

BOARD OF STUDIES  
NEW SOUTH WALES

# 2001 HSC Specimen Paper

**Business Studies**

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## **Business Studies**

### ***Introduction***

This booklet contains the specimen examination paper for the 2001 Higher School Certificate examination in Business Studies. A mapping grid is also included, showing how each question in the examination relates to the syllabus outcomes and content, and to the performance bands.

The specimen paper shows the format of the New HSC examination. It has been printed on A4 paper and side-stapled to make it convenient for use in schools. Actual examination papers will be produced as A4 booklets. All New HSC papers will be printed on white paper.

The 2001 HSC specimen papers have been produced in accordance with the Board's *Principles for Setting HSC Examinations in a Standards-Referenced Framework*, published in Board Bulletin Volume 8 Number 9 (Nov/Dec 99). Questions are closely related to the outcomes of the course, and the paper as a whole is structured to allow for appropriate differentiation of student performance at all levels on the performance scale.

The papers have been designed so that students have a clear understanding of what they are required to do in each question and in working through the paper. Instructions have been standardised, and the demands of the questions have been made explicit. Key words in questions, such as 'discuss', 'analyse', and 'explain', have been used consistently in accordance with the glossary published in the Board's *Assessment Support Document*.

This specimen paper is an example of the type of examination that could be prepared within the examination specifications in the Business Studies syllabus. Examinations will be based on the syllabus, and will test a representative sample of syllabus outcomes. Therefore, the range and balance of outcomes tested in HSC examinations in 2001 and subsequent years may differ from those addressed in the specimen paper.

The mapping grid is an important feature of the development of the examination. It aids in ensuring that the examination as a whole samples a range of content and outcomes, and allows all students the opportunity to demonstrate their level of achievement. Where courses have components in the examination other than written papers, the grid indicates the wider range of outcomes that are assessed by including these other components.

There are a number of points to note in considering the Business Studies specimen paper:

- The nature and amount of stimulus material may vary from year to year and will only be provided when it is essential to answering the question.
- A rubric indicating general criteria for judging performance has been placed at the beginning of Sections III and IV of the paper to clearly indicate the factors that will be used to assess responses to the question(s). These criteria are in addition to criteria specific to each question.

- Section IV includes a choice of two extended response questions which have a similar structure to help ensure comparability.

# Business Studies

## HSC Specimen Examination Mapping Grid

For each item in the examination, the grid shows the marks allocated, the syllabus content and syllabus outcomes it relates to, and the bands on the performance scale it is targeting. The range of bands shown indicates the performance candidates may be able to demonstrate in their responses. That is, if an item is shown as targeting Bands 3 – 5, it indicates that candidates who demonstrate performance equivalent to the Band 3 descriptions should be able to score some marks on the item, while those who perform at Band 5 or above could reasonably be expected to gain high marks. In the case of one-mark items, candidates who demonstrate performance at or above the bands shown generally could be expected to answer the item correctly.

Question	Marks	Content	Syllabus outcomes	Targeted performance bands
1	1	Planning cycle, financial planning	H2.1, H5.4	2 – 3
2	1	Global business: financial influences	H2.1	2 – 3
3	1	Marketing strategies: place / distribution	H2.1, H3.2	3 – 4
4	1	Financial planning / management – ethical / legal aspects	H3.2, H3.3, H5.1	4 – 5
5	1	Business management and change – organisations / management theories	H3.1, H4.2, H5.1	3 – 4
6	1	Business management and change – managing change	H3.2, H4.1, H4.2	2 – 3
7	1	Employment relations: E/R; ethical / legal aspects E/R, EEO	H3.2, H3.3	2 – 3
8	1	Global business: strategy, expansion	H1.1, H2.2, H5.1	4 – 5
9	1	Marketing: markets and marketing	H2.1, H4.2, H5.1	2 – 3
10	1	Financial planning and management: financial information	H5.4	3 – 4
11	1	Financial planning and management: financial information	H5.4	5 – 6
12	1	Marketing: customer behaviour, customer choice, promotion, public relations	H3.3, H4.1, H5.1	2 – 3
13	1	Marketing: promotion, public relations, management and change, stakeholders	H3.3, H5.1	2 – 3
14	1	Global business: globalisation, business strategy	H1.1, H2.2	3 – 4
15	1	Global business: expansion, regulatory differences, social / cultural, practices and ethics, financial planning & management, management of funds	H2.2, H3.1, H4.2	4 – 5
16	1	Employment relations: industrial conflict	H2.1, H3.3	2 – 3
17	1	Employment relations: effective E/R	H4.2	3 – 4
18	1	Employment relations: effective E/R, ethical / legal aspects, managing change	H1.2, H2.1, H4.1	3 – 4
19	1	Employment relations: E/R, financial planning, profitability management	H2.1, H5.4	4 – 5
20	1	Financial planning / management: financial planning, revenue controls	H5.4	5 – 6
21(a)	1	Business management and change: stakeholders, social responsibility	H2.1, H4.1, H4.2	2 – 3
21(b)	4	Business management and change: stakeholders, conflicts of interest	H2.1, H3.3, H4.2, H5.3	2 – 6
22(a)	2	Financial planning and management: using financial information	H2.1, H5.1, H5.3, H5.4	2 – 4
22(b)	2	Financial planning and management: using financial information	H2.1, H5.1, H5.3, H5.4	2 – 4

<b>Question</b>	<b>Marks</b>	<b>Content</b>	<b>Syllabus outcomes</b>	<b>Targeted performance bands</b>
22(c)	2	Financial planning and management: financial planning, management and change, management roles	H2.1, H3.2, H5.1, H5.3, H5.4	2 – 4
22(d)	4	Financial planning and management: role of financial planning	H2.1, H3.2, H5.1, H5.3, H5.4	2 – 5
23(a)	2	Marketing; market research process	H1.2, H2.1, H3.2, H5.1, H5.3	2 – 3
23(b)	2	Marketing: marketing strategies, price / place and distribution	H1.2, H2.1, H3.2, H4.2, H5.1, H5.3	2 – 4
23(c)	6	Marketing: marketing strategies, price, customer behaviour, customer choice	H1.2, H2.1, H3.2, H4.2, H5.1, H5.3	2 – 5
24(a)	2	Employment relations: legal framework	H2.1, H3.3, H4.2, H5.3	2 – 4
24(b)	2	Employment relations: E/R legal influences, ethical aspects	H1.2, H2.1, H3.3, H4.2, H5.3	2 – 4
24(c)	6	Employment relations: E/R legal influences – behavioural influences, managing change	H1.2, H2.1, H3.3, H4.2, H5.3	2 – 6
25(a)	1	Global business: global business strategy	H1.1, H2.1, H2.2, H4.2, H5.3	2 – 4
25(b)	4	Global business: influences on business	H1.1, H2.1, H2.2, H4.2, H5.3	2 – 5
26	20	Business management & change: managing change, social responsibility Financial planning & management: financial planning, working capital Marketing: marketing plan, marketing strategies Employment relations: E/R, conflict, ethical & legal aspects	H2.1, H3.1, H3.2, H4.2, H5.3, H5.4	2 – 6
27 & 28	20	Business management and change: managing change, social responsibility Global business: business strategy, globalisation, influences on business	H1.1, H2.2, H3.2, H3.3, H4.1, H4.2, H5.3	2 – 6



## Sample marking guidelines for Business Studies

The following marking guidelines have been developed for selected questions from the 2001 HSC Specimen Examination in Business Studies. These guidelines indicate the approach that would be taken to marking questions.

For each question, the following are typically included:

1. The syllabus outcomes that are targeted by the question.
2. The assessment rubric from the specimen paper, where there is one, listing the set of general criteria that are used to assess responses.
3. The marking guidelines, which show the criteria to be applied to responses along with the marks to be awarded in line with the quality of the responses. For extended-response questions, performance is described at a number of levels of performance, each covering a range of marks.
4. A sample answer or some points that answers might include. Sample answers indicate the scope and depth of treatment expected, and are not intended to be prescriptive. Similarly, the points that could be included in answers are not intended to be an exhaustive list, but rather an indication of the considerations that students could include in their responses.

Marking guidelines will generally require some refinement at the Marking Centre to take account of unanticipated responses that students present. For essay-type questions, the standard described at each mark range will be made clear during pilot-marking by the selection of sample scripts.

In a standards-referenced framework, examination questions are closely linked to syllabus content and outcomes. Expectations of the question are to be clear in the wording of the question. Marking guidelines will be developed at the same time as the examination questions, by examination committees. The development of marking guidelines will be guided by the Board's *Principles for Developing Marking Guidelines Examinations in a Standards-Referenced Framework*, published in Board Bulletin Volume 9 Number 3 (May 2000).

## Sample Marking Guidelines – Business Studies

Marks

### Question 21 (5 marks)

Millennium Motors manufactures car bodies and engines from recycled steel. Millennium Motors has had a long history of innovation. Its latest successful invention is a cheap and efficient solar powered car, which it can produce within current resources.

- (a) State ONE reason why Millennium’s products could be described as ecologically sustainable 1

**Outcomes assessed: H2.1, H4.1, H4.2**

#### MARKING GUIDELINES

Criteria	Marks
<ul style="list-style-type: none"> <li>States one reason why Millennium Motors’ products are ecologically sustainable</li> </ul>	1

Answers could include:

- A solar powered car powered by sustainable energy (the sun)
- Use of recycled steel in manufacturing as a more sustainable use of resources than manufacturing from new resources

- (b) Describe the likely effect of Millennium’s latest invention on its shareholders and competitors. 4

**Outcomes assessed: H2.1, H3.3, H4.2, H5.3**

#### MARKING GUIDELINES

Criteria	Marks
<ul style="list-style-type: none"> <li>Provides a range of characteristics and features resulting from the effect of Millennium Motors’ latest invention on shareholders AND competitors</li> </ul>	4
<ul style="list-style-type: none"> <li>List some characteristics and features of the effects of Millennium Motors’ latest invention on shareholders AND competitors</li> </ul>	3
<ul style="list-style-type: none"> <li>Briefly describes the effect of Millennium Motors’ latest invention on shareholders OR competitors</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Some description of the effect of Millennium Motors’ latest invention on shareholders AND competitors</li> </ul>	2
<ul style="list-style-type: none"> <li>Mentions some effect of Millennium Motors’ latest invention on shareholders OR competitors</li> </ul>	1

Answers could include:

- Competitors will expect decreasing returns; be forced to innovate; increase marketing; cut prices to remain competitive
- Shareholders expect (due to the success of the new invention) to get increased dividends; a share price increase

**Question 26** (20 marks)

**Manufacturing Company Case Study**

A manufacturing company set up in 1991 grew rapidly until 1998 when it relocated to a new site. Since the move, it has experienced the following:

- poor quality control and product quality has fallen;
- WorkCover has produced a report stating that the new site has major occupational health and safety concerns;
- very high staff absenteeism and very low productivity;
- there has been increased competition in the market which has led to lost revenue for this business;
- falling market share since the relocation;
- financial problems occurring and last month a large creditor demanded payment on an overdue loan.

Write a business report to the owners of this company that outlines a situational analysis and management strategies to solve the company's problems and allows the company to take advantage of market opportunities.

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In your answer you will be assessed on how well you:

- use your knowledge and the information provided
  - communicate using relevant business terminology and concepts
  - present a logical, well-structured answer to the question in the form of a business report
- 

**Outcomes assessed: H2.1, H3.1, H3.2, H4.2, H5.3, H5.4**

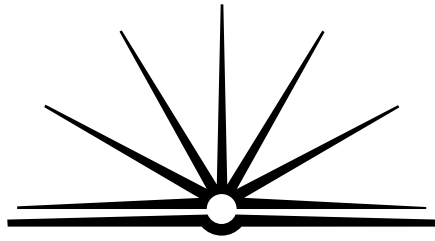
**MARKING GUIDELINES**

Criteria	Marks
<ul style="list-style-type: none"><li>• Presents a sustained, logical and well-structured business report that provides a situational analysis and a range of appropriate management strategies</li><li>• Details management responses to internal and external factors, and the possible strategies to solve the company's problems and provide market opportunities</li><li>• High-level analysis of the business's functions and operations and their impact on the success of the business</li><li>• Includes the key features of a business report and uses appropriate business terminology and concepts</li></ul>	17 – 20

Criteria	Marks
<ul style="list-style-type: none"> <li>• Presents a well-organised business report that provides a good situational analysis and suitable management strategies</li> <li>• Identifies management responses to internal and external factors and possible management strategies to solve the company’s problems and provide market opportunities</li> <li>• Analyses the businesses functions and operations and their impact on the success of the business</li> <li>• Includes a variety of key features of a business report and uses appropriate business terminology and concepts</li> </ul>	13 – 16
<ul style="list-style-type: none"> <li>• Provides a situational analysis and reasonable management strategies</li> <li>• Demonstrates understanding of the business’ functions and operations and their impact on the success of the business</li> <li>• Some evaluation of management responses to internal and external factors and management strategies to solve the business’ problems and provide market opportunities</li> <li>• Includes some key features of a business report and uses business terminology and concepts</li> </ul>	9 – 12
<ul style="list-style-type: none"> <li>• Provides a form of situational analysis and mentions management strategies</li> <li>• Demonstrates some understanding of the businesses functions and operations</li> <li>• Mentions some strategies to solve the company’s problems and/or provide market opportunities</li> <li>• Include some key features of a business report</li> </ul>	5 – 8
<ul style="list-style-type: none"> <li>• Presents an answer that mentions the situation of the business and may mention management strategies</li> <li>• Mentions some functions and operations of the business</li> <li>• May identify some ways to solve the company’s problems and/or provide market opportunities</li> <li>• Uses basic business terminology</li> </ul>	1 – 4

**Answers could include:**

- Employee responses to the relocation leading to issues of quality control and product quality eg staff absenteeism
- Specific workplace issues related to occupational health and safety that may have impacted on the company at its new site
- Features of a business report:
  - Written in a concise manner
  - Uses headings to differentiate information in the report
  - Uses sub-headings for subsequent points under the main heading
  - Uses points to be precise in communicating information



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

**2001**  
**HIGHER SCHOOL CERTIFICATE**  
**SPECIMEN EXAMINATION**

# Business Studies

## General Instructions

- Reading time – 5 minutes
- Working time – 3 hours
- Board-approved calculators may be used
- Write using blue or black pen
- Write your Centre Number and Student Number at the top of page 11

### **Section I** Pages 2 – 10

Total marks **(20)**

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

### **Section II** Pages 11 – 18

Total marks **(40)**

- Attempt Questions 21 – 25
- Allow about 1 hour and 15 minutes for this section

### **Section III** Page 19

Total marks **(20)**

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

### **Section IV** Page 20

Total marks **(20)**

- Attempt either Question 27 or Question 28
- Allow about 35 minutes for this section

## Section I

**Total marks (20)**

**Attempt Questions 1 – 20**

**Allow about 35 minutes for this section**

Use the multiple-choice answer sheet.

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

**Sample**     $2 + 4 =$  (A) 2      (B) 6      (C) 8      (D) 9  
                  A       B       C       D

If you think you have made mistake, put a cross through the incorrect answer and fill in the new answer.

A       B       C       D

If you change your mind and have crossed out what you consider to be the correct answer, then indicate this by writing the word *correct* and drawing an arrow as follows:

A       B  <sup>*correct*</sup> ←      C       D

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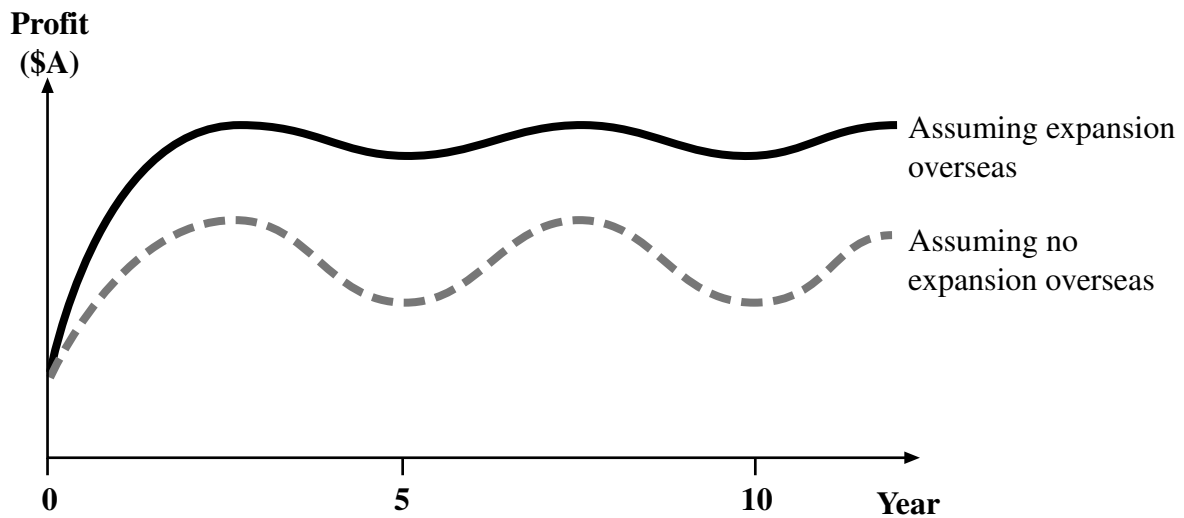
- 1** What does a cash flow report indicate?
- (A) The level of liquidity
  - (B) The level of profitability
  - (C) The level of stability
  - (D) The level of gearing
- 2** Hedging is part of which of the following business functions?
- (A) Marketing
  - (B) Operations
  - (C) Finance
  - (D) Employment relations
- 3** Glenda advertises her new product line in the mass media. However, some retailers do not get enough stock. This is an example of a problem with which marketing strategy?
- (A) Physical distribution
  - (B) Production position
  - (C) Promotional advertising
  - (D) Product differentiation
- 4** Ted and Joseph own a private company. Joseph orders stock and takes care of marketing. The auditor notes that the bank account is in Ted's name only. Why would the auditor be concerned?
- (A) Division of labour is unequal.
  - (B) Ted could misuse business funds.
  - (C) The partners are vulnerable to corporate raiders.
  - (D) Joseph is missing marketing opportunities because he is stocktaking.

Use the following information to answer Questions 5 and 6.

Sue becomes the new CEO of a business. She retains the flat management structure but decides that because of low profits, all managers must have their decisions endorsed by her authority. After a few months, some managers are still not cooperating.

- 5** Which management theory has Suzie applied?
- (A) Behavioural
  - (B) Classical
  - (C) Political
  - (D) Contingency
- 6** Which of the following responses could Suzie adopt to have greater cooperation from managers?
- (A) Provide them with compulsory education and training courses.
  - (B) Offer them part ownership of the business through a share scheme.
  - (C) Reduce their hourly wage rate but increase work hours.
  - (D) Tie their wage increases to growth in the total market.
- 7** A business introduces work-based childcare at cheap rates for its employees. Which of the following workplace issues is this related to?
- (A) Anti-discrimination
  - (B) Flexible working conditions
  - (C) Occupational health and safety
  - (D) Equal employment opportunity

8 The graph shows profit projections for an Australian business.



According to the graph, which of the following would be the main advantage of expanding overseas for this business?

- (A) To maximise taxes paid
  - (B) To cushion economic variations
  - (C) To raise labour standards
  - (D) To ensure ecological sustainability
- 9 The producer of leather belts and whips in a small country town establishes a new network of overseas customers through the Internet. To which of the following is it likely to be responding?
- (A) The effects of technological change on production
  - (B) A geographic change in the market
  - (C) The changing nature of global markets
  - (D) An increase in domestic demand for the product

Use the following information to answer Questions 10 and 11.

**Profit and Loss Statement for year ended 30 June 1999**

Revenue	\$ 2000
Cost of goods sold	W
Gross Profit	X

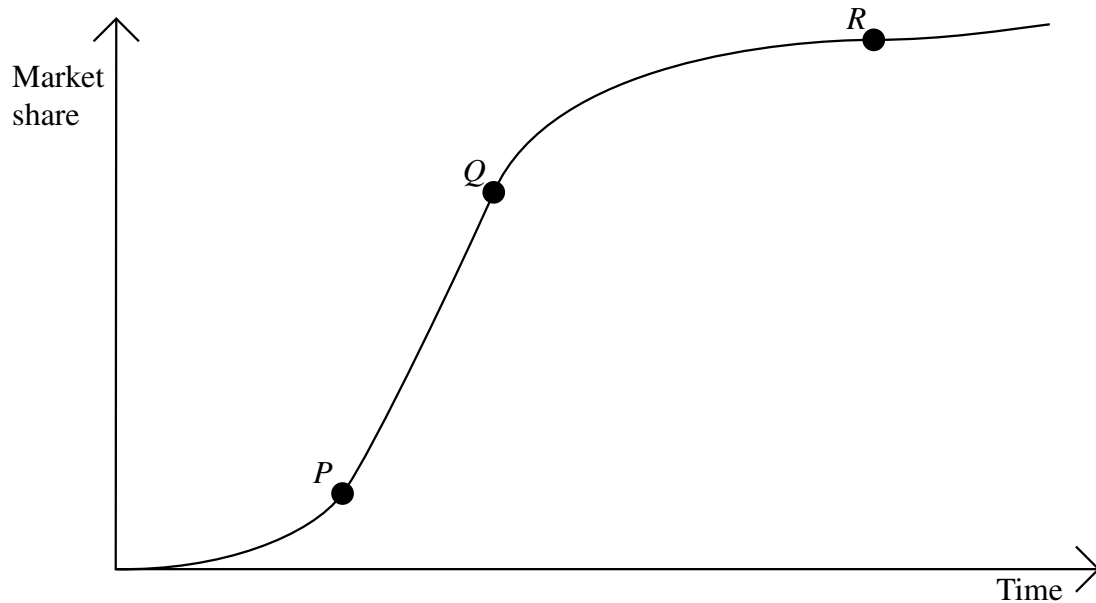
**Other information**

Net Profit Ratio	5%
Gross Profit Ratio	70%

- 10** What are the values of *W* and *X* respectively?
- (A) \$1400      \$600  
(B) \$100      \$1900  
(C) \$600      \$1400  
(D) \$1900      \$100
- 11** If the Gross Profit Ratio fell to 65% but Revenue and Expenses remained the same, what would happen to the Net Profit?
- (A) It would remain the same.  
(B) It would fall by 5%.  
(C) It would rise by 5%.  
(D) It would fall to zero.

Use the graph to answer Questions 12 and 13.

Part of the life cycle for one of Business Z's products is shown in the graph.

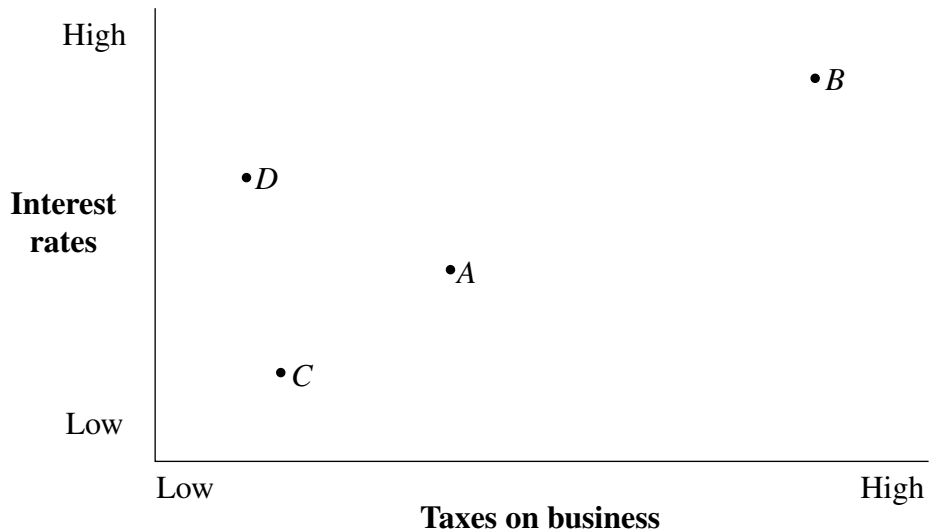


- 12** In which stage of the product's life cycle is point *R*?
- (A) Growth
  - (B) Market trial and establishment
  - (C) Research and development
  - (D) Steady market
- 13** The time to move from point *P* to point *Q* was very short. Which action by Business Z at point *P* is most likely to have contributed to this?
- (A) Commission market research.
  - (B) Conduct a situational analysis.
  - (C) Develop a marketing plan.
  - (D) Implement a penetration pricing strategy.

Use the graph to answer Questions 14 and 15.

The graph shows the relationship between taxes on business and interest rates for four countries, *A*, *B*, *C* and *D*.

An Australian business wants to set up a subsidiary in one of these countries to produce goods for the international market.

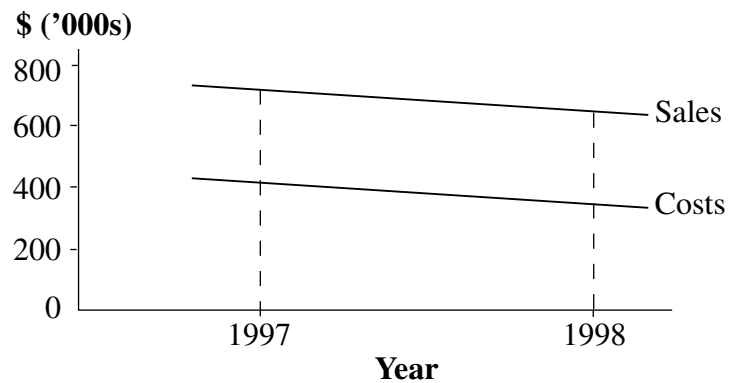


- 14** The business decides to borrow money in the country in which it will operate. Based on the information shown on taxes and interest rates, which country would it choose?
- (A) Country *A*
  - (B) Country *B*
  - (C) Country *C*
  - (D) Country *D*
- 15** Countries *C* and *D* are expected to restrict the number of export licences, whereas Countries *A* and *B* will raise tariffs on finished products. Which country would the Australian business now be likely to choose?
- (A) Country *A*
  - (B) Country *B*
  - (C) Country *C*
  - (D) Country *D*

- 16** Which one of the following could be an example of covert industrial action?
- (A) Absenteeism
  - (B) Work to rule
  - (C) Strikes
  - (D) Lockouts
- 17** Which one of the following is a non-financial reward for employees?
- (A) A productivity-based bonus
  - (B) A commission
  - (C) Access to a holiday house
  - (D) A company car
- 18** What strategy would managers use to promote change practices that boost the morale of all their employees?
- (A) Benchmarking worker performance
  - (B) Increasing the number of casual positions
  - (C) Training and development leading to improved career paths
  - (D) Team meetings after hours

Use the graph to answer Questions 19 and 20.

The graph shows data on sales and costs for Business X in 1997 and 1998.



- 19** Which trend did Business X experience from 1997 to 1998?
- (A) Rising sales
  - (B) Rising profits
  - (C) Stable sales
  - (D) Stable profits
- 20** Which of the following **MUST** Business X have experienced?
- (A) A falling net profit ratio
  - (B) A rising net profit ratio
  - (C) A falling working capital ratio
  - (D) A rising working capital ratio

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Centre Number

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Student Number

## Section II

**Total marks (40)**

**Attempt Questions 21 – 25**

**Allow about 1 hour and 15 minutes for this section**

Answer each question in the spaces provided.

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**Question 21** (5 marks)

**Marks**

Millennium Motors manufactures car bodies and engines from recycled steel. Millennium Motors has had a long history of innovation. Its latest successful invention is a cheap and efficient solar powered car, which it can produce within current resources.

- (a) State ONE reason why Millennium’s products could be described as ecologically sustainable. **1**

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- (b) Describe the likely effect of Millennium’s latest invention on its shareholders and competitors. **4**

Shareholders

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.....  
.....  
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Competitors

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**Question 22** (10 marks)

The management of Nozza’s Cozzies Pty Ltd has asked your consultancy business to provide recommendations to maximise the success of their proposed share float. To assist you they have provided the following details.

<b>Balance Sheet as at 30 June 2000</b>			
<b>Assets</b>	<b>\$</b>	<b>Liabilities</b>	<b>\$</b>
Debtors	200 000	Creditors	180 000
Inventories	150 000	Overdraft	100 000
Plant	50 000	Term loan	50 000
Buildings	100 000		
		<b>Owner’s equity</b>	
		Capital	100 000
		Retained profit for 1999 – 2000	70 000
	<u>500 000</u>		<u>500 000</u>

Additional information provided:

	\$
Sales	1 000 000
Opening inventories	50 000
Purchases	200 000
Interest expense	15 000

- (a) State and calculate ONE liquidity ratio. 2

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- (b) State and calculate ONE profitability ratio. 2

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**Question 22 continues on page 13**

Question 22 (continued)

- (c) Identify TWO aspects of Nozza’s Cozzies Pty Ltd’s Balance Sheet as at 30 June 2000 that would be of concern to a potential investor. **2**

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- (d) Justify TWO financial strategies to address the concerns you identified in part (c), in order to maximise the success of the proposed share float. **4**

Strategy 1

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Strategy 2

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**End of Question 22**

**Question 23** (10 marks)

Big Notus Pty Ltd is a business specialising in retail sales of compact discs (CDs). They have obtained the following data:

<b>Big Notus Pty Ltd Customer Survey</b>	
Typical Customer Profile	
Age	15 – 24 years
Weekly income	\$100 – \$400
Number of CD purchases/year	20**
Total spending/year	\$450
Customer location	Inner City

*\*\*Note: Customers do not always pay \$30 per CD.*

<b>Total Music Compact Disc (CD) Market*</b>	
Total Music Industry Typical Customer Profile	
Age	15 – 27 years
Number of CD purchases/year	12
Total annual spending/customer	\$350

*\*Data collected by Moh Market Research – Published in Music Marketing Weekly*

- (a) Using the above information, explain the difference between a primary and secondary data source. 2

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- (b) Outline ONE way in which Big Notus Pty Ltd could use the data provided when deciding where it should locate to sell CDs. 2

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**Question 23 continues on page 15**

**Marks**

Question 23 (continued)

- (c) Propose and justify **THREE** distinct marketing strategies that could be adopted by Big Notus Pty Ltd when marketing its products. **6**

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**End of Question 23**

**Question 24** (10 marks)

Blitz Airlines is based in New South Wales. Its industrial dispute record is as follows:

	1998	1999	2000
Number of disputes per year related to:			
Employment contracts	12	1	0
Health and safety concerns	5	3	1
Other working conditions	15	1	0
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Total number of disputes per year	32	5	1

- (a) Using the above, suggest TWO features that may be part of the employment contracts in 2000. 2

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- (b) Identify ONE employment law and explain how this would affect the practices of Blitz Airlines. 2

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**Question 24 continues on page 17**

Question 24 (continued)

- (c) Suggest ways in which changes to Australia’s workplace legislation could have contributed to the decline in the number of Blitz’s industrial conflicts between 1998 and 2000. **6**

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**End of Question 24**

**Question 25** (5 marks)

Fantasy is a cosmetics business that has recently begun trading internationally on the Internet.

- (a) Suggest ONE reason for Fantasy’s drive to globalisation. **1**

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- (b) Explain ONE cultural and ONE political influence on Fantasy’s operations and the effect they may have. **4**

Cultural influence

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Political influence

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## Section III

**Total marks (20)**

**Attempt Question 26**

**Allow about 35 minutes for this section**

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

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In your answer you will be assessed on how well you:

- use your knowledge and the information provided
  - communicate using relevant business terminology and concepts
  - present a logical, well-structured answer to the question in the form of a business report
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**Question 26** (20 marks)

### **Manufacturing Company Case Study**

A manufacturing company set up in 1991 grew rapidly until 1998 when it relocated to a new site. Since the move, it has experienced the following:

- poor quality control and product quality has fallen;
- WorkCover has produced a report stating that the new site has major occupational health and safety concerns;
- very high staff absenteeism and very low productivity;
- there has been increased competition in the market which has led to lost revenue for this business;
- falling market share since the relocation;
- financial problems occurring and last month a large creditor demanded payment on an overdue loan.

Write a business report to the owners of this company that outlines a situational analysis and management strategies to solve the company's problems and allows the company to take advantage of market opportunities.

## Section IV

**Total marks (20)**

**Attempt either Question 27 or Question 28**

**Allow about 35 minutes for this section**

Answer the question 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:

- use your knowledge and the information provided
  - communicate using relevant business terminology and concepts
  - present a logical, well-structured answer to the question
- 

**Question 27** (20 marks)

‘Change can be very fast and unexpected, leading Australian businesses to rethink their global strategies.’

Critically examine the strategies used to manage the changing global activities and the responsiveness to change in the international marketplace of the business you have studied.

**OR**

**Question 28** (20 marks)

‘Australia is a limited market. Businesses situated in such markets seek global remedies.’

Critically examine how the Australian market is limiting the growth of a business you have studied and the consequences for two different stakeholders when this business expands into the global marketplace.

**End of paper**