Question 1

Frank is an expert in repairing technological devices and has been employed in such a role for 10 years. He is looking to start his own business.

a) Define an SME and outline their significance to the Australian Economy. *(3)*

_____

_____

_____

_____

_____

_____

b) Describe 3 personal qualities that Frank would need to improve his odds of success.

(6)

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Question 2

Kerry and Greg have started a real-estate agency in the form of a partnership. Both are qualified and experienced agents but have little experience in the management of a business.

a) Describe TWO factors that typically result in the failure of an SME. *(4)*

_____

_____

_____

_____

_____

_____

_____

b) Assess the business idea and competition for Kerry and Greg's new venture. *(4)*

_____

_____

_____

_____

_____

_____

_____

_____

_____

c) Recommend TWO sources of information that would assist the new business owners. (4)

_____

_____

_____

_____

_____

_____

_____

_____

_____

d) What types of market research should they have completed prior to launch? *(4)*

_____

_____

_____

_____

_____

_____

_____

_____

_____

Question 3

Paul is a keen rock climber who has wanted to start an indoor climbing gym for many years. He has accessed a business loan to finance the establishment of the business and undertake the required refurbishments.

a) Identify TWO establishment costs for this business. *(2)*

_____

_____

b) Identify TWO ongoing costs for this business. (2)

_____

_____

c) Discuss the use of debt to finance the business. *(4)*

_____

_____

_____

_____

_____

_____

_____

_____

d) Explain why starting from scratch could be the better option to establish this business. *(4)*

_____

_____

_____

_____

_____

_____

_____

_____

Question 4

Margo is keen to establish a home-based cleaning business. Once up and running, she aims to employ staff to undertake the cleaning tasks.

a) What legal and taxation considerations are relevant for Margo's business? *(4)*

_____

_____

_____

_____

_____

_____

_____

b) Explain why hiring the right staff is critical for new businesses. *(4)*

_____

_____

_____

_____

_____

_____

_____

_____

_____

Question 5

Desert Springs PTY LTD is an adventure travel business offering guided tours in the Australian wilderness, offering Aboriginal perspectives. It has been very successful in the Northern Territory and is now looking to offer new experiences in Western Australia.

a) Define a SWOT Analysis and provide reasons why Desert Springs should complete one. *(4)*

_____

_____

_____

_____

_____

_____

_____

b) What is a Vision Statement and in what way does it relate to business goals? *(4)*

_____

_____

_____

_____

_____

_____

_____

_____

_____

c) Describe resources the business will need to organise to open new locations. *(6)*

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Question 6

Lionel has organised a range of investors to create a private company. The business has identified appropriate land to grow grapes and produce two varieties of wine.

a) Define a business plan and provide reasons in favour of Lionel creating one. *(4)*

b) Lionel has calculated that the total fixed costs for the business are $600,000. Each bottle of wine is estimated to cost $3.50. Bottles will sell for $12.99 each.

Calculate the breakeven point for this business and explain why this is an important tool in a business plan. *(4)*

c) What are the negative outcomes of inaccurate forecasting for Lionel? *(4)*

_____

_____

_____

_____

_____

_____

_____

_____

_____

Question 7

LOPE PTY LTD is an equipment hire company focusing on the retail market. They rent small equipment for home renovations.

a) Define monitoring. *(2)*

_____

_____

_____

b) Define controlling. *(2)*

_____

_____

_____

c) Describe the process of monitoring and controlling in this business. *(4)*

_____

_____

_____

_____

_____

_____

_____

_____

_____

Question 8

Gerry owns three long-haul trucks. These are utilised by the large supermarket chains to transport groceries from the wholesale warehouse to the retail stores.

a) Assess the importance of management for the success of the business. *(4)*

b) Propose TWO strategies that could continue to give this business an edge over other trucking businesses. *(4)*

c) Gerry bought the trucks mainly using debt. Explain the risks the business faces. *(4)*

_____

_____

_____

_____

_____

_____

_____

_____

_____