



Western Australian Certificate of Education Examination, 2012

Question/Answer Booklet

Number of additional

answer booklets used (if applicable):

BUSINESS MANAGEMENT AND ENTERPRISE	Please place your student identification label in this box
Stage 3	
Student Number: In figures	
In words	

Time allowed for this paper

Reading time before commencing work: Working time for paper:

ten minutes three hours

Materials required/recommended for this paper

To be provided by the supervisor This Question/Answer Booklet

To be provided by the candidate

Standard items: pens (blue/black preferred), pencils (including coloured), sharpener, correction tape/fluid, eraser, ruler, highlighters

Special items: non-programmable calculators approved for use in the WACE examinations

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	Number of questions available	Number of questions to be answered	Suggested working time (minutes)	Marks available	Percentage of exam
Section One: Short answer	6	6	50	60	30
Section Two: Document analysis	3	2	60	60	30
Section Three: Extended response	3	2	70	60	40
				Total	100

Instructions to candidates

- 1. The rules for the conduct of Western Australian external examinations are detailed in the *Year 12 Information Handbook 2012*. Sitting this examination implies that you agree to abide by these rules.
- 2. Write your answers in this Question/Answer Booklet.
- 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.
- 4. Spare pages are included at the end of this booklet. They can be used for planning your responses and/or as additional space if required to continue an answer.
 - Planning: If you use the spare pages for planning, indicate this clearly at the top of the page.
 - Continuing an answer: If you need to use the space to continue an answer, indicate in the original answer space where the answer is continued, i.e. give the page number. Fill in the number of the question that you are continuing to answer at the top of the page.

STAGE 3

Section One: Short answer

This section has **six (6)** questions. Answer **all** questions. Write your answers in the spaces provided.

Spare pages are included at the end of this booklet. They can be used for planning your responses and/or as additional space if required to continue an answer.

- Planning: If you use the spare pages for planning, indicate this clearly at the top of the page.
- Continuing an answer: If you need to use the space to continue an answer, indicate in the original answer space where the answer is continued, i.e. give the page number. Fill in the number of the question that you are continuing to answer at the top of the page.

Suggested working time: 50 minutes.

Question 1

(10 marks)

(a) Provide **two** examples of how a business might adapt its marketing activities to suit an international environment. (4 marks)

30% (60 Marks)

(b) Describe **three** differences between local and global markets that an international business might need to take into consideration. (6 marks)



Question 2

(10 marks)

The following information relates to the e-business of Kapowe Traders.

Kapowe Traders Budgeted Profit and Loss Statement for the month ended 30 September 2012									
BudgetedActualVarianceRevenue\$\$\$									
Cash sales Credit sales	21,000 16,000	16,800 15,600	4,200 U 400 U	20.0 2.5					
	37,000	32,400	4,600 U	12.4					
less Cost of sales	18,000	21,000	3,000 U	16.7					
Gross profit	19,000	11,400	7,600 U	40.0					
less Other expenses									
Warehouse staff wages Advertising Internet and web hosting Insurance Interest on overdraft	5,600 5,200 1,020 1,660 200	5,800 4,000 960 1,680 280	200 U 1,200 F 60 F 20 U 80 U	3.6 23.1 5.9 1.2 40.0					
Depreciation	800	800	Nil						
Total operating expenses	14,480	13,520	960 F	6.6					
Net profit	4,520	(2,120)	6,640 U	146.9					

Key: U – unfavourable variance; F – favourable variance.

(a) Describe **two** strategies Kapowe Traders could implement in response to the results reported for the month of September. (4 marks)

(b) Comment on the following statement: 'The preparation of a budget is only one element of the budget process'. (2 marks)

(c) State **two** reasons why the predicted profit for September was not achieved. (4 marks)

See next page

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STAG	E 3 7		BUSINESS M	IANAGEMEN ^T ENTERI	
Quest	tion 3			(10 m	narks)
(a)	Explain what is meant by the term 'operations	s manage	ement'.	(3 r	narks)
(b)	Describe two examples of technologies used management.	by busin	esses to facilit		narks)
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(c) Explain what is meant by the term 'supply chain'. Why is it essential that the supply chain be well managed for business operations? (3 marks)

Question 4

(10 marks)

Globalisation means that more businesses are operating internationally. This can increase their risks but there are a number of strategies they can adopt to protect their interests, including undertaking research before entering into a new market.

(a) Describe **three** examples of information that an Australian business needs to consider before expanding into overseas markets. (6 marks)

(b) Explain the impact of **two** cross-cultural issues on operations management. (4 marks)

Question 5

(10 marks)

(a) Describe the roles that facilitation, mediation and negotiation play in conflict resolution. (6 marks)

(b) Identify and explain **two** cross-cultural communication skills that may contribute to the success of an organisation. (4 marks)

Question 6

(10 marks)

(a) Discuss **three** reasons why the operations plan is an important part of the overall business strategic plan. (6 marks)

(b) Explain **two** industrial relations issues organisations need to consider when operating internationally. (4 marks)

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Section Two: Document analysis

This section has **three (3)** questions. You must answer **two (2)** questions. Write your answers in the spaces provided.

Spare pages are included at the end of this booklet. They can be used for planning your responses and/or as additional space if required to continue an answer.

- Planning: If you use the spare pages for planning, indicate this clearly at the top of the page.
- Continuing an answer: If you need to use the space to continue an answer, indicate in the original answer space where the answer is continued, i.e. give the page number. Fill in the number of the question that you are continuing to answer at the top of the page.

Suggested working time: 60 minutes.

Question 7

The United Nations Global Compact has 10 principles that aim to protect human rights, workers and the environment as well as to prevent corruption. Many businesses, particularly multinational corporations, have committed to the Global Compact by agreeing to uphold the following ideals:

- an international standard of human rights
- allowing employees to have freedom of association to join unions
- to not engage in employment discrimination and
- to not employ forced or child labour.

Despite the commitment from these signatories of the Global Compact, some argue that businesses that move from the developed world to developing countries exploit workers. However, recent findings by the Organisation for Economic Co-operation and Development (OECD) suggest that the presence of international organisations in developing countries helps to raise working conditions and standards. Benefits stem from better wages and development, which in turn increase local competitiveness for labour.

(30 marks)

30% (60 Marks)

(a) Describe **three** other ethical risks in global business practices that are **not** mentioned in the United Nations (UN) case study. (6 marks)

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(b) Identify **two** strategies that management can implement to support a culturally diverse workforce. (2 marks)

(c) What is meant by the term 'globalisation'? Discuss **two** reasons why an Australian business would consider expanding into international markets. (6 marks)



(d) Outline **three** human resource strategies used to manage a culturally diverse workforce. (6 marks)



(f)

(e) Explain **three** benefits of building a strategic alliance with an international partner.

(6 marks)

Describe two strategies management can implement to ensure alignment of human resource requirements and business operations. (4 mar				
	Describe two resource requi	strategies management ca rements and business ope	an implement to ensu erations.	

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Question 8

(30 marks)

Mobitsen Pty Ltd has been in operation since 2010. The business specialises in the production of mobility scooters for use by senior citizens. Following are statement extracts and other information prepared from the accounting records of the business.

Mobitsen Pty Ltd Income Statement for the period ended 30 June

	•		
	2010	2011	2012
	\$'000	\$'000	\$'000
Revenue	1,200	2,000	3,000
Cost of goods sold	800	1,200	1,300
Gross profit	400	800	1,700
Operating expenses	500	700	800
Net profit	(\$100)	\$100	\$900

Balance Sheet (extract) as at 30 June

	2010	2011	2012
	\$'000	\$'000	\$'000
Assets	700	850	850
Liabilities	400	500	450
Equity	300	350	400

Ratio						
	20	10	20	11	20	012
Gross profit	0.33:1	(33%)	0.40:1	(40%)	0.57:1	(57%)
Net profit	-0.08:1	(-8%)	0.05:1	(5%)	0.30:1	(30%)
Operating expense	0.42:1	(42%)	0.35:1	(35%)	0.27:1	(27%)
Debt to equity	1.33:1	(133%)	1.43:1	(143%)	1.12:1	(112%)

(a) Using the ratio results on page 18, comment on the profitability of Mobitsen Pty Ltd over the last three years. (9 marks)

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Explain the role of Mobitsen Pty Ltd's financial manager.	(6 m
What is meant by the term 'hedging'? Describe two methods of hedg Ltd could use to protect itself against a fluctuating exchange rate if it overseas market.	ging Mobitsen P expands into ar (5 m

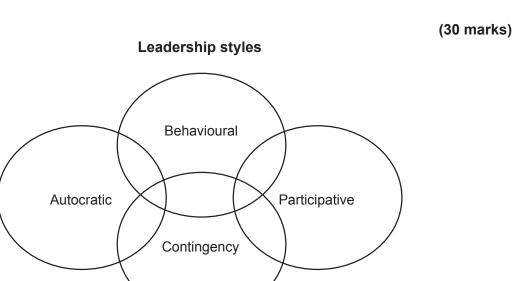
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(d) Describe organisational buying in the global marketplace. Identify **two** steps Mobitsen Pty Ltd could take to buy goods or services in this market. (4 marks)

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(e) Mobitsen Pty Ltd manufactures mobility scooters for use by senior citizens. Describe its possible production process in terms of research and development, production, distribution and final point of sale. (6 marks)

Question 9



There are many different types of leadership styles. Some have more in common than others. In reality, business leaders may need to use combinations of styles to get things done.

a)	Describe two characteristics specific only to each leadership style.	(8 marks)
	Autocratic:	
	Behavioural:	
	Participative:	
	Contingency:	

- (b) Discuss the characteristics that are common to the Autocratic leadership style and each of the following leadership styles. (6 marks)
 - (i) Behavioural

(ii) Contingency

(C)

(e) In your opinion, which past or present business leader best aligns their individual vision and goals with the organisation they lead. Explain your reasoning. (4 marks)

End of Section Two

Section Three: Extended response

This section contains **three (3)** questions. You must answer **two (2)** questions. Write your answers in the space provided following Question 12.

Suggested working time: 70 minutes.

Question 10

Linderstydes is a business that started in 2003 when mother Elise and daughter Rebecca started selling linen goods made to their own designs at markets in and around Perth. The business has grown and sales have increased to the extent that they now have a retail outlet in Perth and a thriving internet business. Rebecca has noticed there is a lot of interest in the company's products from potential customers in Singapore, although the conversion rate for sales is only 15%. E-mail enquiries suggest customers are unsure of the quality of Linderstydes's products and thus hesitant to purchase online, even though the company has a full moneyback refund policy. Rebecca wants to develop a strategic alliance with a high quality giftware shop in Singapore so she can showcase Linderstydes's products. Rebecca is convinced that if customers can see and feel the products, sales will soar. Her first step is to convince Elise.

(a)	Explain what is meant by the term 'strategic alliance'.	(2 marks)
(b)	Discuss five elements of the strategic planning process Rebecca needs to consult before developing a strategic alliance.	sider 10 marks)
(c)	Describe two strategies Rebecca could implement to estimate demand.	(6 marks)
(d)	Describe three factors that could inform a business about gaining a competitive advantage in an international environment.	(6 marks)
(e)	Outline three risks involved in an international strategic alliance.	(6 marks)

(30 marks)

Question 11

(30 marks)

Graeme is an entrepreneur who is on the verge of fully developing an innovative fuel efficient product for cars. This product has the potential to revolutionise many industries and have a global market. Graeme realises that he needs some advice relating to the legal and political environment before he proceeds.

- (a) Based on your studies, explain and evaluate **two** possible business structures that Graeme could enter into in the international market if he wants to be successful globally. (10 marks)
- (b) Explain the role of the ACCC, ATO and ASIC in regulating areas of financial activity for Graeme's emerging international business. (9 marks)
- (c) List **four** initiatives that have resulted from government policy that might affect the success of Graeme's innovative product. (4 marks)
- (d) Describe the role of **one** free trade agreement when engaging with specific countries or regions. State how Graeme can make use of this agreement. (4 marks)
- (e) Identify **three** controls on international trade and international protection of innovation that Graeme needs to consider when conducting his international business. (3 marks)

Question 12

surance is vital to an organisation in

The management of quality control and quality assurance is vital to an organisation in maintaining its competitiveness in the market. In addition, a business must engage in ongoing evaluation of its performance using data to determine whether targets and objectives have been met.

Discuss the role of quality control and the use of financial and non-financial performance measures in determining the success of an organisation.

(a) Explain **three** quality control measures that a business might use to determine whether it is providing the level of quality desired by its current and/or potential customers.

(6 marks)

- (b) Based on your studies, discuss **two** technological quality control systems that are often implemented in organisations. (12 marks)
- (c) Outline the features of financial key performance indicators. Provide **three** examples of financial key performance indicators. (6 marks)
- (d) Outline the features of non-financial key performance indicators. Provide **three** examples of non-financial key performance indicators. (6 marks)

End of questions

STAGE 3	29	BUSINESS MANAGEMENT AND ENTERPRISE
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STAGE 3	31	BUSINESS MANAGEMENT AND ENTERPRISE
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STAGE 3	33	BUSINESS MANAGEMENT AND ENTERPRISE
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STAGE 3	35	BUSINESS MANAGEMENT AND ENTERPRISE
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STAGE 3	37	BUSINESS MANAGEMENT AND ENTERPRISE
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Additional working space

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ACKNOWLEDGEMENTS

Section Two

Question 9 Venn diagram of leadership styles by courtesy of the examining panel.

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