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**Business Educators of Western Australia (Inc.)**

**2021 Semester One Examination**

**Question/Answer Booklet**

Disclaimer: This exam was written in 2021 to comply with the SCSA ATAR Business Management and Enterprise syllabus at that time. It is strongly advised that teachers check this exam against the current year’s syllabus to ensure that all items comply.

It is provided in Word format so that you can edit as appropriate.

**BUSINESS MANAGEMENT AND ENTERPRISE EXAM**

**ATAR UNIT 3**

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.

**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 One  Short Answer | 6 | 6 | 100 | 60 | 60 |
| Section Two  Extended Answer | 3 | 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 all SIX questions*** |  |  |  |  |
| 1 | 9 |  |  |  |
| 2 | 10 |  |  |  |
| 3 | 11 |  |  |  |
| 4 | 10 |  |  |  |
| 5 | 10 |  |  |  |
| 6 | 10 |  |  |  |
| **Total Marks Allocated** | 60 |  | **60%** |  |
| ***Extended answer – attempt TWO questions*** |  |  |  |  |
| 7 | 25 |  |  |  |
| 8 | 25 |  |  |  |
| 9 | 25 |  |  |  |
| **Total Marks Allocated** | 50 |  | **40%** |  |
| **EXAM TOTAL** |  |  | **100%** |  |

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

This section has **six**  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** **(9 marks)**

(a) Explain the concept of managing diversity and why it is an important strategy for business growth. (5 marks)

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(b) Describe **one** benefit and **one** challenge to Australian owned businesses of Free Trade Agreements (FTAs). (4 marks)

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

(a) Explain the rationale and purpose of outsourcing as a strategic alliance. (3 marks)

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(b) Discuss the ethical issue of using offshore labour. (4 marks)

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(c) Explain how degregulation of the financial market aids global business development.

(3 marks)

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**Question 3** **(11 marks)**

Sirens Energy is an oil and natural gas explorer, developer and producer operating in South Australia and Queensland. It provides oil and gas for the domestic market and export markets such as South East Asia. Sirens Energy is creating two subsidiary companies in the Caymen Islands, which is a tax haven. One company will explore global locations for more natural gas deposits and the other will focus on developing specialised exploration equipment.

(a) Explain the tax minimisation strategy that has driven Sirens Energy global business development. (4 marks)

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(b) Explain a multi-lateral Free Trade Agreement (FTA) that will assist Sirens Energy in its export operations in South East Asia. (3 marks)

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(c) Sirens Energy is looking to create a strategic alliance to help cover the expenses and risks associated with gas exploration in various global locations. Explain a suitable strategic alliance to assist Sirens Energy in its expansion. (4 marks)

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## Question 4 (10 marks)

Nood Australia makes a range of skincare and cleaning products using Australian native botanicals. It has expanded its range to include sanitising products to meet the demands of COVID-19. It is also seeking to further export to South East Asia. This region has a growing middle income and the younger generation has become more brand-focussed.

(a) Explain **two** factors that determine the feasibility of expanding into South East Asia.

(6 marks)

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(b) Describe **two** benefits of home grown/developed products. (4 marks)

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**Question 5 (10 marks)**

Yanagin Farms owns two intensive dairy farms in the south west region of Western Australia. Low profit margins on milk products have forced the business to consider changing to growing organic and local produce cheese. Yanagin Farms has invested in a production facility to cater for the growing demand for quality Australian produce and dairy products throughout Asia.

(a) Explain how consumer spending patterns have driven global business development for Yanagin Farms. (4 marks)

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(b) Explain both financial growth and loss minimisation as drivers for Yanagin Farms expanding into the Asian market. (6 marks)

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**Question 6 (10 marks)**

Aurora Jewellery produces unique jewellery, mixing traditional methods from around the world with contemporary designs. Each piece of jewellery is unique and comes with a story to tell from the artist/producer, or tribal history from which the design or method originates. Aurora Jewellery believes that incorporating the story into the product gives it an innovative edge to distinguish it from its competitors.

(a) Describe **two** benefits of innovation for Aurora Jewellery. (4 marks)

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(b) Outline the role of e-commerce for Aurora Jewellery in its operations in a global environment. (2 marks)

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(c) Explain how a host or home country incentive grant may help Aurora Jewellery in its global business expansion. (4 marks)

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## End of Section One

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

This section contains **three** questions. You must answer **two** questions. Write your answers in the space provided.

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Suggested working time for this section is 80 minutes.

**Question 7 (25 marks)**

JJM is a commercial radio station network that operates in a variety of locations around Australia. It plays only the latest hits, with a target demographic age range of 18–30 years. Through radio ratings information it has found that its listener numbers are steadily decreasing. As listener numbers have decreased, so too has advertising revenue, with firms choosing other stations with higher ratings to invest their advertising budgets. JJM is also seeking to open a sister station in Auckland, New Zealand to increase revenues.

JJM is also changing its format and playlist in response to more listeners in their target demographic opting to use personal devices and apps such as Spotify for their music listening. It will move away from a station that plays only the latest hits to one that focusses on rock, comedy and sport. This would appeal to a much older segment of the population who are more likely to have the disposable income that their advertisers want. Some of the radio presenters are apprehensive of the change, due to their limited knowledge on the new focus areas.

Prepare a response for the management of JJM that addresses the question parts below.

(a) Identify the bi-lateral Free Trade Agreement (FTA) that would aid JJM and describe how **one** of its features would benefit the radio station. (3 marks)

(b) Outline **one** internal factor and **one** external factor that is driving change at JJM. (4 marks)

(c) Describe **two** resistances to change at JJM. (4 marks)

(d) Draw a diagram of Lewin's Forcefield Analysis model, illustrating how it applies to JJM, and advise JJM on proceeding with the change. (8 marks)

(e)  Advise JJM on how Kotters 8 Step change model could assist them with reference to steps 1 and 5. (6 marks)

**Question 8 (25 marks)**

Click-A-Treat is a subscription service that sources gourmet craft chocolate from around the world for Australian consumers. Customers who are members of Click-A-Treat simply order through the secure online portal for a monthly delivery of delicious chocolate.

CEO, Alison Walker, explains that “Obviously people really like receiving delicious chocolate each month. They also love that it is personalised to them, and receiving information and tasting notes about each chocolate bar so they can learn the story behind the cocoa beans, the cocoa farmer and the chocolate maker”.

As a small business that sources many of its products from suppliers overseas, Click-A-Treat has encountered some obstacles in operations which it is seeking to overcome. The cocoa trade has had issues regarding environmental degradation due to insecticides used during the growing process. Click-A-Treat tries to source its cocoa through Fair Trade farmers who minimise any harm to the environment. It is finding it more difficult to find this information from some of its global suppliers as they regularly change where they source their ingredients. However, information regarding the suppliers’ extensive processing is more readily available, including their water and energy useage.

Prepare a response for the management of Click-A-Treat that addresses the question parts below.

(a) Explain **two** factors that impact on the success of innovation for Click-A-Treat.

(6 marks)

(b) Explain the role of ethics for Click-A-Treat and its global suppliers. (3 marks)

(c) Describe **one** sources of financial risk for Click-A-Treat operating in a global environment.

(4 marks)

(d) Explain **two** strategies Click-A-Treat could use to minimise the financial risk of operating in a global environment. (6 marks)

(e) Analyse the impact of globalisation on both international cooperation and domestic markets, and how this affects Click-A-Treat. (6 marks)

**Question 9 (25 marks)**

Allbody Denim is an Australian jeans manufacturer that has been creating and producing designs for men and women since 1999. Its unique designs and colours celebrate the workers of Australia, from the red dust of miners to the paint splatters of painters and artists. This is supported by the business’ slogan ‘Everyday a different journey with Denim’.

Allbody Denim’s innovative colours and patterns in its range of products have made the company popular in Australia and noticed throughout the world. Increased global awareness of the unique Australian culture and recognition of its high quality products has seen an increase in demand for all Australian made products. Last year, Allbody Denim was invited to New York Fashion Week. Due to its runway success, it has negotiated an agreement with a major retailer in the USA to stock its products.

The company is now considering expanding its market further into Asia.

Prepare a response for the management of Allbody Denim that addresses the question parts below.

(a) Outline **two** benefits to Allbody Denim of becoming a global brand. (4 marks)

1. Discuss the difference between a standardised and adapted approach to marketing.

(4 marks)

1. Propose a marketing strategy for Allbody Denim as it seeks to expand into Asia, that considers standardisation or adaptation in the following areas:

* product name
* corporate slogan
* product features
* positioning. (10 marks)

1. Identify **two** risks that Allbody Denim should consider as it seeks to expand into Asian markets.

(2 marks)

(e) Recommend to Allbody Denim if expansion to Asia would be advisable.

(5 marks)

**End of questions**

**First extended response question selected:**

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**Second extended response question selected:**

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