



## **BUSINESS MANAGEMENT AND ENTERPRISE STAGE 2 DRAFT SAMPLE EXAMINATION**

Section 7 of the *New WACE Manual: General Information 2008 Revised Edition* outlines the policy on WACE examinations.

Further information about the WACE Examinations policy can be accessed from the Curriculum Council website at <http://www.curriculum.wa.edu.au>.

The purpose for providing a sample examination is to provide teachers with an example of how the course will be examined. Further finetuning will be made to this sample in 2008 by the examination panel following consultation with teachers, measurement specialists and advice from the Assessment, Review and Moderation (ARM) panel.

DRAFT

SEE NEXT PAGE



Western Australian Certificate of Education, Draft Sample External Examination Question Booklet

**BUSINESS  
MANAGEMENT  
AND ENTERPRISE  
WRITTEN PAPER  
STAGE 2**

Please place your student identification label in this box

Student Number: In figures

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In words

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***Time allowed for this paper***

Reading time before commencing work:

Ten minutes

Working time for paper:

Three hours

***Material required/recommended for this paper***

**To be provided by the supervisor**

This Question Booklet

Multiple-choice Answer Sheet

Business Information Booklet

**To be provided by the candidate**

Standard items: Pens, pencils, eraser, correction fluid, highlighter and ruler

Special items: Calculators satisfying the conditions set by the Curriculum Council for this subject

***Important note to candidates***

No other items may be taken into the examination room. It is **your** responsibility to ensure that you do not have any unauthorised notes or other items of a non-personal nature in the examination room. If you have any unauthorised material with you, hand it to the supervisor **before** reading any further.

***Structure of this paper***

Section	Suggested working time	Number of questions available	Number of questions to be attempted	Marks available	Weighting
Section One: Multiple-choice	30 minutes	20	All	20	10%
Section Two: Short answer	90 minutes	7	5	50	60%
Section Three: Extended answer	60 minutes	2	1	30	30%
[Total marks]				100	100%

***Instructions to candidates***

1. The rules for the conduct of Curriculum Council WACE examinations are detailed in the *Student Information Handbook*. Sitting this examination implies that you agree to abide by these rules.
2. Answer all questions in the Question/Answer Booklet in blue or black ballpoint or ink pen. Answers may be presented in any appropriate format or combination of formats.
3. You must be careful to confine your responses to the specific questions asked and to follow any instructions that are specific to a particular question.

**SECTION ONE—MULTIPLE-CHOICE**

Attempt **ALL** questions from this section.

For questions 1–20 choose the alternative which most correctly answers the question or completes the statement. Record your answers on the separate multiple-choice answer sheet using a 2B, B or HB pencil. Read the instructions on this sheet with care. Each question is worth one mark.

Allow approximately 30 minutes for this section. [20 marks]

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1. A business plan consists of
  - (a) marketing, production and financial plans.
  - (b) demographic, marketing and pricing plans.
  - (c) process, production and financial plans.
  - (d) staffing, public relations and financial plans.
  
2. Three key functions of the marketing manager are:
  - (a) producing, administering and innovating
  - (b) controlling, paying and organising
  - (c) arranging, monitoring and collaborating
  - (d) planning, organising and leading.
  
3. When undertaking an annual analysis of his business in order to plan for the following year a business manager discovers the following:
  - *loyal employees,*
  - *vulnerable competitors,*
  - *slow market growth and,*
  - *outdated business technology.*

The above factors are listed in order of

- (a) strength, opportunity, weakness and threat.
  - (b) strength, opportunity, threat and weakness.
  - (c) opportunity, strength, threat and weakness.
  - (d) opportunity, strength, weakness and threat.
- 
4. A Chief Executive Officer revised a company's organisational structure. The effect of the revision was to increase the number of staff reporting directly to him/her.

This flattening of the management structure would

- (a) reduce accountability of senior management.
- (b) increase the span of control of the new CEO.
- (c) increase the layers of management.
- (d) increase accountability of all staff members.

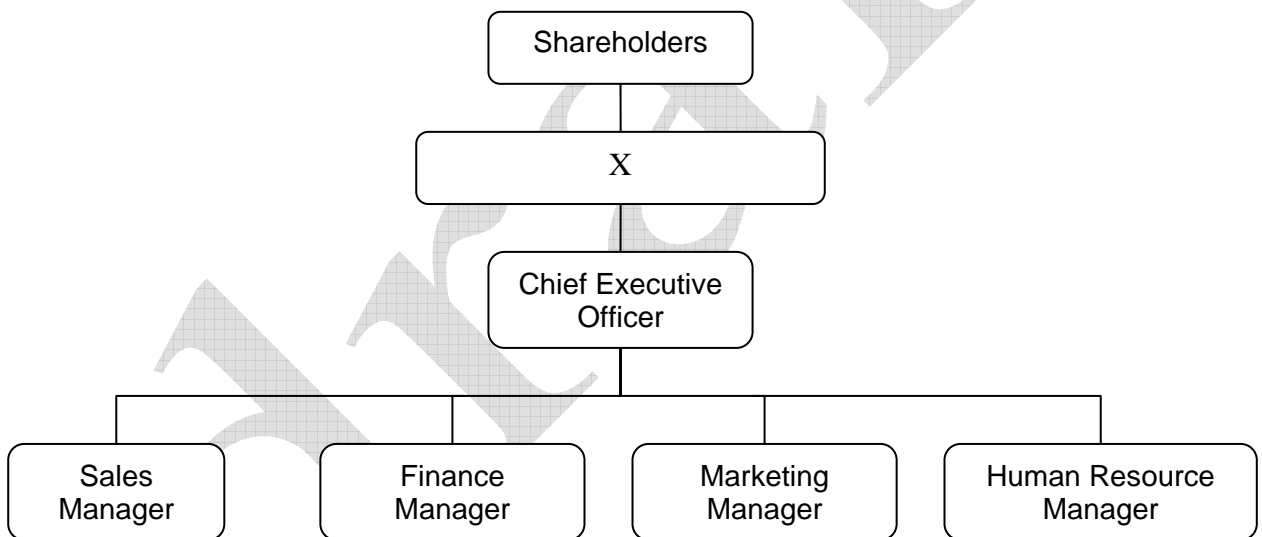
5. The number of fathers taking leave from work following the birth of a child has increased in recent years. Management is responding to this change. Which of the following best describes the nature of this influence on employment relations?
- (a) global
  - (b) social
  - (c) structural
  - (d) technological

[From: Board of Studies, 2005]

6. A popular rock band has released a new CD. A large department store has decided to sell this CD at below cost price. What strategy is the store using?
- (a) price points
  - (b) market pricing
  - (c) price skimming
  - (d) loss leader pricing

[From: Board of Studies, 2005]

7. The following diagram shows an organisation chart of AM Ltd, a publicly listed company.



- 'X' is most likely the:
- (a) managing director
  - (b) executive manager
  - (c) board of directors
  - (d) debenture holders.

[Adapted from: Australian Economics and Business Studies Competitions, 2001]

8. Which of the following examples reflects political influence on an organisation?
- (a) trading hours and labelling
  - (b) cost structure and labour conditions
  - (c) trading hours and number of casual workers
  - (d) inputs and labour conditions.
9. The following financial data has been extracted from the records of JJ Pty Ltd on 30 June:

<b>JJ Proprietary Limited – June</b>	<b>\$</b>
Cash at bank, 1 June	60 000
Cash sales	30 000
Wages paid	25 000
Cash purchases	25 000
Purchases on credit	10 000
Receipts from debtors	5 000
Payments to creditors	30 000
Dividends received	10 000

- Based on this data the Cash at bank balance on 30 June is
- (a) 15 000.
  - (b) 25 000.
  - (c) 65 000.
  - (d) 75 000.
10. The basic elements of a contract are:
- (a) two or more parties; agreement
  - (b) capacity; agreement; legal form
  - (c) intention; agreement; consideration
  - (d) validity; consent; consideration.
11. When setting up a business, you are legally obliged to register
- (a) a business name, a domain name, and a trade mark.
  - (b) a licence, a tax file number, and a business structure.
  - (c) an Australian business number, a licence, and a business structure.
  - (d) an Australian business number, a tax file number, and a business name.
12. Leaders use different types of power to influence the behaviour of others. These types of power include
- (a) legitimate, reward, coercive, and expert.
  - (b) autocratic, laissez-faire, democratic, and normative.
  - (c) situational, functional, contingency, and referent.
  - (d) reward, coercive, democratic, and referent.

- 13.** Marketing managers use four main variables when segmenting the total market. They are
- (a) product, price, promotion, and place.
  - (b) product, services, packaging, and pricing.
  - (c) lifestyle, pricing, geography, and demography.
  - (d) demography, geography, lifestyle, and behaviour.
- 14.** If an employee performs the same duties as other employees, but receives a higher hourly rate of pay, that employee is likely to be employed as a
- (a) permanent part-time worker.
  - (b) casual worker.
  - (c) part-time worker.
  - (d) permanent worker.
- 15.** An engineering business that has been producing pollution control components for ten years is now redesigning components to meet new environmental standards. What aspect of the marketing mix is the business currently concerned with
- (a) place
  - (b) price
  - (c) product
  - (d) promotion
- 16.** Anna is the front office receptionist for a health and recreation centre. She has gained weight due to a medical condition. Management has dismissed Anna as she no longer fits the desired company profile. This action
- (a) is legal if the employment advocate is notified.
  - (b) is contrary to the Sex Discrimination Act.
  - (c) constitutes an unfair dismissal.
  - (d) is a breach of the employer's duty of care.
- 17.** Sue buys the same brand of watch as her best friend. Sue is demonstrating
- (a) social influence on buying behaviour.
  - (b) informed consumer behaviour.
  - (c) marketing influence on consumer behaviour.
  - (d) effective consumer behaviour.
- 18.** Customers have certain rights under the Commonwealth's Trade Practices Act 1974. This legislation addresses four basic rights of customers. Which of the following is a basic right? The right to
- (a) return products.
  - (b) receive compensation.
  - (c) purchase products.
  - (d) have warranties and guarantees honoured.



19. Which of the following key performance indicators would best help a business to monitor the performance of the human resource department?
- (a) sick days taken, recruitment quality, staff turnover
  - (b) recruitment quality, net profit, output
  - (c) output, staff sick days, market share
  - (d) productivity, market share, staff turnover.
20. Listening, compromising and knowing your bottom line are important elements of:
- (a) emotional intelligence
  - (b) diversity management
  - (c) negotiation skills
  - (d) industry skills.

END OF SECTION ONE

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**SECTION TWO—SHORT RESPONSE** [50 marks]

This section has **seven** questions. Attempt **five out of the seven questions** in this section. Write your response in the standard answer booklet.

Suggested working time: 90 minutes

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**Question 1**

A customer bought a new MP3 player and it stopped playing after about one month. Your store is the sole distributor for this particular brand of MP3 player in your region. The customer has all the documentation from their purchase, including a 12 month manufacturer's warranty.

As the store manager you have received a letter of complaint from the customer. The letter states that the customer's request for replacement or repair of the faulty MP3 player was not handled professionally by a staff member.

- (a) Draft a letter formally responding to the customer in which you outline what action you propose to take with regard to the faulty MP3 player and what action will be taken to improve the customer service performance of staff. [8 marks]
- (b) What other action might the customer legally take if they are dissatisfied with your response? [2 marks]

**Question 2**

Business innovation can be an important contributor to business success.

- (a) Explain what business innovation is and give one example [2 marks]
- (b) Describe **two** steps small business can take to foster innovation at work. [2 marks]
- (c) Give **three** reasons why a business innovation might not succeed. [3 marks]
- (d) Give **three** conditions which will aid the successful implementation of a business innovation. [3 marks]

**Question 3**

Lee Moloney hopes to start up a personal brand of environmentally friendly, organic cosmetics and beauty products. Lee has approached you as a marketing consultant for some marketing advice.

Write a letter to Lee using appropriate business format, language and terminology. In the letter you need to

- explain what 'positioning' and 'public image' are.
- describe two marketing strategies that would be particularly useful for the start-up stage of a product life-cycle and explain why they would be useful.
- suggest a distribution channel that would be particularly suitable for Lee's products in the start-up stage and explain why it would be appropriate.

[10 marks]

**Question 4**

- (a) For **each** of the business operations below, identify **one** primary source of documentary evidence: [4 marks]
- ordering stock
  - sale of goods for cash
  - purchase of goods on credit
  - payment of creditors.
- (b) Describe how any **two** of the above four events are entered in the financial records of the business. [4 marks]
- (c) Identify **two** ways in which technology could be useful in business record-keeping. [2 marks]

**Question 5**

[10 marks]

Many people have excellent business ideas but, because they lack the courage to implement the ideas, the businesses never get off the ground.

Identify five skills and/or attributes which are evident in entrepreneurs who are good at turning business ideas into reality. Illustrate each skill or attribute with an example.

**Question 6**

Induction and training are two key elements of the employment cycle in which Crazy John's takes particular pride.

- (a) Describe what induction and training should involve. *[4 marks]*
- (b) How do these key elements assist Crazy John's to achieve its goals? *[4 marks]*
- (c) If a major accident caused the Crazy John's training headquarters to be out of use for one year, what alternative strategies could management employ to ensure that induction and training remain at a high standard? *[2 marks]*

**Question 7**

- (a) What is 'relationship marketing'? *[2 marks]*
- (b) Describe **three** characteristics of a niche market. *[2 marks]*
- (c) In relation to Crazy John's:
- i) Describe **one** way in which relationship marketing could be implemented. *[1 mark]*
  - ii) Identify **two** changes which Crazy John's customers may notice as a result of relationship marketing. *[2 marks]*
  - iii) Identify **two** changes which the company may notice as a result of implementing relationship marketing. *[2 marks]*

**END OF SECTION TWO**

**SECTION THREE—EXTENDED RESPONSE** [30 marks]

This section has two questions. You are to choose **ONE** question: EITHER Question 8 OR Question 9.

Suggested working time: 60 minutes

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**Question 8** (choose either this question or Question 9) [30 marks]

Assume Crazy John's management are considering the launch of a new mobile phone under the Crazy John's label.

Prepare a marketing campaign for the launch of the new phone which includes details of technologies to be used, strategies to be adopted and proposed timeline.

Use your knowledge of Crazy John's marketing strategies as referred to in the Business Information Booklet to formulate your response.

Outline assumptions regarding the product and the target market.

**OR**

**Question 9** (choose either this question or Question 8) [30 marks]

Assume that Crazy John's plans to double the size of its business over the next five years by the opening further stores across Australia.

Explain how that scale of expansion could affect the organisational structure and employees' motivation.

Use your knowledge of human resource motivation theory and Crazy John's organisational culture to recommend strategies which could be put in place to ensure that staff motivation and morale is maintained.

Your answer may be presented in any appropriate format or combination of formats.

**END OF QUESTIONS**

*Draft*

## ACKNOWLEDGEMENTS

### SECTION ONE

- Question 5** Board of Studies New South Wales (2005) *Business Studies 2005 Higher School Certificate Examination* (p.3, question 4) Retrieved November, 2006, from [http://www.boardofstudies.nsw.edu.au/hsc/exams/hsc2005exams/pdf\\_doc/business\\_studies\\_05.pdf](http://www.boardofstudies.nsw.edu.au/hsc/exams/hsc2005exams/pdf_doc/business_studies_05.pdf)
- Question 6** Board of Studies New South Wales. (2005). *Business Studies: 2005 Higher School Certificate Examination* (p.17, q.16). Retrieved November, 2006, from [http://www.boardofstudies.nsw.edu.au/hsc/exams/hsc2005exams/pdf\\_doc/business\\_studies\\_05.pdf](http://www.boardofstudies.nsw.edu.au/hsc/exams/hsc2005exams/pdf_doc/business_studies_05.pdf)
- Question 7** Adapted from Australian Economics and Business Studies Competitions. (2001) *AMP Business Studies Competition: 2001 question paper* (p.4, q.18). Retrieved November, 2006, from <http://www.studentcompetitions.org/papers/Q01AUBS.pdf>

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