



ATAR course examination, 2024

Question/Answer booklet

BUSINESS MANAGEMENT AND ENTERPRISE

Place one of your candidate identification labels in this box.
Ensure the label is straight and within the lines of this box.

WA 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

Number of additional
answer booklets used
(if applicable):

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 fluid/tape, eraser, ruler, highlighters

Special items: up to three calculators, which do not have the capacity to create or store programmes or text, are permitted in this ATAR course 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 external examinations are detailed in the *Year 12 Information Handbook 2024: Part II Examinations*. Sitting this examination implies that you agree to abide by these rules.
2. Write your answers in this Question/Answer booklet preferably using a blue/black pen. Do not use erasable or gel pens.
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. Supplementary pages for planning/continuing your answers to questions are provided at the end of this Question/Answer booklet. If you use these pages to continue an answer, indicate at the original answer where the answer is continued, i.e. give the page number.

Section One: Short answer

60% (60 Marks)

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

Supplementary pages for planning/continuing your answers to questions are provided at the end of this Question/Answer booklet. If you use these pages to continue an answer, indicate at the original answer where the answer is continued, i.e. give the page number.

Suggested working time: 100 minutes.

Question 1

(5 marks)

To operate successfully in a global environment, businesses must ensure that their staff are prepared adequately for change.

- (a) Identify **two** internal factors that can drive change in a global environment. (2 marks)

One: _____

Two: _____

- (b) Explain how Lewin's Forcefield Analysis model can be used to prepare people for change. (3 marks)

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Question 2

(10 marks)

Participation in global markets offers Australian businesses opportunities for growth but also exposes the businesses to challenges that must be navigated.

- (a) Identify **three** features of the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA). (3 marks)

One: _____

Two: _____

Three: _____

- (b) Outline, using an example for each, **one** benefit and **one** challenge to Australian-owned businesses as a result of free trade agreements. (4 marks)

Benefit: _____

Challenge: _____

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(c) Explain the role of e-commerce in a global environment. (3 marks)

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Question 3

(14 marks)

Rayz Umbrellas is a well-established Australian brand that sells a variety of beach, garden and commercial umbrellas within Australia. All umbrellas provide high UV protection and are made from water- and rust-resistant materials.

- (a) Outline **two** benefits to Rayz Umbrellas of having a global brand. (4 marks)

One: _____

Two: _____

- (b) Explain how consumption patterns would affect the feasibility of Rayz Umbrellas expanding into a foreign market. (3 marks)

- (c) Advise Rayz Umbrellas whether it should adapt or standardise its product name when expanding into a foreign market. (3 marks)

- (d) Outline the purpose of a mission statement and propose an example that Rayz Umbrellas might consider. (4 marks)

Purpose: _____

Example: _____

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Question 4

(12 marks)

- (a) Distinguish between banks and finance companies as types of financial institutions.

(3 marks)

- (b) Explain how the following economic factors have an impact on business operations in the global market.

(9 marks)

Economic activity: _____

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Interest rates: _____

Currency fluctuations: _____

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Question 5

(10 marks)

A culturally-aware leader who performs well in cross-cultural settings requires certain leadership styles and traits.

- (a) Outline why the following leadership traits are needed for a cross-cultural setting.

(6 marks)

Socially aware: _____

Future thinker: _____

Self-discipline: _____

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(b) Discuss how an autocratic leadership style can be adapted to a cross-cultural setting. (4 marks)

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Question 6

(9 marks)

A company that specialises in the manufacture of technology products is planning to expand its operations globally. As part of its strategic planning, the company is considering various sources of external funding and means of navigating the potential political landscape.

- (a) Explain the following sources of external funding for the company to consider. (6 marks)

Venture capital: _____

Secured loans: _____

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- (b) Explain how the stability of foreign governments may affect business operations in a global market for a company planning global expansion. (3 marks)

End of Section One

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See next page

Section Two: Extended answer**40% (50 Marks)**

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

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

Suggested working time: 80 minutes.

Question 7**(25 marks)**

Jessica and Lexi, who are based in Western Australia, own a start-up technology company called Jesi Technical Solutions (JTS). The business specialises in cloud storage, and the owners are planning to expand overseas. To facilitate this plan, Jessica has analysed consumer spending and tax considerations across many regions. She has selected Southeast Asia as their initial foreign market due to its strong demand for cloud storage, particularly within the rapidly growing online shopping sector. Jessica and Lexi are also aware of the generous home and host government incentives for foreign trade. They have discovered that Vietnam, one of the next-generation Asian high-growth economies, is offering a significant grant of up to USD 700 000 for new technology businesses. Jessica and Lexi are thinking of using this grant to establish their first Southeast Asian branch.

As a start-up, Jessica and Lexi are analysing the impacts of globalisation carefully. By opening offices in emerging markets and hiring local talent, they plan to make a contribution to global prosperity. To ensure a positive global image, the business adheres to the World Trade Organisation's international trade regulations. Jessica and Lexi encourage both their employees and consumers to share information and work together to spread new technologies around the world. Their commitment to cross-border collaboration enhances technological progress beyond their business mission.

When making global business decisions, Jessica and Lexi place a strong emphasis on ethical considerations. Central to their approach is a commitment to environmental sustainability, driving them to constantly explore and adopt eco-friendly practices within their operations. Moreover, they meticulously assess the ethical implications of outsourcing and employing workers from different countries and strive to uphold fairness and integrity across their entire supply chain. This dedication to ethical conduct not only aligns with their values, but also fosters trust and transparency in their business practices on a global scale.

Refer to the case study and your own knowledge to answer the questions below:

- (a) Describe **two** factors driving JTS's global business development. (4 marks)
- (b) Explain the impact of globalisation on tax minimisation for JTS, in relation to tax havens and transfer pricing. (6 marks)
- (c) Explain **two** incentives provided by the host country and home government for international trade that JTS could consider. (6 marks)
- (d) Comment on **three** aspects of the role of ethics JTS should consider when making global business decisions. (9 marks)

See next page

Question 8**(25 marks)**

Smart Agriculture Solutions (SAS) has made a name for itself in the Australian agriculture industry for quality products and services. North America and countries in Europe are showing increasing interest in SAS, indicating untapped market potential abroad.

This surge in international interest brings opportunities and challenges for SAS. Currency changes can directly impact profits, making it essential for SAS to have a clear understanding and plan in place. Another pressing concern is payment defaults, a potential threat that could strain the business's finances. As such, SAS needs to consider ways to minimise financial risks when exporting its products.

SAS is keen to infuse innovation into its offerings, aiming to make its products and services appealing and relevant to international clients. SAS believes that by doing this, they can boost sales and expand their global reach.

As SAS contemplates its global expansion, the team behind it is aware of the various legal challenges they are likely to encounter in different countries. Each country has its own set of rules and regulations, from competition norms to patent rights and product safety standards. SAS is committed to understanding and adhering to these legal frameworks, ensuring compliance and protecting its reputation.

With a blend of financial expertise, innovative ideas and strategic planning, SAS is gearing up to make its mark on the global stage, but will need to navigate challenges and seize opportunities along the way to ensure its success.

Refer to the case study and your own knowledge to answer the questions below:

- (a) Describe **two** sources of financial risk SAS might encounter in exporting its products to international markets. (4 marks)
- (b) Recommend **three** strategies SAS could employ to minimise the financial risks associated with exporting its products. (9 marks)
- (c) Explain **two** benefits of innovation for SAS. (6 marks)
- (d) Examine the impact of patent registrations and product liability on SAS's operations in global markets. (6 marks)

Question 9

(25 marks)

Crafted Haven Furniture (CHF) is an iconic furniture business, based in Albany, Western Australia (WA), which specialises in creating custom furniture. The business takes pride in manufacturing unique pieces that are innovatively designed and produced with great attention to detail and expert craftsmanship. The business ensures that it keeps up-to-date with the latest quality management and production techniques in order to maintain its competitive edge.

Starting out in 2010, CHF initially appealed to customers from the Great Southern region of WA, but since 2015, CHF has grown in popularity and now sells to customers around Australia with display showrooms in each of the major cities. Over the past five years, CHF’s exceptional furniture designs have also sparked growing interest internationally, prompting owners May and Sun to think about opening their first overseas store. They are considering initially expanding into Indonesia.

CHF would like to set up a manufacturing base in Indonesia, as well as two stores in the country. The business prioritises ethical production methods and is renowned for leading environmental sustainability in Australia. May and Sun plan to visit their business consultant to explore ways of maintaining a high standard of ethical practice in their expansion to Indonesia. They are also aware that CHF will need to be culturally considerate if they are to be successful in Indonesia. Additionally, they would like to analyse the financial information below with their consultant.

Financial ratios	2022	2023
Current ratio	125%	175%
Debt to equity ratio	55%	60%
Profit ratio	12%	14%
Return on equity ratio	8%	11%
Expense ratio	60%	55%

Refer to the case study and your own knowledge to answer the questions below:

- (a) Describe **two** examples of environmental sustainability that CHF could consider when expanding into the Indonesian market. (4 marks)
- (b) Discuss how CHF can control the quality of its operations in the Indonesian market. (4 marks)
- (c) Comment on the profitability of CHF in 2022 and 2023, using **three** suitable ratios from the table above. (9 marks)
- (d) Analyse the impact of cultural customs and business etiquette on the success of CHF’s operations in Indonesia. (8 marks)

End of questions

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Question number: _____

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