

**Business Educators Western Australia (Inc)**

**2019**

**Question/Answer Booklet**

**BUSINESS MANAGEMENT AND ENTERPRISE**

**ATAR UNIT 3**

Student Name:

School:

**Time allowed for this paper**

Reading time before commencing work: Ten minutes

Working time for paper: 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 colour), sharpener, eraser, correction fluid/tape, 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**

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| --- | --- | --- | --- | --- | --- |
| Section | Number of questions available | Number of questions to be attempted | Suggested working time (minutes) | Marks available | Percentage of Exam |
| Section OneShort Answer | 6 | 6 | 100 | 60 | 60 |
| Section TwoExtended Answer | 2 | 2 | 80 | 50 | 40 |
| **Total marks** | 100 |

*For markers’ use only*

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| --- | --- | --- | --- | --- |
| Section/Question | Marks allocated | Marks achieved | Allocated weighting | % achieved |
| ***Short answer – attempt THREE questions*** |   |   |   |   |
| 1 | 10 |   |   |   |
| 2 | 10 |   |   |   |
| 3 | 10 |   |   |   |
| 4 | 10 |   |   |   |
| 5 | 10 |  |  |  |
| 6 | 10 |  |  |  |
| **Total Marks Allocated** | 60 |   | **60%** |   |
| ***Extended answer – attempt ONE questions*** |   |   |   |   |
| 7 | 25 |   |   |   |
| 8 | 25 |   |   |   |
|  |  |   |   |   |
| **Total Marks Allocated** | 25 |   | **40%** |   |
| **EXAM TOTAL** |  |  | **100%** |  |

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

This section has **six (6)** questions. Answer all **six (6)** questions. Write your answers in the space 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(s) that you are continuing to answer at the top of the page.

Suggested working time for this section is 100 minutes.

**Question 1** **(10 marks)**

1. Discuss the significance of deregulation of the financial market in driving global business development. (4 marks)

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1. Describe the role of the World Trade Organisation in driving global business development.                                                 (3 marks)

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1. Describe the role of consumer purchasing and spending patterns in driving global business development. (3 marks)

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**Question 2** **(10 marks)**

1. Briefly explain the role and benefits of innovation in improving products, processes and services. (4 marks)

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1. Discuss **three** benefits of innovation for business. (6 marks)

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## Question 3 (10 marks)

1. Discuss the impact of globalisation on the domestic market. (4 marks)

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1. Explain how globalisation and the spread of skills and technology has impacted on employment levels in developing countries.                        (6 marks)

Globalisation:

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Spread of skills and technology:

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**Question 4** **(10 marks)**

 (a) Outline **two** factors that determine the feasibility of expanding into a foreign market.                                                                                                    (4 marks)

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Ethical behaviour can bring significant benefits to a business.

(b) Explain **three** roles of ethics in global business decisions. (6 marks)

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**Question 5 (10 marks)**

 (a) Discuss the importance of managing diversity as a strategy for business growth. (4 marks)

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(b) Outline **three** reasons for resistance to change (6 marks)

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**Question 6 (10 marks)**

Exporting can be a risky business. Operating in an unfamiliar, foreign market will always throw up new challenges to navigate, however established a business may be in its domestic market.

The difference between success and failure when doing business overseas is being prepared. There will always be risks when entering a new market, but identifying those risks ahead of time and putting measures in place to manage those risks can help to minimise their impact on the success of your business overseas.

(a) Explain **two** sources of financial risk in export markets. (4 marks)

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1. Explain the terms hedging and insurance and distinguish between these strategies for minimising financial risk in export markets. (6 marks)

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## End of Section One

**Section Two: Extended Answer (40%) 50 marks**

This section contains two questions. You must answer both questions. Write your answers on

the pages provided following Question 8.

You may make reference to other relevant case studies you have studied during the year.

Suggested working time: 80 minutes

**Question 7 (25 marks)**

April Showers owns a business that markets a popular range of jewellery based on Australian wildlife. April sells her product to shops who then sell to consumers. She credits her success to the relationship marketing strategies she has implemented with the shop owners.

April is keen to expand her business overseas and she has decided to use e-commerce to communicate with overseas distributors. April read that E-commerce has experienced an explosive worldwide growth over the past decade, including in developing countries.

Aprils friend Stormy Weather said April should also investigate market entry strategies to assist her to edge into a new geographic market.

Prepare a report for April Showers. In your report, you should:

* Explain what is meant by the term e-commerce? (2 marks)
* Outline how e-commerce can assist April to maintain relationships with overseas distributors (4 marks)
* Discuss the rationale for and benefits of **three** global strategic alliances. (8 marks)
* Explain **three** internal factors that drive change in a global environment. (6marks)
* Explain what is meant by the term standardisation and discuss **one** advantage

and **one** disadvantage of standardisation when applying elements of the

marketing mix to global brands. (5 marks)

**Question 8 (25 marks)**

 *‘Photo Shop’* is a cosmetic brand designed and manufactured in Western Australia. ‘*Photo Shop’* is sold in their stores located throughout Australia *‘Photo Shop’* believes in using high quality, local materials to manufacture its product range. Their marketing is based on reputation and word of mouth. Its sales staff are experienced and provide personalised service to customers. *‘Photo Shop’* has won several awards for its products.

*‘Photo Shop’* is now changing its focus. It wants to do business in a more environmentally responsible way and it wants to open cosmetics stores in Asia to sell its products in the Asian market. *‘Photo Shop’* are very aware that taking a small business global is an complex and dynamic process. Gaining a deep understanding of the targeted markets, the competition, current local market trends, and the requirements to successfully launch and drive growth lays an important foundation.

It has three business objectives for 2020–2021:

* Implement environmentally responsible business practices
* Achieve an appropriate level of differentiation of its stores in Asia
* Maintain superior product quality.

Prepare a report for *‘Photo Shop’* management team. In your report, you should:

* Discuss **three** factors that determine the feasibility of expanding into a foreign market
 (6 marks)
* Explain the benefits to *‘Photo Shop’* of having a global brand (4 marks)
* Explain the role of ethics in global business decisions with specific reference to environmental responsibility. (4 marks)
* Discuss the benefits of home grown/developed products (5 marks)
* Outline and explain **two** home government incentives for international trade that may be available to *‘Photo Shop’.* (6 marks)

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**End of Section Three**

Spare working pages

Spare working pages

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