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
Information about four companies is shown in the table.

<table>
<thead>
<tr>
<th></th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff turnover</strong></td>
<td>15</td>
<td>11</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>(% of workforce)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Output per worker</strong></td>
<td>8</td>
<td>12</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>(products per hour)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Absenteeism</strong></td>
<td>9</td>
<td>8</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>(average days per employee)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Which company is likely to have the best employee relations?

(A)  A  
(B)  B  
(C)  C  
(D)  D

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

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.

![Critical Path Diagram]

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**

<table>
<thead>
<tr>
<th></th>
<th>Star Car Sales in each country ($)</th>
<th>Star Car’s % of the car market in each country</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Country A</td>
<td>10 million</td>
<td>12 million</td>
</tr>
<tr>
<td>Country A</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Country B</td>
<td>10 million</td>
<td>12 million</td>
</tr>
<tr>
<td>Country B</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Country C</td>
<td>10 million</td>
<td>10 million</td>
</tr>
<tr>
<td>Country C</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Country D</td>
<td>10 million</td>
<td>8 million</td>
</tr>
<tr>
<td>Country D</td>
<td>10</td>
<td>6</td>
</tr>
</tbody>
</table>

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
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.

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

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Question 22 (12 marks)

Balance Sheet for Chalker Pty Ltd
as at year ending 30 June 2012

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>8 000</td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>12 000</td>
<td>35 000</td>
</tr>
<tr>
<td>Inventories</td>
<td>15 000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>68 000</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Current Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment</td>
<td>33 000</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>68 000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Creditors</td>
<td>14 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Current Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan</td>
<td>20 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Owners Equity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>15 000</td>
</tr>
<tr>
<td>Retained Net Profit</td>
<td>19 000</td>
</tr>
<tr>
<td><strong>Total Liabilities and Owners Equity</strong></td>
<td><strong>68 000</strong></td>
</tr>
</tbody>
</table>

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

(b) Calculate the debt to equity ratio (total liabilities ÷ total equity) of this business. Show all working.
Question 22 (continued)

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

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

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End of Question 22
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?

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

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Question 23 continues on page 14
Question 23 (continued)

(c) The management team of XYZ Ltd is deciding whether to use customisation or standardisation as its marketing strategy for the expansion.

Analyse how marketing and finance would be linked in XYZ Ltd’s decision to customise or standardise.
Question 24 (8 marks)

TextMore is a global communications business that is facing increased competition. Management has decided to reduce the size of its factory workforce by 25% but also employ more information technology (IT) specialists.

(a) Identify the TWO human resource processes that will be used in this situation.

(i) ................................................................................................................... 1

(ii) ................................................................................................................... 1

(b) Explain how TWO human resource strategies could be used to effectively manage downsizing TextMore’s factory workforce.

(i) ................................................................................................................... 3

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(ii) ................................................................................................................... 3

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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.
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

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