



ATAR course sample examination one

Question/Answer booklet

AGRIBUSINESS

Please place your student identification label in this box

WA student number: In figures

--	--	--	--	--	--	--	--

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
Multiple-choice answer sheet

Number of additional answer booklets used (if applicable):	<input type="text"/>
--	----------------------

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 Multiple-choice	20	20	30	20	20
Section Two Short answer	5	5	90	50	50
Section Three Extended answer	3	2	60	30	30
Total					100

Instructions to candidates

- The rules for the conduct of the Western Australian external examinations are detailed in the *Year 12 Information Handbook: Part II Examinations*. Sitting this examination implies that you agree to abide by these rules.

- Answer the questions according to the following instructions.

Section One: Answer all questions on the separate Multiple-choice answer sheet provided. For each question, shade the box to indicate your answer. Use only a blue or black pen to shade the boxes. Do not use erasable or gel pens. If you make a mistake, place a cross through that square, then shade your new answer. Do not erase or use correction fluid/tape. Marks will not be deducted for incorrect answers. No marks will be given if more than one answer is completed for any question.

Sections Two and Three: Write your answers in this Question/Answer booklet preferably using a blue/black pen. Do not use erasable or gel pens.

- 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.
- 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: Multiple-choice

20% (20 Marks)

This section has **20** questions. Answer **all** questions on the separate Multiple-choice answer sheet provided. For each question shade the box to indicate your answer. Use only a blue or black pen to shade the boxes. Do not use erasable or gel pens. If you make a mistake, place a cross through that square, then shade your new answer. Do not erase or use correction fluid/tape. Marks will not be deducted for incorrect answers. No marks will be given if more than one answer is completed for any question.

Suggested working time: 30 minutes.

1. The Australian Government is committed to phasing out live exports of sheep as a result of
- (i) heat stress when transporting livestock to middle eastern markets.
 - (ii) unregulated animal slaughter methods used in overseas abattoirs.
 - (iii) a 'per head' price reduction for sheep in export markets.
 - (iv) increased competition from eastern European nations.
- (a) i only
 - (b) i and ii only
 - (c) i, ii and iii only
 - (d) iii and iv only

Question 2 refers to the figure below.

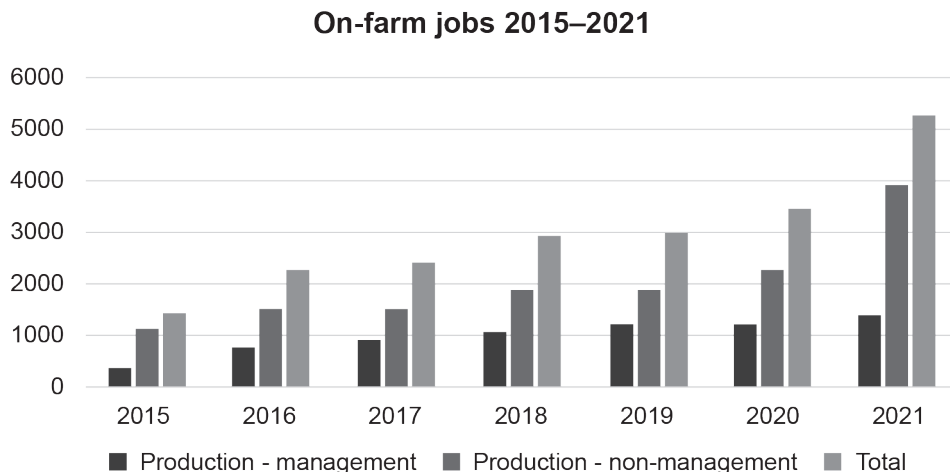


Figure 1: The on-farm internet-advertised job market in Australia for the period 2015-2021 (data provided by Rimfire Resources Ltd 2022).

2. Which of the following can be concluded from Figure 1?
- (a) the concerns about production practices has led to a reduction in farm related work
 - (b) on-farm employment is showing a growth trend during this time period
 - (c) non-management jobs have increased at three times the rate of management jobs
 - (d) there has been a reduction in management roles advertised for farms during this time period

See next page

3. Why is traceability an important characteristic of sustainable value chains?
- (i) Agribusinesses can certify environmental or ethical processes and products.
 - (ii) Traceability increases vulnerability to value chain disruptions.
 - (iii) Leadership teams can identify and respond to unnecessary resource consumption.
 - (iv) Companies can reroute shipments to minimise value chain disruptions.
- (a) i only
 - (b) i, ii and iv
 - (c) i, iii and iv
 - (d) iii and iv only
4. The purpose of value chain analysis is to
- (a) develop marketing material and strategies to ensure that all stakeholders are working towards the same business goals.
 - (b) identify stages in the development of a product where the cost of inputs or processes can be reduced, or the quality of outputs improved, to maximise profit.
 - (c) reduce the vulnerability of supply chains and minimise disruptions.
 - (d) monitor and review the achievement of strategic goals outlined in the strategic plan of the business.
5. Which of the following is **not** an element of PESTEL analysis?
- (a) planning
 - (b) environmental
 - (c) economic
 - (d) technological
6. The primary purpose of a marketing strategy is to
- (a) increase shareholder value and maximise profits.
 - (b) set short-term sales targets and achieve quarterly revenue goals.
 - (c) create a plan for achieving marketing objectives and meeting customer needs.
 - (d) hire and train a skilled marketing team to plan and execute marketing campaigns.
7. Which of the following should **not** be included in an executive summary?
- (a) business overview
 - (b) financial statements
 - (c) implementation plan
 - (d) product description

8. Which of the following is an example of a weakness in a SWOT (strengths, weaknesses, opportunities, threats) analysis for an agribusiness?
- (a) above average transportation costs between processor and market
 - (b) successful marketing strategies
 - (c) competitors have a similar product
 - (d) similar products on the market having a higher sale price
9. In the 'marketing mix', which element considers the packaging and branding of a product?
- (a) product
 - (b) promotion
 - (c) place
 - (d) performance
10. Identify the promotional method which depends upon a multimedia message being passed along from one person to another.
- (a) viral marketing
 - (b) print marketing
 - (c) public marketing
 - (d) sales marketing
11. Which of the following is **not** an element of resource endowment influencing Australia's comparative advantage?
- (a) arable land
 - (b) water
 - (c) livestock
 - (d) job satisfaction
12. Consumers can be protected through
- (a) food standards.
 - (b) trade tariffs.
 - (c) trade agreements.
 - (d) animal welfare.

13. Which of the following is an argument **against** government intervention in agribusiness?
- (a) Government intervention tends to reduce access to international markets.
 - (b) The Federal Government has the ability to coordinate and monitor national quarantine measures to detect and control possible threats.
 - (c) Complex biosecurity regulations can be a financial burden to smaller farmers.
 - (d) Complying with global biosecurity standards can facilitate international trade.
14. The **main** purpose of government agribusiness policies related to tariffs, duties and subsidies is to
- (a) promote sustainable farming practices.
 - (b) ensure fair labour practices.
 - (c) protect domestic agribusinesses.
 - (d) reduce carbon emissions.
15. Which of the following is an example of an internal source of finance for an agribusiness?
- (a) trade credit
 - (b) debentures
 - (c) venture capital
 - (d) retained profits
16. A wheat farmer is considered a price taker because the wheat market has
- (a) few producers and significant barriers to entry.
 - (b) many producers and significant barriers to entry.
 - (c) few producers and relatively low barriers to entry.
 - (d) many producers and relatively low barriers to entry.
17. What are the **main** elements of balance sheets in agribusiness?
- (a) labour expenses, production costs, market analysis
 - (b) assets, liabilities, equity
 - (c) marketing expenses, sales revenue, customer feedback
 - (d) income, expenses, equity
18. The ability of an agribusiness to generate sufficient cash flow to meet financial obligations without causing financial strain is referred to as
- (a) collateral.
 - (b) liquidity.
 - (c) guarantors.
 - (d) credit history.

19. Financial statements can be used to assess
- (a) profitability, tariffs, efficiency.
 - (b) financial position, labour shortages, tariffs.
 - (c) efficiency, labour shortages, liquidity.
 - (d) financial position, profitability, liquidity.
20. Intergenerational equity is the concept that current generations must
- (a) achieve equal outcomes for all individuals in the workforce.
 - (b) promote competition among different age groups.
 - (c) promote sustainability of the business or industry.
 - (d) achieve profitability in economic and marketing contexts.

End of Section One

See next page

Section Two: Short answer

50% (50 Marks)

This section has **five** 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: 90 minutes.

Question 21

(10 marks)

Concern about animal welfare have influenced Australian agribusinesses in a variety of ways.

- (a) Explain how **two** concerns about animal welfare issues have influenced Australian agribusinesses. (6 marks)

One: _____

Two: _____

- (b) Identify **two** stakeholders in an agribusiness value chain, and state how each of them may be affected by concerns about animal welfare. (4 marks)

One: _____

Two: _____

Question 22

(9 marks)

The world's resources are finite and many agribusinesses are working with the stakeholders in their value chain to increase the environmental sustainability of their products.

- (a) Define the concept of a value chain for an agribusiness and provide an example. (2 marks)

- (b) Explain why stakeholder engagement is important in maintaining environmental sustainability within an agribusiness value chain. (3 marks)

- (c) Discuss an agricultural innovation that has been introduced to a value chain to improve environmental sustainability. (4 marks)

Question 23

(10 marks)

Understanding the customer allows an agribusiness to tailor its marketing strategies to target specific customer groups.

- (a) Define and provide **one** example of each of the following market segmentation categories. (6 marks)

Demographic

Definition: _____

Example: _____

Geographic

Definition: _____

Example: _____

Psychographic

Definition: _____

Example: _____

Target market analysis is one element of an agribusiness marketing plan.

- (b) Outline **two** additional elements in an agribusiness marketing plan. (4 marks)

One: _____

Two: _____

Question 24**(9 marks)**

Refer to the article below to answer the questions that follow.

Mick and Ben Hewitt lead organic meat enterprise with funding from Canadian pension board

By Kristy O'Brien
Sat 10 Feb 2024

Self-confessed wild bush kids, the Hewitt boys grew up in central Queensland with big dreams which they have worked together to turn into reality.

They now oversee 2.2 million hectares of land across the nation, from sheep and cattle stations to piggeries, running 200 000 head of livestock across more than 20 major aggregations.

The brothers decided borrowing from banks was not a model they wanted to pursue.

They started searching for strategic partners to invest, and an answer came in 2015 in the form of a Canadian handshake.

Canada's Public Sector Pension Investment Board was looking to partner up and invest in agriculture.

The Canadian group has gone on to spend \$4 billion on agricultural assets globally and is now one of the largest farm landowners and investors in Australian agriculture.

The Hewitts rejected criticism of foreign land ownership and say capital diversity is critical.

"I focus on what the capital contributes to my communities I work within, to our overall economy and to the people who work in our business. That is what capital should do, capital of whatever form — provided it comes from high-integrity sources — should be able to deliver great prosperity to communities across Australia," Mick said.

- (a) Describe venture capital as a source of finance for an agribusiness. (2 marks)

- (b) With reference to the article on page 12, describe **one** economic advantage and **one** economic disadvantage of venture capital as a source of finance. (4 marks)

Advantage: _____

Disadvantage: _____

- (c) Explain the use of the PESTEL framework in the strategic management of an agribusiness. (3 marks)

Question 25

(12 marks)

Social, environmental and economic factors all affect sustainability of an agribusiness.

- (a) Discuss **two** examples of the conflicting demands of social, environmental and economic factors for an agribusiness. (8 marks)

One: _____

Two: _____

- (b) Describe **two** management practices that could be implemented to promote sustainability within an agribusiness. (4 marks)

One: _____

Two: _____

End of Section Two

See next page

Section Three: Extended answer**30% (30 Marks)**

This section contains **three** questions. You must answer **two** questions: the compulsory question (Question 26) and **one** of the other questions (Question 27 or Question 28). For Question 26, write your answer on the lined pages following this question. For Question 27 or Question 28, write your answers on the lined pages following Question 28.

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: 60 minutes.

Question 26**(15 marks)**

Organics West is a family-owned agribusiness located approximately 80 kms from a major West Australian city. The business specialises in organic produce, including a variety of fruits and vegetables sold at the farm gate and online. With a commitment to sustainable farming practices, Organics West has gained local recognition for its high-quality, pesticide-free products.

Organics West have decided to expand its business and marketing efforts to reach a broader customer base and increase sales. They have sought your advice on developing their marketing plan.

- (a) Define the 'marketing mix' and explain how Organics West could use **two** elements of the marketing mix to promote their products. (7 marks)

There have been recent political discussions that farms may soon receive government subsidies to encourage the production of organic produce.

- (b) Explain **one** argument for and **one** argument against this form of government protection in agribusiness. Provide an example for each. (8 marks)

Question 27

(15 marks)

This question refers to the balance sheet below, outlining the assets, liabilities and equity position of an agribusiness.

Balance Sheet

as of 31 December 2023

Assets	\$
Current Assets	
Cash at bank	546,000
Stock	656,000
Total Current Assets	1,202,000
Non-Current Assets	
Land	4,100,000
Plant and equipment	3,915,000
Accumulated depreciation of plant and equipment	(1,047,000)
Total Non-Current Assets	6,968,000
Total Assets	8,170,000
Liabilities	
Current Liabilities	
Borrowings – short term	1,370,000
Total Current Liabilities	1,370,000
Non-Current Liabilities	
Borrowings – long term	3,001,000
Total Non-Current Liabilities	3,001,000
Total Liabilities	4,371,000
Net Assets	3,799,000
Equity	
Capital	2,090,000
Profit	1,709,000
Total Equity	3,799,000

(a) Explain the purpose of financial statements and how they can be used to guide decision making of an agribusiness. (8 marks)

(b) Use financial ratios to interpret the balance sheet above to determine the financial position (stability) and assess the liquidity status of the agribusiness. (7 marks)

or

See next page

Question 28

(15 marks)

This question refers to the table below, which shows the price elasticity of demand for selected agricultural commodities.

Agricultural commodity	Price elasticity of demand
Milk	-0.23
Bread	-0.73
Rice	-2.66
Beef	-1.40
Chicken	-1.40
Pork	-2.20
Fresh fruit	-1.05
Fresh vegetables	-0.53

- (a) From the table above, identify **one** elastic and **one** inelastic agricultural commodity and account for their elasticity. (8 marks)
- (b) Explain the concept of price elasticity of supply, and use a demand and supply model to differentiate between elastic and inelastic supply. (7 marks)

End of questions

ACKNOWLEDGEMENTS

- Question 2** Agribusiness Australia. (2022, October). The On-Farm Internet-Advertised Job Market in Australia for the Period 2015-2021 (data provided by Rimfire Resources Ltd 2022) (Fig. 3) [Infographic]. *The Workforce Challenge in Agribusiness in Australia* (p. 3). Retrieved March, 2023, from <https://www.agribusiness.asn.au/documents/item/710>
- Question 24** O'Brien, K. (2024, February 10). *Mick and Ben Hewitt Lead Organic Meat Enterprise With Funding From Canadian Pension Board*. ABC News. Retrieved March, 2023, from <https://www.abc.net.au/news/rural/2024-02-10/hewitt-brothers-largest-organically-certified-land-parcel/103405646>

Copyright

© School Curriculum and Standards Authority, 2024

This document – apart from any third-party copyright material contained in it – may be freely copied, or communicated on an intranet, for non-commercial purposes in educational institutions, provided that it is not changed and that the School Curriculum and Standards Authority (the Authority) is acknowledged as the copyright owner, and that the Authority's moral rights are not infringed.

Copying or communication for any other purpose can be done only within the terms of the *Copyright Act 1968* or with prior written permission of the Authority. Copying or communication of any third-party copyright material can be done only within the terms of the *Copyright Act 1968* or with permission of the copyright owners.

Any content in this document that has been derived from the Australian Curriculum may be used under the terms of the Creative Commons [Attribution 4.0 International \(CC BY\)](https://creativecommons.org/licenses/by/4.0/) licence.

An *Acknowledgements variation* document is available on the Authority website.

Published by the School Curriculum and Standards Authority of Western Australia
303 Sevenoaks Street
CANNINGTON WA 6107