

2009 HSC Business Studies

Sample Answers

This document contains 'sample answers', or, in the case of some questions, 'answer may include'. These are developed by the examination committee for two purposes. The committee does this:

- (a) as part of the development of the examination paper to ensure the questions will effectively assess students' knowledge and skills, and
- (b) in order to provide some advice to the Supervisor of Marking about the nature and scope of the responses expected of students.

The 'sample answers' or similar advice, are not intended to be exemplary or even complete responses. They have been reproduced in their original form as part of the examination committee's 'working document'. While the handwritten notes have been typed for legibility, no further editorial change or addition has occurred.

Section II

Question 21 (a)

Answers could include:

Rights and obligations of employers and/or employees. For example, working hours, rate of pay and leave conditions.

Question 21 (b) (i)

Sample answer:

Advantages

- Flexibility allowing a business to employ labour when needed
- Reduced costs from not paying holiday pay and sick pay

Question 21 (b) (ii)

Sample answer:

Disadvantages

- Casual employees require higher rates of pay than permanent employees
- Higher staff turnover increases training costs

Question 22 (a)***Answers could include:***

People skills, flexibility and adaptability to change.

Question 22 (b)***Answers could include:***

A potential conflict of interest – reduced costs for business and reduced pay for employees. Communication between manager and employees, negotiation to achieve acceptable outcomes.

Question 23 (a)***Sample answer:***

Social or cultural factors:

Managers need to consider the religious beliefs, customs or traditions of overseas clients. For example observing holy days.

Question 23 (b)***Answers could include:***

Currency fluctuations, interest rates.

Sample answer:

Lower rates of interest lowers the cost of borrowing allowing business to finance projects for overseas expansion.

Question 24 (a)***Answers could include:***

Advantage

- Greater access to potential investors

Disadvantage

- loss of control

Question 24 (b)***Answers could include:***

Costs/benefits

Sample answer:

External short or long term funding arrangements can be made on short notice but the business is then exposed to increases in interest rates and higher costs of repayments and higher risk of liquidation than internal sources. The new products must be able to provide sufficient cash flow to ensure debt repayments are made as they fall due.

Question 25 (a)***Answers could include:***

Identifying customer needs and satisfying those needs

Question 25 (b)***Sample answer:***

- ‘*Fits all your shopping*’ – falsely represents the qualities or benefits that the bag could not possibly have.
- ‘*100% environmentally friendly*’ – every product has some environmental impact, even those made from recycled products.

Question 25 (c)***Sample answer:***

The business reputation could be damaged in the long term by false claims, public complaints, legal actions.

Section III

Question 26

Answers could include:

- Change and social responsibility
 - ecological sustainability
 - quality of working life
 - technology
 - globalisation/managing cultural diversity
 - ecommerce

- Marketing
 - research of the market
 - global branding
 - standardisation and differentiation

- Key influences on employment relations
 - social influences – changing work patterns, population shift
 - legal influences – overview of major employment legislation
 - new organisational behavioural influences – flat management and team structures
 - economic influences – economic cycle, globalisation

Section IV

Question 27

Answers could include:

Customers

- Types of customers – people, households, firms, educational institutions, government, clubs and societies, religious organisations

Developing marketing strategies

- Market segmentation and product/service differentiation
- Product and service
 - positioning
 - branding
 - packaging
- Price including pricing methods – cost, market and competition-based
 - pricing strategies/tactics – skimming, penetration, loss leaders, price points
 - price and quality interaction
- Promotion
 - elements of the promotion mix – personal selling, advertising, below-the-line promotions, public relations
 - the communication process including opinion leaders and word of mouth
- Place/distribution
 - distribution channels and reasons for intermediaries
 - channel choice including intensive, selective, exclusive
 - physical distribution issues including transport, warehousing, inventory

Financial planning

- The planning cycle – addressing present financial position, determining financial elements of the business plan, developing budgets, cash flows, financial reports, interpretation, maintaining record systems, planning financial controls, minimising financial risks and losses.

Question 28

Answers could include:

Market research process

- determining information needs, data collection (primary and secondary), data analysis and interpretation

Elements of a marketing plan

- situational analysis including SWOT and product life cycle
- establishing market objectives
- identifying target market
- developing marketing strategies
- implementation, monitoring and controlling – developing a financial forecast, comparing actual and planned results, and revising the marketing strategy

Objectives of financial management

- liquidity
- profitability
- efficiency
- growth
- return on capital