Commission

- 5 Proteas Ltd has a stock accounting policy which records the newest stock as the first stock sold.

What inventory management strategy is it using?

- (A) LIFO
- (B) JIT
- (C) FIFO
- (D) EOQ

- 6 Kevin works as a teacher at an independent school in NSW. The School has its own salary agreement with its staff.

What is the name of the employment contract the school uses to employ its staff?

- (A) Modern Award
- (B) Enterprise Agreement
- (C) Australian Workplace Agreement
- (D) Common Law Contract

- 7 Which of the following correctly lists the four processes of human resource management?

- (A) Recruitment, Acquisition, Development and Maintenance
- (B) Acquisition, Development, Separation and Training
- (C) Acquisition, Development, Maintenance and Separation
- (D) Recruitment, Maintenance, Separation and Performance Management

- 8 Which of the following methods of payment represent the highest risk for exporters?

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

- 9 A factory manager is comparing weekly production statistics with his budget to see if the production line has improved efficiency. He then makes changes to the production line to ensure efficiency is maximised.

Which operations process is being carried out by the manager?

- (A) Sequencing
- (B) Scheduling
- (C) Controlling
- (D) Monitoring

- 10 A soft drink company plans a product campaign to change the colours of their cans each week for a year.

This requires interdependence between which two business functions?

- (A) Marketing and finance
- (B) Marketing and operations
- (C) Human resources and finance
- (D) Human resources and operations

- 11 Which of the following is not part of supply chain management?

- (A) Warranties
- (B) E-Commerce
- (C) Global sourcing
- (D) Logistics

- 12 Which of the following are sources of short-term debt finance for a business?

- (A) Overdrafts, factoring and leasing
- (B) Unsecured notes, mortgages and debentures
- (C) Overdrafts, factoring and commercial bills
- (D) Factoring, commercial bills and leasing

- 13 Waz has been asked to participate in a survey on holiday destinations. After a few questions, he is asked if he would like to purchase time share accommodation from the company.

What strategy is the company using?

- (A) Misleading and deceptive advertising, which is legal but may be unethical
- (B) Misleading and deceptive advertising, which is illegal
- (C) Sugging, which is illegal
- (D) Sugging, which is legal but may be unethical

- 14 According to the Competition and Consumer Act 2010, a sale of a product to a consumer signifies a contract between a buyer and a seller, which carries 'implied conditions'.

Which of the following are essential 'implied conditions' relating to the sale of a product to a consumer?

- (A) A product must be fit for the purpose and a minimum of 5 year warranty
- (B) A product must be fit for the purpose and have a merchantable quality
- (C) A product must have a warranty and resale price maintenance
- (D) A product must have merchantable quality and a competitive price

- 15 Crawford Lawyers, a large law firm in the Sydney CBD, have developed a dress code for all their staff. This dress code, among other details, emphasises the need for staff to be in professional, corporate attire at all times, and have a clean and tidy personal presentation.

Which of the following marketing strategies relates to Crawford Lawyers policy on professional dress?

- (A) Product
- (B) Promotion
- (C) Processes
- (D) Physical evidence

- 16 Top Burgers Ltd is a global company which has franchised itself across the globe. It markets and sells its famous 'King burger' in every country it operates in and also markets and sells an 'Aussie burger' only in Australia.

Which global marketing strategies is Top Burgers Ltd using to market and sell both burgers?

- (A) Standardisation for both burgers
- (B) Standardisation for the King burger and customisation for the Aussie burger
- (C) Customisation for both burgers
- (D) Customisation for the King burger and standardisation for the Aussie burger

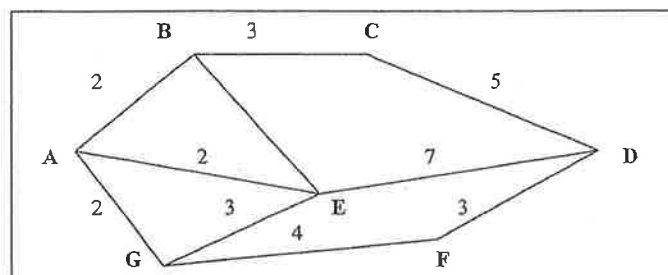
- 17 Information about processing speeds for machinery being considered by a manufacturer is shown in the table below.

Machine Type	Speed of processing per unit	Number of simultaneous processes
Version 1	91 seconds	5
Version 2	65 seconds	10
Version 3	104 seconds	9
Version 4	76 seconds	7

Which machine is the best for sequencing and which is the best for scheduling?

- (A) Version 3 for both
- (B) Version 4 for sequencing and Version 1 for scheduling
- (C) Version 2 for sequencing and Version 3 for scheduling
- (D) Version 2 for both

Question 18 refers to the following information:



- 18 Which of the following shows the critical path?

- (A) A-E-D
- (B) A-G-F-D
- (C) A-B-C-D
- (D) A-G-E-D

Use the following information to answer questions 19 and 20. The answers have been rounded to the nearest whole number.

Income statement for Wimpy Pty Ltd

	<i>2015 (\$)</i>
Sales	850 000
COGS	110 000
Net Profit	280 000

Gross Profit Ratio =  $\text{Gross Profit} \div \text{Sales}$

Net Profit Ratio =  $\text{Net Profit} \div \text{Sales}$

Expenses Ratio =  $\text{Expenses} \div \text{Sales}$

19 Which of the following statements is true?

- (A) The net profit ratio is 30 %
- (B) The net profit ratio is 54%
- (C) The gross profit ratio is 87%
- (D) The gross profit ratio is 13%

20 What is the expenses ratio for Wimpy Pty Ltd in 2015?

- (A) 54%
- (B) 33%
- (C) 61%
- (D) 38%



**2015 HIGHER SCHOOL CERTIFICATE TRIAL EXAMINATION**

Business Studies

**Section II**

**40 marks**

**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 the response.

**Question 21 (10 marks)**

- (A) Identify ONE transformed and ONE transforming resource used in the production of a cup of coffee. 2

Transformed:

Transforming:

- (B) Explain how technology could influence the operations processes of a business. 4

Question 21 continues on page 10

(C) Explain why corporate social responsibility is a key concern of operations management. 4

**Question 22 (10 marks)**

- (A) Identify TWO stakeholders of the human resource function. **1**
- (B) Outline TWO minimum employment standards a Human Resource department should be aware of when re-negotiating a new enterprise agreement. **2**
- (C) How do unions influence human resource management? In your answer, identify a specific union. **3**

Question 22 continues on page 12

(D) Explain ONE advantage and ONE disadvantage of globally outsourcing.

4

**Question 23 (10 marks)**

Bronie and Debs own a coffee shop in Bondi. They specialise in the sale of organic coffee. An international franchise has opened a coffee shop in the area in response to the growing population. As a result, Bronie and Debs are unsure how to market their business successfully.

(A) What is ONE possible weakness of Bronie and Debs' coffee shop? 2

(B) Explain how Bronie and Debs would implement, monitor and control their marketing process. 4

Question 23 continues on page 14

- (C) Discuss ONE price strategy Bronie and Debs could use to respond to the threat posed by the opening of the international franchise in the area. **4**

**Question 24 (10 marks)**

- (A) What is the role of the Australian Securities and Investment Commission (ASIC)? 2
- (B) What is a derivative and explain how it might be used by a business. 2
- (C) Explain why it is important to match the terms and source of finance to business purpose. 2

Question 24 continues on page 16

- (D) Recommend ONE working capital management strategy and ONE cost control strategy available to businesses. **4**



**2015 HIGHER SCHOOL CERTIFICATE TRIAL EXAMINATION**  
Business Studies

**Section III**

**20 marks**

**Attempt Questions 25**

**Allow about 35 minutes for this section**

Answer the questions in the writing books provided.

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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
  - present a sustained, logical and cohesive response in the form of a business report
- 

**Question 25 (20 marks)**

Naked Juice Pty Ltd produces all natural fruit and vegetable smoothies. They have no added sugar and no preservatives. They are about to launch this new product onto the market but are unsure about the promotional strategies they should use to launch the product. New staff will need to be hired and developed but the inexperienced management are unsure about how to do this. The business also recognises that there may be limitations in preparing financial reports.

You have been hired as a consultant to write a report to the management. In your report:

- Outline TWO limitations of financial reports.
- Recommend appropriate processes for acquisition and development of human resources.
- Explain a promotional mix that could be used to launch the new product.

**2015 HIGHER SCHOOL CERTIFICATE TRIAL EXAMINATION**

Business Studies

**Section IV**

**20 marks**

**Attempt Questions 26**

**Allow about 35 minutes for this section**

Answer the questions in a SEPARATE writing booklet. Extra writing booklets are available.

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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 (20 marks)**

Examine the impact of globalisation on operations strategies.



**Shore**

Exam Number

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**2015**

**HSC TRIAL EXAM**

**Business Studies**

Multiple choice answer sheet

Select the alternative A, B, C, or D that best answers the question.  
Fill in the response oval completely.

1	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
2	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
3	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
4	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
5	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
6	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
7	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
8	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
9	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
10	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>

11	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
12	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
13	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
14	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
15	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
16	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
17	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
18	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
19	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
20	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>



**SHORE SCHOOL**

**2015 HSC Trial Exam**

**BUSINESS STUDIES**

**MARKING CRITERIA**

SOLUTIONS



**Shore**

**2015**

**HSC ASSESSMENT TASK 4  
HSC TRIAL EXAM**

# **Business Studies**

## **Examiner's Comments**

- MC answers
- SA marking guidelines
- BR marking guidelines and comments
- ER marking guidelines and comments
- BR and ER Exemplars

### **Mark Breakdown**

**103 students sat the exam.**

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#### **Multiple Choice Q1-20**

**Marker WPD/JIM 16 Avg**

#### **Short Answers**

**Q21 Marker JIM 8.4 Avg**

**Q22 Marker WPD/JIM 7.9 Avg**

**Q23 Marker GCA 8.8 Avg**

**Q24 Marker WPD 8 Avg**

**Q25 Marker RKM 15 Avg**

**Q26 Marker EXT 14 Avg**

**Exam 79 Avg**



Shore

Exam Number

2015

HSC TRIAL EXAM

# Business Studies

Multiple choice answer sheet

Select the alternative A, B, C, or D that best answers the question.  
Fill in the response oval completely.

1	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input checked="" type="radio"/>
2	A <input type="radio"/>	B <input type="radio"/>	C <input checked="" type="radio"/>	D <input type="radio"/>
3	A <input type="radio"/>	B <input type="radio"/>	C <input checked="" type="radio"/>	D <input type="radio"/>
4	A <input type="radio"/>	B <input type="radio"/>	C <input checked="" type="radio"/>	D <input type="radio"/>
5	A <input checked="" type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
6	A <input type="radio"/>	B <input checked="" type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
7	A <input type="radio"/>	B <input type="radio"/>	C <input checked="" type="radio"/>	D <input type="radio"/>
8	A <input type="radio"/>	B <input type="radio"/>	C <input checked="" type="radio"/>	D <input type="radio"/>
9	A <input type="radio"/>	B <input type="radio"/>	C <input checked="" type="radio"/>	D <input type="radio"/>
10	A <input type="radio"/>	B <input checked="" type="radio"/>	C <input type="radio"/>	D <input type="radio"/>

11	A <input checked="" type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
12	A <input type="radio"/>	B <input type="radio"/>	C <input checked="" type="radio"/>	D <input type="radio"/>
13	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input checked="" type="radio"/>
14	A <input type="radio"/>	B <input checked="" type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
15	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input checked="" type="radio"/>
16	A <input type="radio"/>	B <input checked="" type="radio"/>	C <input type="radio"/>	D <input type="radio"/>
17	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input checked="" type="radio"/>
18	A <input type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input checked="" type="radio"/>
19	A <input type="radio"/>	B <input type="radio"/>	C <input checked="" type="radio"/>	D <input type="radio"/>
20	A <input checked="" type="radio"/>	B <input type="radio"/>	C <input type="radio"/>	D <input type="radio"/>

## SECTION II

### Question 21 – JIM

**Question 21 (a)** Identify ONE transformed and ONE transforming resource used in the production of a cup of coffee. (2)

Criteria	
• Names ONE transformed <i>and</i> ONE transforming resource	2
• Names TWO or ONE transformed resource or • Names TWO or ONE transforming resources	1

**Answers could include:**

*Transformed resources – materials, information, customers*

*Transforming resources – human resources, facilities*

**Sample Answer:**

*Transformed resources – customers*

*Transforming resources - facilities*

**Question 21 (b)** Explain how technology could influence the operations processes of a business. (4)

Criteria	
• Defines technology and clearly links the effect of technology on the inputs, operations processes and outputs of a business. Answer links the use of technology to efficiency and effective production and uses an example of technology.	4
• Defines Technology and sketches in general terms the effect of technology on the inputs, operations processes and outputs of a business.	3
• Defines technology in detail OR • Outlines the effect of technology on the inputs, operations processes and outputs of a business.	2
• Mentions technology or its impact on the operations process	1

**Answers could include:**

*Technology in the transformation process, leading edge and established*

**Sample Answer:**

*Technology is the design, construction and /or application of innovative devices, methods and machinery upon the operations process. Technology enables the transformation process to be more effective and efficient. Technology includes office technology such as computers, modems etc. which improve the efficiency of labour, allowing more output during the working day and manufacturing technology such as robotics, Computer aided design (CAD) and Computer aided Manufacturing (CAM) which can improve quality of inputs throughputs and outputs and lower long run costs per unit. Technology can be both leading edge which is most recently developed and established which has existed for some time. Both will aid in efficiency and quality production which leads to increased sales and profits.*

**Question 21 (c)** Explain why corporate social responsibility is a key concern of operations management. (4)

Criteria	
<ul style="list-style-type: none"> <li>Defines corporate Social responsibility and relates the effect of CSR on customer perception of the business, sales and profits. Links CSR with financial, social and environmental goals of business (triple bottom line)</li> </ul>	4
<ul style="list-style-type: none"> <li>Defines corporate social responsibility and sketches in general terms its link to customer perception, sales and profits.</li> </ul>	3
<ul style="list-style-type: none"> <li>Defines corporate social responsibility</li> <li>Or</li> <li>Relates the effect of CSR to customer perception, sales and profits.</li> </ul>	2
<ul style="list-style-type: none"> <li>Outlines corporate social responsibility.</li> </ul>	1

**Answers could include:**

*Corporate social responsibility –*

*The difference between legal compliance and ethical responsibility*

*Environmental sustainability and social responsibility.*

**Sample Answer:**

*Corporate social responsibility refers to open and accountable business actions based on respect for people, community/society and the broader environment. It involve going beyond legal compliance and taking extra steps to ensure Social and environmental and financial goals are met. This may incur added compliance costs in the short run. These days consumers are concerned about the social and environmental performance of businesses so CSR is important in operations management as it will impact the public perception/brand image and consumer sentiment about a product/business. This will Affect their sales and profits as consumers will be more likely to buy from businesses with a good record of CSR – so the short run compliance costs are covered by long run sales and profit increases.*

**Question 22 – WPD and JIM**

(a) Identify TWO stakeholders of the human resource function. (WPD) (1)

Criteria	
<ul style="list-style-type: none"> <li>Names TWO stakeholders of the human resource function</li> </ul>	1

**Answers could include:**

*Employers, employees, unions, employer associations, government organisations, society*

(b) Outline TWO minimum employment standards a Human Resource department should be aware of when re-negotiating a new enterprise agreement. (JIM) (2)

Criteria	
<ul style="list-style-type: none"> <li>Sketches in general terms 2 minimum employment standards</li> </ul>	2
<ul style="list-style-type: none"> <li>Sketches in general terms 1 minimum employment standard</li> </ul>	1

**Answers could include:**

*Maximum weekly hours of work*

*Requests for flexible work arrangements*

*Parental leave and related entitlements*

*Annual leave*



Personal/carer's leave and compassionate leave  
 Community service leave  
 Long service leave  
 Public holidays  
 Notice of termination of employment  
 Provision of fair work information sheet

**Sample Answer:**

The human resource department should be aware of the maximum weekly hours of work which is 38 hours a week plus reasonable additional hours as well as annual leave entitlements which are generally four weeks paid leave per year.

(c) How do unions influence human resource management? In your answer, identify a specific union. (WPD) (3)

<ul style="list-style-type: none"> <li>Provides how unions influence human resources including an example</li> </ul>	3
<ul style="list-style-type: none"> <li>Describes a union with limited reference to its influence on human resource management</li> </ul>	2
OR <ul style="list-style-type: none"> <li>Sketches in general terms the main features of a union and names one relevant union</li> </ul>	
<ul style="list-style-type: none"> <li>Sketches in general terms the main features of a union</li> </ul>	1
OR <ul style="list-style-type: none"> <li>Names one relevant union</li> </ul>	

**Answers could include:** ACTU, Independent education union, transport workers union etc.

**Sample Answer:**

Unions act on behalf of employees in collective bargaining sessions and before industrial tribunals and courts. They provide advice on matters such as unfair dismissals and discrimination issues, make submissions to safety net wage claims, negotiate agreements and lobby governments with the views of employees. The ACTU or Transport workers union is one example of a union.

(d) Explain ONE advantage and ONE disadvantage of globally outsourcing. (JIM) (4)

Criteria	
<ul style="list-style-type: none"> <li>Defines global outsourcing and relates cause and effect of ONE advantage of global outsourcing and ONE disadvantage of global outsourcing. Makes a clear link between the advantage/disadvantage and its effect on business.</li> </ul>	4
<ul style="list-style-type: none"> <li>Defines global outsourcing and sketches in general terms ONE Advantage and ONE disadvantage of global outsourcing</li> </ul> OR <ul style="list-style-type: none"> <li>Relates cause and effect of ONE advantage of global outsourcing and ONE disadvantage of global outsourcing. Makes a clear link between the advantage/disadvantage and its effect on business.</li> </ul>	3
<ul style="list-style-type: none"> <li>Sketches in general terms ONE Advantage and ONE disadvantage of global outsourcing</li> </ul>	2

OR	
<ul style="list-style-type: none"> <li>Defines global outsourcing and sketches in general terms ONE advantage OR ONE disadvantage</li> </ul>	
<ul style="list-style-type: none"> <li>Defines global outsourcing</li> </ul>	1

**Answers could include:**

*Outsourcing – Global Outsourcing – advantages – Cost savings, economies of scale, regulatory differences, access new ideas, allows bus to focus on core activity,  
Disadvantages – ethical considerations/reputation image, loss of quality, communication issues, logistics complexity, loss of skills, cultural differences*

**Sample Answer:**

*Global outsourcing involves the use of third party specialist businesses to perform functions for the business without the constraint of national boundaries. One advantage of global outsourcing is potential cost savings as inputs such as labour may be cheaper in other countries. This allows a business to reduce its production costs leading to competitive advantage/ cost leadership and greater profits. One disadvantage of global outsourcing may be more complex logistics. As the business now has functions being performed globally by outside business the co-ordination and integration becomes more complex. This can result in inefficiencies and quality reduction which would negatively impact on sales.*

**Question 23 – GCA**

**Question 23 (a)** What is ONE possible weakness of Bronie and Deb’s coffee shop? (2)

Criteria	
<ul style="list-style-type: none"> <li>Clear identification of ONE possible weakness of Bronie and Deb’s coffee shop with reasons.</li> </ul>	2
<ul style="list-style-type: none"> <li>Identification of ONE possible weakness of Bronie and Deb’s coffee shop.</li> </ul>	1

**Answers could include:**

- Limited market for organic coffee.

**Sample Answer:**

*A weakness of Bronie and Deb’s coffee shop is that they sell in a niche market (organic coffee) which might suffer as a result of the multinational chain as they are only offering a limited product range.*

**Question 23 (b)** Explain how Bronie and Debs would implement, monitor and control their marketing process? (4)

Criteria	
<ul style="list-style-type: none"> <li>Clear explanation as to how Bronie and Debs would implement, monitor and control their marketing process.</li> </ul>	4
<ul style="list-style-type: none"> <li>Good explanation as to how Bronie and Debs would implement, monitor and control their marketing process</li> </ul>	3
<ul style="list-style-type: none"> <li>Weak explanation as to how Bronie and Debs would implement, monitor and control their marketing process</li> </ul>	2
<ul style="list-style-type: none"> <li>Poor explanation as to how Bronie and Debs would implement, monitor and control their marketing process</li> </ul>	1

**Sample answer:**

*Implementation* is the process of putting marketing strategies into operation which includes developing a financial forecast related to the marketing of the product.

*Monitoring* is the checking of these operations, and controlling compares planned and actual performance. B and D could take their marketing plan and establish the *how, where and when* their plan is to be *implemented*. They should then undertake these processes and then *monitor* how the implementation translates to increased sales. At the end of a period (month, year) they can compare actual sales results with the planned sales goals. This is the *control* phase of the marketing process which occurs when the marketing processes are revised and changed.

**Question 23 (c)** Discuss ONE price strategy Bronie and Debs could use to respond to the threat posed by the opening of the international franchise in the area. (4)

Criteria	
• Discusses ONE price strategy Bronie and Debs could use to respond to the threat posed by the opening of the international franchise in the area, with points for and against these strategies.	4
• Discusses ONE price strategy Bronie and Debs could use to respond to the threat posed by the opening of the international franchise in the area with limited discussion of points for and against these strategies.	3
• Discusses ONE price strategy Bronie and Debs could use to respond to the threat posed by the opening of the international franchise in the area without discussion of both for and against.	2
• Weak answer with ONE price strategy Bronie and Debs could use to respond to the threat posed by the opening of the international franchise in the area.	1

**Answers could include:**

*Price skimming, price penetration, loss leaders, price points*

**Sample Answer:**

*B and D could adopt a price skimming strategy to establish their product as a unique and prestigious product to differentiate their coffee from the multinational chain. This would establish their product in the consumers' mind as a premium product, but does run a risk that some custom will be lost due to the higher price. This lost custom might be counterbalanced by the extra revenue from the higher price as a result of price skimming and hopefully new customers looking for the organic coffee experience.*

**Question 24 - WPD**

**(a)** What is the role of the Australian Securities and Investment Commission? (2)

Criteria	
• Describes the role of the ASIC	2
• Sketches in general terms the role of the ASIC	1

**Sample Answer:**

*ASIC is an independent statutory government body which enforces and administers the Corporations Act 2001 and protects consumers in the areas of investment, life and general insurance, superannuation and banking in Australia. It aims to reduce fraud and unfair practices in financial markets. It regulates companies and ensures that they adhere to the law.*

**Question 24 (b)** What is a derivative and explain how it might be used by a business? (2)

**Criteria**

- Explains what a derivative is and how it might be used by a business 2
- Sketches in general terms what a derivative is 1

**Sample Answer:**

*These are financial instruments that are based (or derived) on another commodity or financial instrument. These financial instruments may be used by businesses to lessen the exporting risks associated with currency fluctuations. Businesses can use a derivative to lock in at today's rate (spot rate) for a date in the future to protect themselves from their currency weakening.*

**Question 24 (c)** Explain why it is important to match the terms and source of finance to business purpose. (2)

**Criteria**

- Explains why it is important to match the terms and source of finance to business purpose 2
- Attempts to explain why it is important to match the terms and source of finance to business purpose. 1

**Sample Answer:**

*It is important to match the terms and source of finance to business purpose as it ensures the most efficient use of available monetary resources. To save interest costs businesses must ensure they use long-term finance to fund long-term assets and short-term finance to fund short-term assets. If businesses used the wrong finance it would be paying too much interest on those funds which would negatively impact the business's profits.*

**Question 24 (d)** Recommend ONE working capital management strategy and ONE cost control strategy available to businesses. (4)

**Criteria**

- Recommends and clearly justifies ONE working capital strategy and ONE cost control 4
- Recommends with general justification ONE working capital strategy and ONE cost control 3
- Recommend with weak justification ONE working capital strategy OR ONE cost control OR lists ONE working capital strategy and ONE cost control 2
- Lists ONE working capital strategy OR ONE cost control 1

**Answers could include:** *WC strategies: control of current assets, control of current liabilities, leasing, sale and lease back. Cost controls: fixed and variable, cost centres and expense minimization.*

**Sample Answer:**

*Sale and leaseback is the selling of an owned asset to a lessor and leasing the asset back through fixed payments for a specified number of years. Businesses could sell some of the equipment they own and lease it back. This would increase their liquidity because the cash that is obtained from the sale is then used as working capital. In this way asset expenses are spread out over the life of the asset and some lease agreements place maintenance responsibilities on the lessor.*

*Cost controls refer to fixed and variable costs, cost centres and expense minimization. Fixed costs do not change as output increases, and therefore the higher the output the lower the average fixed cost. Average variable costs can be reduced by finding cheaper supplies or negotiating bulk discounts. Cost centres are required to account for their costs in order to encourage lower per unit costs of production which is related to expense minimization. Costs could be reduced by using surplus cash to pay off some debt, thus reducing the interest costs to the business.*

### SECTION III

#### Question 25 – Business Report (RKM)

##### Criteria

- 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 outlines TWO limitations of financial reports
  - Recommends appropriate processes for acquisition and development of human resources
- 
- Presents a logical and cohesive business report and uses relevant business terminology and concepts
  - Makes some use of the information provided, demonstrating knowledge and understanding of the question
  - Attempts to outline TWO limitations of financial reports
  - Provides characteristics and features of appropriate processes for acquisition and development of human resources
  - Provides characteristics and features of a promotional mix
  - Includes features of a business report and uses some business terminology and concepts
  - Lists TWO limitations of financial reports
  - Sketches in general terms appropriate processes for acquisition and development of human resources 9-12
  - Sketches in general terms a promotional mix
  - Includes some features of a business report and uses basic business terminology
  - Sketches in general terms the limitations of financial reports and/or acquisition and development of Human Resources and/or elements of the promotions mix 5-8
  - Uses basic terminology
  - May make reference to limitations of financial reports and/or acquisition and development of HR and/or elements of the promotions mix 1-4

##### Answers could include:

*Those strategies best linked to stimulus provided and the question are highlighted and italicized HOWEVER, all strategies were considered based on the strength of the recommendation.*

##### SYLLABUS POINTS T

**Limitations of Financial Reports:** – Normalised Earnings, Capitalising Expenses, Valuing Assets, Timing Issues, Debt Repayments, Notes to the Financial Statements.

##### **Processes of Human Resource Management:**

- Acquisition
- Development

**Promotion:** – elements of the promotion mix – advertising, personal selling and relationship marketing, sales promotions, publicity and public relations – the communication process – opinion leaders, word of mouth.

### **General Comments and Feedback:**

- **Use of stimulus:** Many of the reports pointed to the fact that limitation to financial reports must be accurate in the assessment of the business's financial position. There has been a big improvement with a number of students constantly referring to the Naked Juice Company throughout their scripts. Some students needed to note from the stimulus that the management who were doing the recruitment were inexperienced, which makes the process of acquisition and development even harder for this organization.
- **Knowledge of syllabus:** Many students are still not adequately familiar with the syllabus for the Promotion Mix. Too many students wrote about the 4Ps rather than address issues about Advertising, Personal Selling and Relationship Marketing, Sales Promotions, Publicity and Public Relations. Very few knew about Word of Mouth or Opinion Leaders. The Human Resource Management aspects of acquisition and development were well covered and a number of students needed to discuss recruitment, selection and placement, as well as induction, coaching and mentoring and performance appraisal. Limitations of Financial Reports was sound by most students.
- **Directive term:** The first two parts were well done, but some students failed to explain how the promotional mix was going to work, and chose rather to describe the theory, rather than apply it to the Naked Juice Company.
- **Time Management and Planning:** It was most pleasing to see a number of students doing plans in the inside cover of their booklets before they started the actual report. The majority of students were able to complete the Business Report in the allotted time, with others giving more analytical detail. This has certainly improved over the last 6 months.
- **Handwriting:** There were a number of scripts that were difficult to read. The advice is to slow down a little and ensure that your points are clearly made to maximize your marks. Remember that these scripts will be scanned for the final HSC exam and they are going to be read on a computer screen. Well done to students who highlighted and underlined key syllabus points.
- **General points:** It was pleasing to see a number of students familiar with the writing style needed for an effective Business Report. Again there are a number of top students whose knowledge of the syllabus concepts has been clearly demonstrated in their reports. These same students constantly refer to the Naked Juice Company throughout the course of their scripts.

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## Shore Marker's Report 2015 Trial Question – Question 26 Extended Response

When marking this response, it was evident that students had a very good understanding of operations strategies. Unfortunately, the question did ask for them to examine the impact of globalisation on the operations strategies. Many students just explained the strategies, made links to the case study and then at the end of the paragraph/strategy, wrote a statement along the lines of "therefore (the strategy) has a significant impact on large business due to globalisation." They did not examine the impact of globalisation in enough detail.

Many students, in their introduction/executive summary just listed the case study they would be discussing in their response. A better introduction developed a brief profile of the business. For example: name, business entity, location, prime function, market size/depending on the requirements of the question.

For example: Kebachi Seafood Exports Pty Ltd is a small private company acting as an export agent for commercial fishers along the NSW coast. It exports high quality fresh tuna to the restaurants market in Japan for use in sushi and sashimi. (You might also like to add Kebachi has a processing plant and business premises located close to Mascot Airport and employs 4 fulltime and 10 casual employees). By writing a profile it puts the business in context for the marker. Some business I have never heard of and still did not know what their prime function was when reading the response.

Popular case studies included Apple, Qantas and Nike. It is phrasing to note that every student included a case study in his answer. Most students were able to correctly define globalisation in their introduction

Most students used a number of case studies to illustrate a strategy point. Few students used only one case study- they were not penalised for only using one case study.

This question did ask for operations strategies. Some students did use marketing and financial strategies and could not be awarded for these. A good number of strategies to use to answer this question comprehensively are about 5. A range of strategies is encouraged- not just using performance objectives and global strategies.

In regard to strategies, outsourcing was probably the best strategy to use in relation to answering how globalisation impacts on it. It is important though that students are able to distinguish between global and domestic outsourcing. Some students were also confused by the difference between global outsourcing and global sourcing.

Although this is an extended response not a business report it would still be beneficial for students to use headings throughout the response and highlight the main points. Students also need to remember to use a range of business terminology for example cost leadership and global web.

It is important to note that long responses did not necessarily get the highest marks. Some of the responses which got 18/19 were only 6/7 pages. You will only be awarded marks on the information which answers the specific question which has been asked of you.

The mark range was 4-19.