



Western Australian Certificate of Education ATAR course examination, 2016

Question/Answer booklet

BUSINESS MANAGEMENT AND ENTERPRISE

Please place your student identification label in this box

Student number: In figures

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In words

Time allowed for this paper

Reading time before commencing work: ten minutes
Working time: three hours

Materials required/recommended for this paper

To be provided by the supervisor

This Question/Answer booklet

Number of additional
answer booklets used
(if applicable):

To be provided by the candidate

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

Special items: non-programmable calculators approved for use in this examination

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 material. 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 examination
Section One: Short answer	6	6	100	60	60
Section Two: Extended answer	3	2	80	50	40
				Total	100

Instructions to candidates

1. The rules for the conduct of the Western Australian Certificate of Education ATAR course examinations are detailed in the *Year 12 Information Handbook 2016*. 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 answers to the specific questions asked and to follow any instructions that are specific to a particular question.
4. Additional working space pages at the end of this Question/Answer booklet are for planning or continuing an answer. If you use these pages, indicate at the original answer, the page number it is planned/continued on and write the question number being planned/continued on the additional working space page.

Section One: Short answer**60% (60 Marks)**

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

Additional working space pages at the end of this Question/Answer booklet are for planning or continuing an answer. If you use these pages, indicate at the original answer, the page number it is planned/continued on and write the question number being planned/continued on the additional working space page.

Suggested working time: 100 minutes.

Turn over page and begin Section One.

Question 1

(10 marks)

(a) Distinguish between quality control and quality assurance.

(2 marks)

(b) Discuss **two** benefits for a business that adopts quality assurance as part of its quality management strategy.

(4 marks)

One: _____

Two: _____

- (c) Describe quality improvement and provide **two** examples that a business can use for this purpose. (4 marks)

Question 2

(10 marks)

- (a) Explain **one** benefit of innovation for business. Use an example in your answer. (2 marks)

- (b) Outline **two** factors that impact the success of innovation. (4 marks)

One: _____

Two: _____

- (c) Using an example, explain **two** ways in which technology can be used to assist marketing in global markets. (4 marks)

One: _____

Two: _____

Question 3

(10 marks)

After a sustained period of strategic global business growth, an international hotel chain reviews its ethical decisions and business practices.

- (a) Describe an ethical business decision that the chain could take and give an example of a related ethical business practice. (4 marks)

- (b) Analyse the impact of **two** cultural considerations on the global business practice of the hotel chain. (6 marks)

One: _____

Two: _____

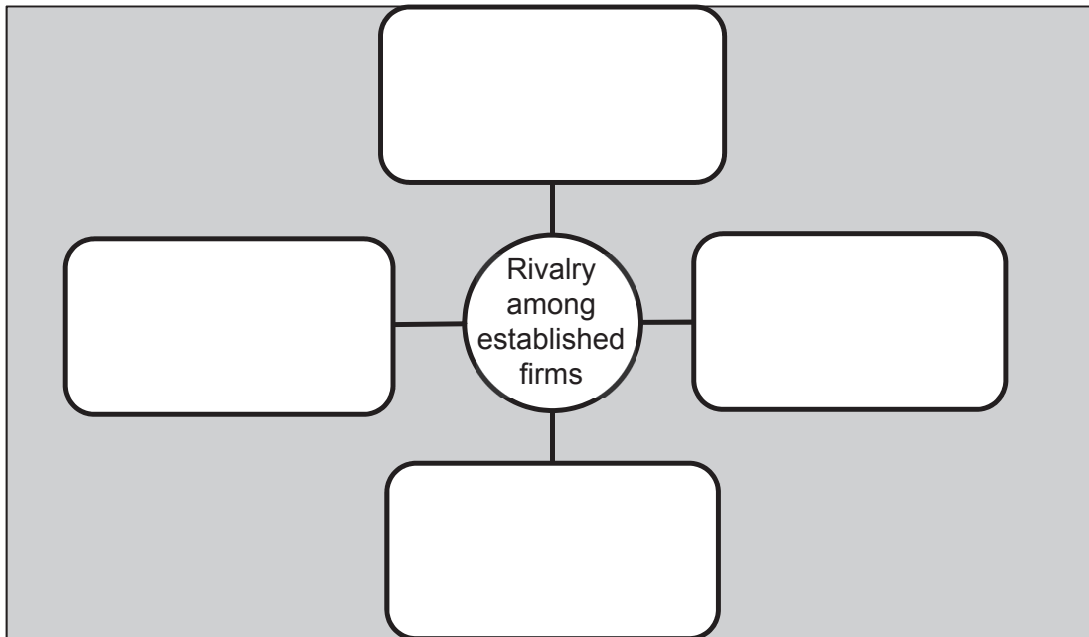
Question 4

(10 marks)

- (a) Describe the following **two** features of a strategic plan:
 - strategic implementation
 - control and evaluation.

(4 marks)

- (b) Label the forces in the diagram of Porter's Five Forces model below. (4 marks)



- (c) Define Porter's rivalry force. (2 marks)

Question 5

(10 marks)

(a) Describe the role of e-commerce in a global environment.

(2 marks)

(b) Describe **one** impact of technology on business operations in global markets.

(2 marks)

(c) Outline **one** strategy for minimising financial risk in export markets.

(2 marks)

- (d) Explain why managerial inertia may be a reason for resistance to change in an increasingly globalised world. Provide an example that relates to the increasing reliance on technology in business. (4 marks)

Question 6

(10 marks)

‘The management of any workforce requires effective leadership and the ability to continuously change and adapt. To operate in an international setting, organisations need human resource and management strategies that value and recognise their demographically and culturally diverse workforces.’ (SCSA, 2016: 4)

- (a) Explain the importance of managing diversity as a strategy for business growth.

(4 marks)

- (b) Justify **two** leadership traits that are the most effective in assisting leaders in a cross-cultural setting. (6 marks)

One: _____

Two: _____

End of Section One

See next page

Section Two: Extended answer

40% (50 Marks)

This section contains **three (3)** questions. You must answer **two (2)** questions. Write your answers on the pages provided following Question 9.

The candidate may make reference to other relevant case studies covered during the year.

Suggested working time: 80 minutes.

Question 7

(25 marks)

An Australian business that produces quality dairy products is considering the feasibility of expanding its market into Asia. The business believes that this will take advantage of the increasing demand for Australian products by the growing middle class in Asia, due mainly to the unreliable quality of locally produced Asian products.

For its logo, designed for Australian markets, the business uses images of cows in green paddocks to emphasise the freshness and high quality of its products. However, the business is concerned that the current logo does not relate as well to its yoghurt and cheese products, the proposed export focus. The business needs to decide whether to standardise the current marketing mix, with a focus on 'freshness', or adapt a 'uniquely Australian' emphasis.

Prepare a report or essay for management addressing the following points:

- explain **three** factors that determine the feasibility of expanding into Asia (9 marks)
- describe **two** benefits of global branding for this dairy company (4 marks)
- comment on the standardisation and adaptation options for this global brand when applying elements of the marketing mix (8 marks)
- recommend whether the business should standardise or adapt if it expands into Asia, providing a rationale for your response. (4 marks)

Question 8

(25 marks)

Bill Brick, Chief Executive Officer (CEO) of a national home renovation company, has proposed to the board of directors that the company outsource the human resource (HR) management function of the business. This part of the company's strategic plan will allow it to concentrate on the core business of home renovations. After months of researching and interviewing potential outsourcing companies, the company has shortlisted two finalists. However, the board is concerned about the finalists' financial stability over the longer term.

Summary of 2015 financial ratios for shortlisted HR companies

Financial ratios	Company A	Company B
Current ratio	1.25:1	2.0:1
Profit ratio	10.0%	13.3%
Expense ratio	65%	67%
Return on equity ratio	8%	10%
Debt to equity ratio	50%	62%

Prepare a report or essay for the board of directors addressing the following points:

- describe outsourcing and identify **three** benefits of outsourcing to boards of directors (5 marks)
- explain the purpose of using basic financial ratios (4 marks)
- comment on the **three** categories of basic financial ratios: liquidity, profitability and stability (6 marks)
- interpret the **three** profitability ratios for each company in the table above (6 marks)
- recommend the most suitable outsourcing company for HR, based on that company's ability to manage its short-term debts. (4 marks)

Question 9

(25 marks)

Trepang (also known as sea cucumber) has been fished and traded in northern Australian waters since the 1700s. An Aboriginal and Torres Strait Islander business located in the Northern Territory has demonstrated its sustainability in this market over the past decade. It is now considering business development opportunities in the Asian market due to increased demand for trepang as a gourmet seafood.

In the last few months, the business has improved its understanding of factors affecting business growth and development. The business now needs to conduct a PEST analysis to determine whether to venture into the Asian market. This analysis will address contemporary issues facing a globalised world, including factors driving global business and the resultant impacts.

To assist the business' management team, prepare a report or essay addressing the following points:

- explain **two** relevant factors driving global business development (6 marks)
- analyse **two** possible impacts of globalisation that would impact directly the business' proposed operations (6 marks)
- describe **two** economic factors and **one** political factor that could impact the business' operations in a global market (9 marks)
- recommend to management whether business expansion into Asia is a desirable option. Justify your response. (4 marks)

End of questions

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