

B O A R D O F S T U D I E S
NEW SOUTH WALES

2012

**HIGHER SCHOOL CERTIFICATE
EXAMINATION**

Business Studies

General Instructions

- Reading time – 5 minutes
- Working time – 3 hours
- Write using black or blue pen
Black pen is preferred
- Draw diagrams using pencil
- Board-approved calculators may be used
- Write your Centre Number and Student Number at the top of pages 9 and 13

Total marks – 100

Section I Pages 2–7

20 marks

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

Section II Pages 9–15

40 marks

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

Section III Page 17

20 marks

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

Section IV Page 18

20 marks

- 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** An accountant decides to use the services of a cleaning company for one day per week.

What is this an example of?

- (A) Development
- (B) Downsizing
- (C) Global contracting
- (D) Outsourcing

- 2** A factory manager is deciding the best order in which to complete tasks.

Which operations process is being carried out?

- (A) Monitoring
- (B) Scheduling
- (C) Sequencing
- (D) Task design

- 3** Free samples of a breakfast cereal are given to supermarket customers to try.

For which stage of the product life cycle is this most likely to be an appropriate strategy?

- (A) Establishment
- (B) Growth
- (C) Maturity
- (D) Post-maturity

- 4** Which of the following is the correct sequence for an operations process?
- (A) Facilities – controls – waste
 - (B) Materials – design – product
 - (C) Information – services – improvement
 - (D) Human resources – planning – customers
- 5** Which of the following is an entitlement of Australian employees?
- (A) Wage increases every year
 - (B) Cost of living wage increases
 - (C) Minimum employment standards
 - (D) New employment contracts every two years
- 6** A business develops a shirt made from fabric which never stains or looks crushed. It then runs an advertising campaign to inform people about this product.
- What type of approach is this?
- (A) Industrial
 - (B) Marketing
 - (C) Production
 - (D) Selling
- 7** In winter, the number of beach lifeguards employed by a local council is reduced.
- What has influenced the transformation process in this situation?
- (A) Variation in demand
 - (B) Variation in visibility
 - (C) Variety
 - (D) Volume
- 8** What would be the best strategy for a business to increase its gross profit?
- (A) Use cost centres
 - (B) Reduce fixed costs
 - (C) Minimise expenses
 - (D) Use sale and leaseback

9 Information about four companies is shown in the table.

	<i>Company A</i>	<i>Company B</i>	<i>Company C</i>	<i>Company D</i>
<i>Staff turnover</i> (% of workforce)	15	11	11	15
<i>Output per worker</i> (products per hour)	8	12	8	12
<i>Absenteeism</i> (average days per employee)	9	8	9	8

Which company is likely to have the best employee relations?

- (A) *A*
- (B) *B*
- (C) *C*
- (D) *D*

10 Sam's job is to set goals for employees and give them feedback on the achievement of their goals.

What best describes this process?

- (A) Dispute resolution
- (B) Job design
- (C) Performance management
- (D) Recruitment

11 Which of the following is an essential aspect of logistics?

- (A) Undertaking a skills audit
- (B) Checking the quality of all output
- (C) Materials handling and packaging
- (D) The creation of a budget for new machinery

- 12 A manager builds relationships with individual employees and encourages their contribution to decision-making in the workplace.

What leadership style is this?

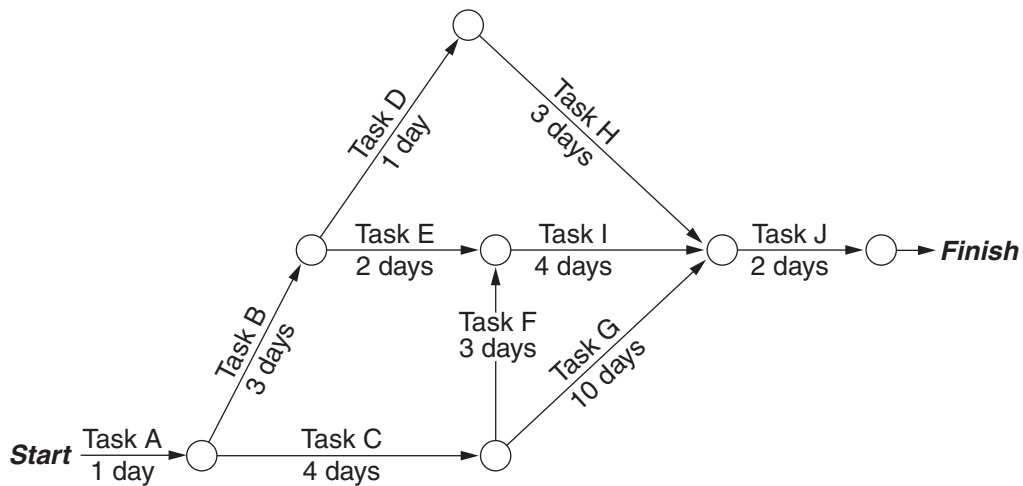
- (A) Autocratic
- (B) Democratic
- (C) Laissez faire
- (D) Political

- 13 Robyn believes her manager has unfairly denied her a bonus. She consults her employee handbook which instructs her to put her complaint in writing and send copies to the manager and the Human Resources department.

What is Robyn doing?

- (A) Seeking mediation
- (B) Using negotiation
- (C) Involving a tribunal
- (D) Applying grievance procedures

- 14 The diagram below shows a critical path analysis for a project.



What is the minimum number of days needed to complete the project?

- (A) 10
- (B) 12
- (C) 17
- (D) 33

15 A gym has fitness-conscious office workers as its target market.

What type of market segmentation is this?

- (A) Geographic and behavioural
- (B) Geographic and demographic
- (C) Psychographic and behavioural
- (D) Psychographic and demographic

16 The global financial crisis (GFC) caused many businesses to reduce their employee numbers.

What type of influence on human resources was this?

- (A) Economic
- (B) Financial
- (C) Government
- (D) Legal

17 A fast food outlet advertises a large soft drink for only 20 cents, knowing that customers will also buy additional items from the menu once they are in the store.

What pricing strategy is this?

- (A) Loss leader
- (B) Penetration
- (C) Price points
- (D) Skimming

Use the following information to answer Questions 18 and 19.

Extract from marketing report for Star Car Pty Ltd

	<i>Star Car Sales in each country (\$)</i>		<i>Star Car's % of the car market in each country</i>	
	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>
<i>Country A</i>	10 million	12 million	10	12
<i>Country B</i>	10 million	12 million	10	10
<i>Country C</i>	10 million	10 million	10	8
<i>Country D</i>	10 million	8 million	10	6

Note: The price of cars remained unchanged from 2010 to 2011.

- 18** In 2011 Star Car Pty Ltd's main marketing objective was to take sales away from its competitors.

In which country was this objective least effective?

- (A) *A*
 - (B) *B*
 - (C) *C*
 - (D) *D*
- 19** For the period 2010 to 2011, which of the following statements is true?
- (A) The size of the total car market in each country did not change.
 - (B) In *Country A*, both the total car market and Star Car's market share increased.
 - (C) In *Country B*, both the total car market and Star Car's market share did not change.
 - (D) In *Country C*, the total car market increased and Star Car's market share decreased.
- 20** Which of the following groups would suffer the worst financial impact as a result of an increase in the value of the Australian dollar?
- (A) Japanese shareholders of an Australian bank
 - (B) Australian producers selling wine to New Zealand
 - (C) Australian car makers purchasing inputs from Italy
 - (D) American travel agents organising tours for Australians

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Business Studies

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Centre Number

Section II

40 marks

Attempt Questions 21–24

Allow about 1 hour and 15 minutes for this section

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Student Number

Answer the questions in the spaces provided. These spaces provide guidance for the expected length of response.

Question 21 (8 marks)

- (a) How might a business benefit when an operations manager acts in an ethically and socially responsible manner? Support your answer with relevant examples. 4

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- (b) Why might a business be resistant to meeting its corporate social responsibilities? 4

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Question 22 (12 marks)

Balance Sheet for Chalker Pty Ltd as at year ending 30 June 2012		
<i>Current Assets</i>	\$	\$
Cash	8 000	
Receivables	12 000	
Inventories	15 000	35 000
 <i>Non-Current Assets</i>		
Property, Plant and Equipment		33 000
Total Assets		68 000
 <i>Current Liabilities</i>		
Creditors		14 000
 <i>Non-Current Liabilities</i>		
Loan		20 000
 <i>Owners Equity</i>		
Capital	15 000	
Retained Net Profit	19 000	34 000
Total Liabilities and Owners Equity		68 000

- (a) Calculate the current ratio (current assets ÷ current liabilities) of this business. 2
Show all working.

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- (b) Calculate the debt to equity ratio (total liabilities ÷ total equity) of this business. 2
Show all working.

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Question 22 continues on page 11



Question 22 (continued)

- (c) Why is it important for a business to control its debt to equity ratio? 4

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- (d) Explain the interdependence of finance and operations in a business. Support your answer with relevant examples. 4

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End of Question 22





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Centre Number

Section II (continued)

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Student Number

Question 23 (12 marks)

XYZ Ltd produces sports shoes which are worn by elite athletes and the general public in North America. XYZ Ltd is keen to expand into Europe and Asia.

- (a) What is ONE possible benefit to XYZ Ltd of using global branding as a marketing strategy? 2

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- (b) Describe TWO physical distribution issues that XYZ Ltd will have to consider as part of their expansion. 4

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Question 23 continues on page 14

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Business Studies

Section III

20 marks

Attempt Question 25

Allow about 35 minutes for this section

Answer the question in a writing booklet. Extra writing booklets are available.

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)

Sunshine Fruit Juices employs 100 people in its Queensland factory and supplies juice to large supermarket chains in Asia and North America. Customers have recently complained that the product has been damaged and bottles have been wrongly labelled.

An increase in industrial disputes has also occurred due to a number of recent workplace accidents and demands from employees for higher wages.

You have been employed by Sunshine Fruit Juices to prepare a report for management on the issues outlined above.

In your report, recommend strategies for human resources and operations that the firm could implement to improve its business performance.

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 a SEPARATE writing booklet. Extra writing booklets are available.

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
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Question 26 (20 marks)

Why are ethical behaviour and government regulation important in marketing?

OR

Question 27 (20 marks)

How can different sources of funds help a business achieve its financial objectives?

End of paper