Business Studies

General Instructions

• Reading time – 5 minutes
• Working time – 3 hours
• Write using black pen
• Draw diagrams using pencil
• NESA approved calculators 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 9–16)
• Attempt Questions 21–24
• Allow about 1 hour and 15 minutes for this section

Section III – 20 marks (pages 17–18)
• Attempt Question 25
• Allow about 35 minutes for this section

Section IV – 20 marks (page 19)
• 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 A recruitment officer is employed by a business.
   In which specific business function are they most likely to be engaged?
   
   A. Finance
   B. Human resources
   C. Marketing
   D. Operations

2 In which aspect of a business does continuous improvement occur?
   
   A. Quality assurance
   B. Legal compliance
   C. Just-in-time management
   D. Total quality management

3 As a result of a SWOT analysis, a gym operator finds that a new larger gym is opening nearby. The operator then decides to extend its opening hours.
   The aim of this strategy is to use
   
   A. a strength to overcome a threat.
   B. a strength to overcome a weakness.
   C. an opportunity to overcome a threat.
   D. an opportunity to overcome a weakness.
4 A business ensures all its debts are paid as they fall due.

Which financial objective is the business satisfying?

A. Efficiency
B. Growth
C. Liquidity
D. Solvency

5 A manufacturer sells her organic meals only to major supermarkets.

Which distribution channel has the manufacturer chosen?

A. Exclusive
B. Intensive
C. Selective
D. Warehousing

6 A sole trader invests $500 000 into her business.

What is this an example of?

A. An overdraft
B. Retained profits
C. Internal debt finance
D. Internal equity finance

7 Vinh’s friends tell him that a particular brand makes poor quality jeans. He does not buy this brand due to his friends’ opinions.

Which factor is influencing his choice?

A. Economic
B. Government
C. Sociocultural
D. Psychological
8 A customer returns a chainsaw to the place of purchase as it does not cut branches.

On what basis must the business refund the cost of the chainsaw?

A. Implied conditions
B. Ethical considerations
C. Relationship marketing
D. Accuracy in advertising

9 Which operations process uses a Gantt chart?

A. Customisation
B. Input
C. Output
D. Transformation

10 Salty Sunscreens sells the following sunscreens, both containing the same ingredients.

![Salty Sunscreens](image)

This is an example of which of the following?

A. Price leading
B. Price skimming
C. Price penetration
D. Price discrimination
11 Whose interests is an organisation most likely to be representing when it meets with government to discuss business flexibility, expansion and competitiveness?

A. Employees
B. Employers
C. Society
D. Unions

12 The efficiency of a business can best be determined by which of the following?

A. Gross profit ratio
B. Value of current assets
C. Value of current liabilities
D. Accounts receivable turnover ratio

13 Why would a business factor its accounts receivables?

A. To improve cash flow
B. To increase owner’s equity
C. To increase the value of current assets
D. To improve the value of the business

14 In which type of market would a large scale manufacturer of pasta purchase flour for its products?

A. Consumer
B. Industrial
C. Mass
D. Resource
Mick is deciding whether to purchase Business A or Business B and has received the following information.

<table>
<thead>
<tr>
<th></th>
<th>Business A</th>
<th>Business B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets ($)</td>
<td>10 million</td>
<td>1 million</td>
</tr>
<tr>
<td>Total sales ($)</td>
<td>4 million</td>
<td>2 million</td>
</tr>
</tbody>
</table>

Which of the following will help Mick make the best decision?

A. Total sales
B. Industry averages
C. The value of assets
D. Comparative ratio analysis

Which of the following actions is an example of corporate social responsibility?

A. Sponsoring a sporting event
B. Opening a manufacturing plant
C. Introducing a community health program
D. Paying compensation for a work-related injury

The expense ratio (total expenses ÷ sales) is always

A. the difference between the net profit ratio and the gross profit ratio.
B. the difference between sales and the gross profit ratio.
C. greater than the gross profit ratio.
D. greater than the net profit ratio.
18. Which organisation ensures that Barb’s Batteries Pty Ltd operates in a financially responsible manner?

A. Australian Securities and Investments Commission
B. Australian Prudential Regulation Authority
C. Australian Securities Exchange
D. Reserve Bank of Australia

19. A business implements a new policy that limits the use of work-related email accounts before 8 am and after 8 pm.

Which consideration has most likely led to the development of this policy?

A. Economic
B. Legal
C. Social
D. Technological

20. The table shows information supplied by a business.

<table>
<thead>
<tr>
<th>Sales</th>
<th>?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of goods sold</td>
<td>?</td>
</tr>
<tr>
<td>Gross profit</td>
<td>$400 000</td>
</tr>
<tr>
<td>Expenses</td>
<td>?</td>
</tr>
<tr>
<td>Net profit</td>
<td>?</td>
</tr>
<tr>
<td>Gross profit ratio (gross profit ÷ sales)</td>
<td>66.7%</td>
</tr>
<tr>
<td>Net profit ratio (net profit ÷ sales)</td>
<td>50%</td>
</tr>
</tbody>
</table>

Which row in the following table shows the sales and net profit for this business?

<table>
<thead>
<tr>
<th>Sales</th>
<th>Net profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. $66 700</td>
<td>$50 000</td>
</tr>
<tr>
<td>B. $200 000</td>
<td>$100 000</td>
</tr>
<tr>
<td>C. $600 000</td>
<td>$200 000</td>
</tr>
<tr>
<td>D. $600 000</td>
<td>$300 000</td>
</tr>
</tbody>
</table>
Business Studies

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 (12 marks)

A recently established bank has branches in Australian capital cities and online customers across Australia. The management of this bank wants to focus on improving operations processes.

(a) Outline the role of operations management in this business.

(b) Explain how improving operations processes may lead to better customer service.
Question 21 (continued)

(c) Assess ONE operations strategy this business could use to improve its long-term success.

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End of Question 21
Question 22 (9 marks)

An Australian company sells educational toys for pre-school aged children.

(a) Why is ethical behaviour important in the marketing of this business?

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(b) Explain the influence of consumer laws on this company’s promotion strategies.

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Question 23 (12 marks)

A business has been rapidly expanding and requires additional staff.

(a) (i) Describe ONE monetary reward that could be offered during the recruitment process. 

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(ii) Describe ONE non-monetary reward that could be offered during the recruitment process. 

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(b) Outline an issue that could arise during the acquisition process. 

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Question 23 continues on page 14
Question 23 (continued)

(c) The expansion of the business has led to conflict and uncertainty in the workplace.

Recommend TWO indicators that could be used by the business to measure the effectiveness of human resource management.

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End of Question 23
Question 24 (7 marks)

A business imports computers from China and sells them to customers in Australia.

(a) How will an appreciation of the Australian dollar affect the competitive position of this business?

(b) Justify the method of payment that would be most effective in reducing the business’s financial risk.
Section II extra writing space

If you use this space, clearly indicate which question you are answering.
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
Sportyz Goodz Ltd is a retailer that has been operating for the past 20 years in Australia. The directors have provided the following information:

- In 2013 the business issued new shares on the Australian Securities Exchange and expanded its retail activities internationally.
- The business is facing increasing competition.
- The directors are concerned about the positioning of their product in the market.
- The directors want the business to operate for the benefit of shareholders in the long term.

Financial data for Sportyz Goodz are shown on the graph.

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

- outline ONE strategic role of financial management
- recommend TWO strategies to improve financial performance
- explain the importance of monitoring and controlling the business’s marketing strategy.
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

Question 26 (20 marks)
Analyse the response of human resource management to economic, technological and social influences.

OR

Question 27 (20 marks)
Analyse the effect of globalisation on operations management.

End of paper