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

Question 25 (20 marks)

Hans-Made Watches is a business that designs and hand-makes European-style watches with a lifetime warranty.

Features of the business include:

- family run business
- selling watches to the local community
- autocratic leadership style.

The business has seen a decrease in sales and market share. The owner is retiring soon and his children are hoping to improve the performance of the business.

Below is an expression of interest for an assistant manager role that has been distributed to the business's family and friends only.

Hans-Made Watches

Established 1976

Expression of interest: Assistant Manager

You will be required to work in the shop and manage day-to-day business needs. Hours of work are 8 am to 6 pm Monday to Saturday.

General information

- award wages offered
- free parking onsite
- use of coffee machine
- reports to the owner
- no experience necessary.

You have been hired as a consultant by the owner to write a business report.

In your report:

- describe the product differentiation strategy for this business
- discuss the current acquisition process for this business
- recommend appropriate human resource strategies for this business.

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)

Future Century Gaming Pty Ltd operates an online gaming platform targeting players aged 18–40 in Australia. It has been in operation since 2012, providing subscription access to a variety of online games.

The business is considering expanding into emerging global markets but is finding it challenging to recruit and retain skilled, qualified game designers and developers in Australia. It is considering international labour markets to overcome staff shortages.

The business has decided to finance its expansion into global markets through external sources.

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

- outline some of the challenges including the global factors of costs, skills and supply the business may need to consider in recruiting and retaining staff
- compare the use of debt and equity as sources of finance
- recommend ONE source of finance this business could use to fund its expansion.

Please turn over

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

Question 25 (20 marks)

Bee Sticky Pty Ltd is an established Australian manufacturing business that produces a wide range of high quality and premium organic honey. It is expanding into global markets. It will lease warehouses in Malaysia and the USA.

The company has provided you with a recently completed SWOT analysis.

SWOT analysis	
Strengths • High quality, premium and organic honey products • Approved for consumption and medical uses • Made by honeybees from Australian flora	*Weaknesses* • Frequent breakage of product during transportation • Lack of experience in foreign payment systems
Opportunities • Expanding market for high quality honey in countries overseas • Falling bee populations overseas • Potential collaborations with up-market restaurants/chefs	*Threats* • Established competition in foreign markets • Fluctuations in the Australian dollar

You have been hired as a consultant by Bee Sticky Pty Ltd to write a business report for the owners. In your report:

- describe branding and product strategies the business could use to expand into global markets
- recommend a channel choice that would suit this business's expansion
- analyse the global financial management strategies required for a successful expansion.

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)

Ozzi Baby Food Pty Ltd have developed a trusted reputation in domestic and global markets due to their safe and sustainably-sourced product range. This has led to a significant increase in demand. As a result, they are considering the purchase of a larger automated factory. This will lead to some job losses. The business will require external finance to fund the factory purchase using either a mortgage or becoming a public company on the Australian Securities Exchange (ASX).

You have been hired as a consultant by Ozzi Baby Food Pty Ltd to write a business report to the owners. In your report:

- outline TWO operations influences affecting this business
- discuss the use of retraining and redundancy payments to help overcome employee resistance to these changes
- compare the use of a mortgage to a new issue of shares to fund the factory purchase.

Please turn over

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)

Icecreams R Us exclusively delivers ice-cream to homes in Newcastle. To increase market share, they are negotiating with a major service station chain, Eucafuels Ltd, to sell their brand of ice-cream throughout NSW.

Before they agree to sell the ice-cream, Eucafuels Ltd have a number of concerns over the ability of Icecreams R Us to:

- deliver ice-cream to their outlets in NSW in a timely manner
- create an awareness that the ice-cream will be sold at Eucafuels Ltd outlets
- produce an increased volume of ice-cream while maintaining a quality product.

To address these concerns, you have been hired as a consultant by Icecreams R Us to write a report to their directors. In your report:

- describe TWO physical distribution issues that the business needs to consider in the delivery of their product
- justify ONE promotional strategy the business could use
- recommend possible changes the business could make to their operations processes to address the volume and quality concerns of Eucafuels Ltd.

Please turn over

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)

A business, Roo's Outback Eatery Pty Ltd, is opening an additional restaurant in NSW. They plan to position the restaurant as an exclusive restaurant specialising in modern Australian food with quality customer service. The owners require assistance with the following:

- the acquisition and development of suitable staff
- additional funds for the day-to-day running of the business
- the close monitoring of working capital.

You have been hired as a consultant to write a report for the owners. In your report:

- discuss methods this business could use in the acquisition and development of staff
- recommend TWO appropriate working capital management strategies for this business.

Please turn over

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)

Fast Burgers Ltd is a large fast food business that has been operating for 15 years in a market with high levels of competition.

Recently Fast Burgers Ltd has offered its employees an extra day of annual leave in order to participate in charity work. This has been popular among staff, and the business publishes a short summary of these activities on its social media sites. Additionally Fast Burgers Ltd received an award for its services to its staff and to society.

Similar businesses are now adopting this approach, so Fast Burgers Ltd is considering what else can be done to maintain its record as an excellent employer.

Write a report for the directors of Fast Burgers Ltd in which you:

- describe the role of operations management for this business
- demonstrate why corporate social responsibility should remain a key concern in the operation of this business
- recommend THREE human resource strategies that Fast Burgers Ltd could use to maintain its record as an excellent employer.

Please turn over

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)

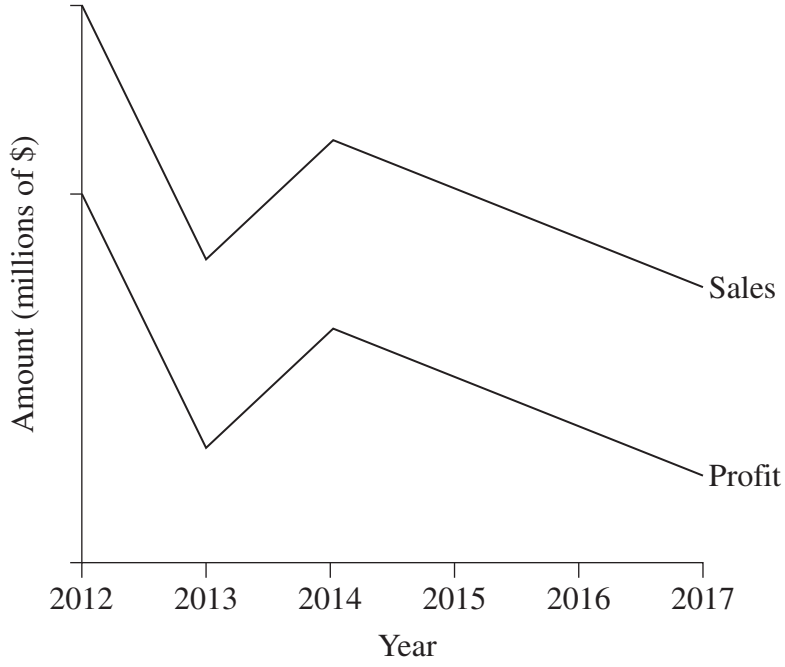
Please turn over

Question 25 (20 marks)

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 III

20 marks
Attempt Question 26
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 26 (20 marks)

Please turn over

Question 26 (20 marks)

The table shows data for Lee's Catering, a small business. It has a high profile chef and the food is of excellent quality. It has many bookings for future events.

Extract from financial reports for Lee's Catering	
Cash ($)	1000
Accounts receivable ($)	10 000
Inventory ($)	50
Accounts payable ($)	11 050
Goodwill ($)	200 000
Current ratio (current assets ÷ current liabilities)	100% (industry average 150%)
Gross profit ratio (gross profit ÷ sales)	30% (industry average 50%)
Expense ratio (total expenses ÷ sales)	60% (industry average 30%)

A potential new partner is concerned about the accuracy of the financial reports and the effectiveness of current management.

The potential new partner has asked you to write a business report in which you:

- explain possible limitations of the financial reports
- recommend appropriate working capital management strategies for the business
- evaluate a pricing strategy the business could use.

Business Studies

Section III

20 marks
Attempt Question 26
Allow about 35 minutes for this section

AnswerthequestionintheSectionsIIIandIVWritingBooklet.Extrawritingbookletsare 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 26 (20 marks)

Sally has just bought *Fit Fast Bikes*, a business which sells exercise bicycles.

Its advertising states that a customer who uses the bike for 10 minutes per day is guaranteed to lose 20 kg in one month.

The sales staff are paid on a commission only basis. In order to maximise their sales, the sales staff promise a full refund to customers if they are not 100% satisfied.

However, the business does not provide refunds or repairs under any circumstances.

The quality of the bikes is poor.

There are many customer complaints.

Sally wishes to improve the performance of the business and she has asked you to write a business report.

In your report:

- describe the consumer laws that *Fit Fast Bikes* may be breaking
- propose human resource strategies to manage the current sales staff more effectively
- explain how marketing and human resource management are interdependent at *Fit Fast Bikes*.

Please turn over

Business Studies

Section III

20 marks
Attempt Question 25
Allow about 35 minutes for this section

Answer the question in the Section III 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)

Emu Uniform Manufacturers Pty Ltd are a successful business based in NSW. They currently supply a range of school, sport and work uniforms to a large number of customers throughout Australia. They are known for their outstanding customer service and high quality products.

Sales have been increasing for many years and they have recently received a large long-term contract to supply uniforms to a major company.

This will require them to significantly expand their output. To do this, the business will have to outsource overseas or spend $5 million to expand its existing factory in NSW.

You have been hired as a consultant to write a report to the management. In your report:

- recommend a source of finance for the factory expansion
- discuss outsourcing overseas compared with the factory expansion
- explain the global factors that need to be considered if they decide to use outsourcing as an operations strategy.

Please turn over

Business Studies

Section III

20 marks
Attempt Question 26
Allow about 35 minutes for this section

Answer the question in the Section III 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 26 (20 marks)

Kingland Office Supplies operates in a large NSW city in a highly competitive market. A paid manager is responsible for the day-to-day running of the business.

The owners are concerned about the low profitability of the business.

Investigations by the owners indicate the following problems:

- customers find the product mix unappealing
- poor management of cash flow
- poor accounts receivable turnover compared to similar businesses.

The manager has also identified low prices offered by larger competitors as a cause of the low profitability.

You have been employed as a consultant by the owners. Write a report to the owners recommending marketing and financial management strategies to improve the performance of the business.

Please turn over

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