



## **SAMPLE ASSESSMENT TASKS**

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**BUSINESS MANAGEMENT AND ENTERPRISE**

**ATAR YEAR 11**

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## Sample assessment task

### Business Management and Enterprise – ATAR Year 11

#### Unit 1 – Task 1

<b>Assessment type:</b>	Business research
<b>Conditions</b>	<p><b>Part A:</b> Research component: period allowed for completion two weeks (8 marks)</p> <p><b>Part B:</b> In-class validation: 40 minutes conducted under invigilated conditions (Research notes <b>not</b> allowed) (32 marks)</p> <p>Total allocated marks for this task <b>40 marks</b></p>
<b>Task weighting:</b>	12% of the school mark for this pair of units

#### **Part A: Research component** (8 marks)

Research small Australian businesses using the following syllabus dot points.

#### **Political and legal, economic, socio-cultural and technological (PEST)**

- types of business ownership in small to medium enterprises (SMEs)
  - sole traders
  - partnerships
  - small proprietary companies
  - not-for-profit organisations
  - franchises
- impact of economic factors on business function, including:
  - inflation
  - interest rates
  - availability of skilled and unskilled labour
  - unemployment rates
- the concept of business public image
- methods of raising business public image, including:
  - corporate sponsorship
  - donations
- positive and negative impacts on business image of environmental issues, including:
  - climate change
  - pollution
  - energy use
  - animal testing

**The following evidence of research is to be submitted:**

1. Bibliography/references
2. Research notes organised into a logical sequence
3. Appropriate terminology
4. Suitable examples

**Note:**

The in-class validation will consist of short and extended answer questions based on some or all of the content you are required to research. Prior to commencing the in-class validation you will need to submit all evidence of the research you have conducted, including a bibliography.

You will **not** have access to your research during the in-class validation.

## Sample assessment task International Education

### Business Management and Enterprise – ATAR Year 11

#### Unit 1 – Task 1

<b>Assessment type:</b>	Business research
<b>Conditions</b>	<p><b>Part A:</b> Research component: period allowed for completion two weeks (8 marks)</p> <p><b>Part B:</b> In-class validation: 40 minutes conducted under invigilated conditions (Research notes not allowed) (32 marks)</p> <p>Total allocated marks for this task <b>40 marks</b></p>
<b>Task weighting</b>	12% of the school mark for this pair of units

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**Part B: in-class validation** (32 marks)

#### Scenario

Jelly Jellies has been operating in Western Australia for seven years has one manufacturing factory supplying five confectionery specialty stores, also owned by the business, in the metropolitan area. Profits have been increasing consistently and the owner is considering expanding his business to other Australian states. Although profits are very healthy, he is concerned about owning and running a larger business on his own and the possible impact of economic factors on how his business might function in the future.

Also, the owner is not sure whether he should be concerned about the public perception of his business. In a recent edition of a local newspaper, it was suggested that Jelly Jellies was an example of a business that is not environmentally friendly as its production and distribution processes were not energy efficient and created more pollution than other similar businesses.

To assist the owner to make some decisions regarding the future of the business, you are to report your findings by responding to the following questions.

**Question 1**

**(7 marks)**

The owner has considered taking on a partner or converting his business into a small proprietary company.

(a) Describe each of these types of business ownership structures.

**(4 marks)**

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(b) Recommend which type of business structure you would suggest and explain why. For example, remain as a sole trader or convert to a partnership or small proprietary company. **(3 marks)**

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**Question 2**

**(12 marks)**

Explain **four** economic factors that may impact Jelly Jellies and the proposed future expansion of the business.

**Economic factor 1**

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**Economic factor 2**

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**Economic factor 3**

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**Economic factor 4**

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**Question 3**

**(6 marks)**

Outline the concept of business public image and, using a relevant example, explain the negative impact of environmental issues on the image of the business.

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**Question 4**

**(7 marks)**

The business can only adopt one strategy to improve its image.

(a) Describe **two** methods that the business could implement to improve its public image. (4 marks)

**Method 1**

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**Method 2**

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(b) Using the two methods you have suggested in question 4 part (a):

(i) recommend **one** method the business could use to improve its public image. (1 mark)

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(ii) Outline **one** reason for this recommendation. (2 marks)

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## Business Management and Enterprise – ATAR Year 11

### Marking key for sample assessment task 1

#### Unit 1 – Task 1

##### Part A: Research component

(8 marks)

Description	Marks
Selects appropriate sources and applies correct referencing conventions	2
Select sources and applies some evidence of referencing	1
<b>Subtotal</b>	<b>/2</b>
Organises research notes into a logical sequence	2
Organises research notes with some evidence of a sequence	1
<b>Subtotal</b>	<b>/2</b>
Uses appropriate terminology	2
Uses limited terminology	1
<b>Subtotal</b>	<b>/2</b>
Uses suitable examples	2
Uses limited examples	1
<b>Subtotal</b>	<b>/2</b>
<b>Total</b>	<b>/8</b>

**Part B: In class validation****(32 marks)****Question 1****(7 marks)**

The owner has considered taking on a partner or converting his business into a small proprietary company.

(a) Describe each of these types of business ownership structures.

**(4 marks)**

Description	Marks
<b>For each type of business ownership structure (2 x 2 marks)</b>	
Describes the type of business ownership	2
States a fact about the type of business ownership	1
<b>Subtotal</b>	<b>/2</b>
<b>Total</b>	<b>/4</b>
<b>Answer could include:</b>	
Partnership – a business owned by 2–20 people. <ul style="list-style-type: none"> <li>• Each partner is responsible for the debts of the business (unlimited liability)</li> <li>• Partnerships are governed by the Partnership Act which states equal distributions of profits regardless of the amount each partner has invested in the business. A partnership agreement is a contract drawn up by a lawyer with consideration to the division of profits, resolving partner disputes, partner contributions and procedures for ending the partnership.</li> </ul> Small proprietary company – a company that meets at least two of the following criteria: <ul style="list-style-type: none"> <li>• the consolidated revenue for the financial year of the company and any entities it controls is less than \$50 million</li> <li>• the value of the consolidated gross assets at the end of the financial year of the company and any entities it controls is less than \$25 million</li> <li>• the company and any entities it controls have fewer than 100 employees at the end of the financial year.</li> </ul>	
Accept other relevant answers.	

- (b) Recommend which type of business structure you would suggest and explain why. For example, remain as a sole trader or convert to a partnership or small proprietary company. (3 marks)

Description	Marks
Explains a reason for the recommended type of business structure	3
Describes a reason for the recommended type of business structure	2
Recommends a type of business structure	1
<b>Total</b>	<b>/3</b>
<b>Answer could include:</b>	
<b>Recommendation</b>	
Accept either remaining as a sole trader or converting to a partnership or small proprietary company.	
<b>Explanation</b>	
<b>Ability to raise additional capital</b>	
Partnerships and small proprietary companies can raise more capital than a sole trader due to the number of owners.	
<b>Availability of additional expertise</b>	
The owners of partnerships and small proprietary companies may have a more diverse range of skills and qualifications compared to a sole trader, such as accounting, marketing, management, human resources or sales. They can apply their expertise to the business and assist in making informed decisions.	
<b>Sharing of profits</b>	
A sole trader keeps all profits of the business. However, partnerships and small proprietary companies share the profits between the partners/owners. Therefore, the larger the number of partners/owners, the lower the profit the owner each partner will receive.	
<b>Liability of owners</b>	
A sole trader is personally liable for all the debts of the business. In a partnership, the partners are jointly and severally liable for all the business debts. This means if a partner cannot afford to meet their share of the business debt, the other partners must cover the debt. In a propriety limited company, the owners' liability is restricted to the amount owed on their shares.	
Accept other relevant answers.	

**Question 2****(12 marks)**

Explain **four** economic factors that may impact Jelly Jellies and the proposed future expansion of the business.

Description	Marks
<b>For each economic factor (4 x 3 marks)</b>	
Explains a relevant economic factor that may impact on the business	3
Describes a relevant economic factor that may impact on the business	2
Identifies a relevant economic factor that may impact on the business	1
<b>Subtotal</b>	<b>/3</b>
<b>Total</b>	<b>/12</b>
<b>Answer could include:</b>	
<p>Economic factors that impact on business function include:</p> <ul style="list-style-type: none"> <li>• inflation – in times of inflation, the value of money and its purchasing power decreases. Lending institutions tend to not lend money and investment (i.e. borrowing and lending) are discouraged. Private investors may also be less willing to invest in businesses. Business function can be impacted because cash flow may be affected and the business may not be able to acquire enough finance for its activities.</li> <li>• interest rates – if interest rates increase, debt repayments increase, leaving businesses with less to spend on business functions. When interest rates decrease, the reverse occurs.</li> <li>• availability of skilled and unskilled labour – if a business requires highly skilled labour, and the demand for that skilled labour is high, businesses will need to pay higher wages to attract that labour. The business may be affected if business function relies on highly skilled labour.</li> <li>• unemployment rates – if unemployment rates are high, it means that there are people currently not working, but are willing and able to work and have actively searched for work. In this case, businesses would have a greater choice of employees because there would be a larger pool from which to choose.</li> </ul>	
Accept other relevant answers.	

**Question 3****(6 marks)**

Outline the concept of business public image and, using a relevant example, explain the negative impact of environmental issues on the image of the business.

Description	Marks
Outlines the concept of business public image	2
States a fact about business public image	1
<b>Subtotal</b>	<b>/2</b>
Explains a negative impact of an environmental issue on the image of the business using a relevant example	4
Explains a negative impact of an environmental issue on the image of the business	3
Describes a negative impact of an environmental issue on the image of the business	2
States a fact about a negative impact of an environmental issue on the image of the business	1
<b>Subtotal</b>	<b>/4</b>
<b>Total</b>	<b>/6</b>
<b>Answer could include:</b>	
<p>Business public image:</p> <ul style="list-style-type: none"> <li>• is how the business is perceived by the public and by the business stakeholders, such as customers, employees and investors</li> <li>• represents what the business stands for – what it considers to be important.</li> </ul> <p>Business activities that waste energy or result in pollution or that may contribute to climate change have a negative impact on the business's public image. The business's public image suffers as, by its actions, it gives the message to the public and stakeholders that it:</p> <ul style="list-style-type: none"> <li>• values profits above caring for the environment and/or the employees 'working conditions</li> <li>• is not a good corporate citizen</li> <li>• does not respond to the environmental concerns of consumers.</li> </ul> <p>This negative public image could lead to:</p> <ul style="list-style-type: none"> <li>• decreased sales due to loss of customers</li> <li>• higher turnover of staff if environmental working conditions are poor</li> <li>• loss of investor confidence.</li> </ul>	
Accept other relevant answers.	

**Question 4****(7 marks)**

The business can only adopt one strategy to improve its image.

(a) Describe **two** methods that the business could implement to improve its public image. (4 marks)

Description	Marks
<b>For each method provided (2 x 2 marks)</b>	
Describes a method the business could implement to improve its public image	2
Identifies a way the business could improve its public image	1
<b>Subtotal</b>	<b>/2</b>
<b>Total</b>	<b>/4</b>

**Answer could include:**

Donations – a gift, usually given to a charitable organisation. Donations may be made in various forms, including cash, goods or time.

Corporate sponsorship – a business arrangement where financial or other support for an activity or event is provided, largely to reach specified business goals. Sponsorship may take the form of sponsoring events or projects that raise the profile of the business in the public eye or in the target market. Examples of projects and events include sporting events, community events, educational programs, exhibitions and displays and equipment.

Accept other relevant answers.

(b) Using the two methods you have suggested in question 4 part (a):

(i) recommend **one** method the business could use to improve its public image. (1 mark)

Description	Mark
Recommends which method the business should implement	1
<b>Total</b>	<b>/1</b>

**Answer could include:**

Recommends donations or corporate sponsorship.

Accept other relevant answers.



(ii) Outline **one** reason for this recommendation.

(2 marks)

Description	Marks
Outlines a reason for the recommendation to the business	2
Identifies a reason	1
<b>Total</b>	<b>/2</b>
Answer could include:	
<ul style="list-style-type: none"> <li>• Contributes to a positive public image for the business by improving its prestige and credibility.</li> <li>• Caters to the business's target market, e.g. it helps a cause that may be known Australia wide (if expanding the business interstate) or locally (if targeting the local market).</li> <li>• Takes a form the business can easily provide, e.g. providing surplus goods rather than money.</li> </ul>	
Accept other relevant answers.	

## Sample assessment task

### Business Management and Enterprise – ATAR Year 11

#### Unit 1 – Task 3

<b>Assessment type</b>	response	
<b>Conditions</b>	Time for the task: 50 minutes	
	In class test, conducted under invigilated conditions	
	Total allocated marks for this task	<b>32 marks</b>
<b>Task weighting</b>	10% of the school mark for this pair of units	

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#### Scenario

Herbs-a-Lot Ltd manufactures a variety of health supplements for national distribution. The administration is based in Melbourne and comprises of a President and a Vice-President and state branches with State Managers in Western Australia and South Australia. Each State Manager has departmental heads overseeing sales, production and distribution. Production is divided into sections: Women’s Health, Men’s Health, Children’s Health and Pet Health. Workers are assigned to each production section based on their area of expertise. A supervisor is in charge of the daily operations of each section. Due to an increase in customer demand, Herbs-a-Lot Ltd will be advertising for a number of new positions across all branches.

Use the above scenario to answer the following questions.

#### Question 1

State the current organisational structure used at Herbs-a-Lot Ltd. (1 mark)

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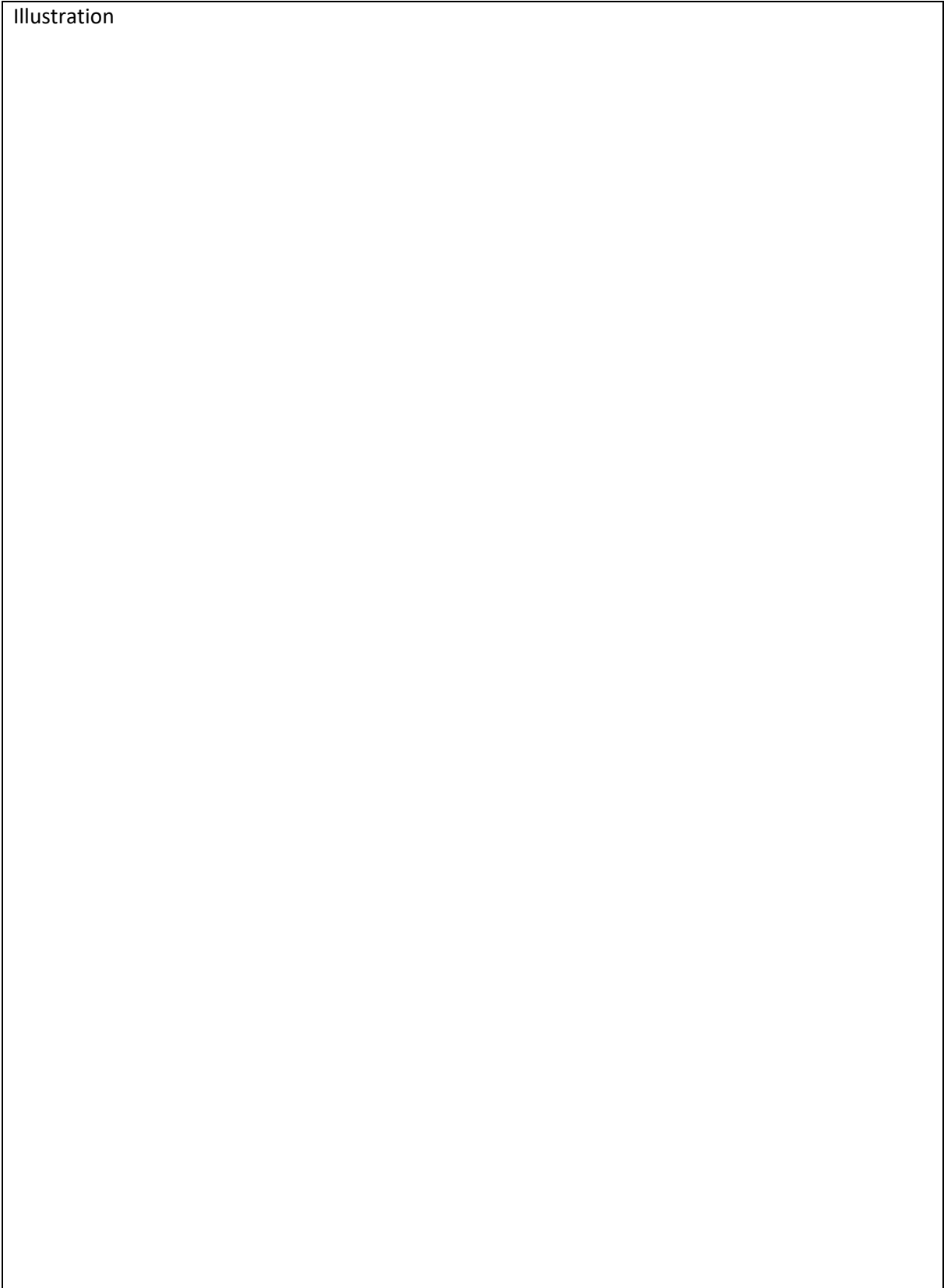
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**Question 2**

Illustrate and explain a type of organisational structure that the business may adopt. (6 marks)

Illustration





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**Question 3**

Outline **three** features of the organisational structure you have selected. (6 marks)

Feature 1

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Feature 2

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Feature 3

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**Question 4**

State **three** responsibilities of frontline level management at Herbs-a-Lot Ltd. (3 marks)

Responsibility 1

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Responsibility 2

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Responsibility 3

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**Question 5**

Outline the **three** key elements of an employment contract. (6 marks)

Key element 1

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Key element 2

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Key element 3

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**Question 6**

Describe **three** legal requirements of a contract that Herbs-a-Lot Ltd will need to comply with. (6 marks)

Legal requirement 1

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Legal requirement 2

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Legal requirement 3

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**Question 7**

Recommend an appropriate recruitment and selection process that Herbs-a-Lot Ltd could implement to hire quality workers suited to their staffing needs. (4 marks)

Recruitment process

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Selection process

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## Marking key for sample assessment Unit 1 – Task 3

**Assessment type:** Response

**Total:** 32 marks

### Question 1

State the current organisational structure used at Herbs-a-Lot Ltd.

(1 mark)

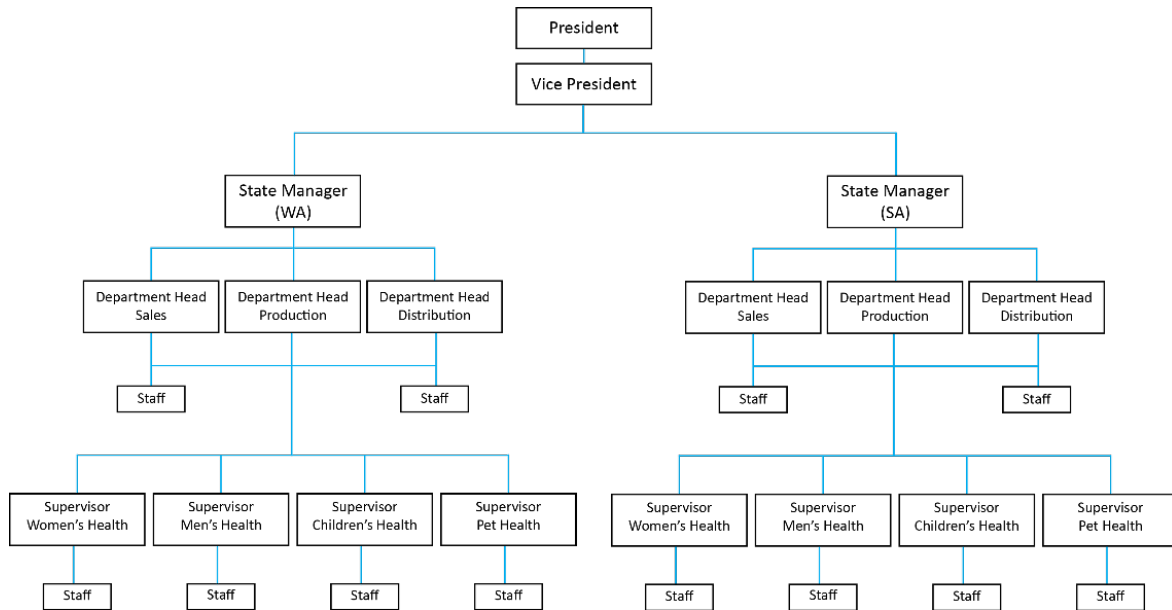
Description	Marks
Correctly states the organisational structure used in the scenario	1
<b>Total</b>	<b>/1</b>
<b>Answer is:</b>	
It is a hierarchical structure.	
Only correct answer.	

### Question 2

Illustrate and explain a type of organisational structure that the business may adopt.

(6 marks)

Description	Marks
<b>Illustration</b>	
Illustrates an organisational structure showing the relationship between employees at Herbs-a-Lot Ltd	3
Draws a diagram showing an organisational structure indicating a relationship between some of the employees at Herbs-a-Lot Ltd	2
Sketches an organisational structure	1
<b>Subtotal</b>	<b>/3</b>
<b>Explanation</b>	
Explains the organisational structure that the business may adopt as part of its workforce	3
Describes features of the organisational structure that the business may adopt	2
States a fact about the organisational structure that the business may adopt	1
<b>Subtotal</b>	<b>/3</b>
<b>Total</b>	<b>/6</b>
<b>Answer could include:</b>	
Examples are provided on the following pages.	

**Illustration****Functional organisational structure****Explanation**

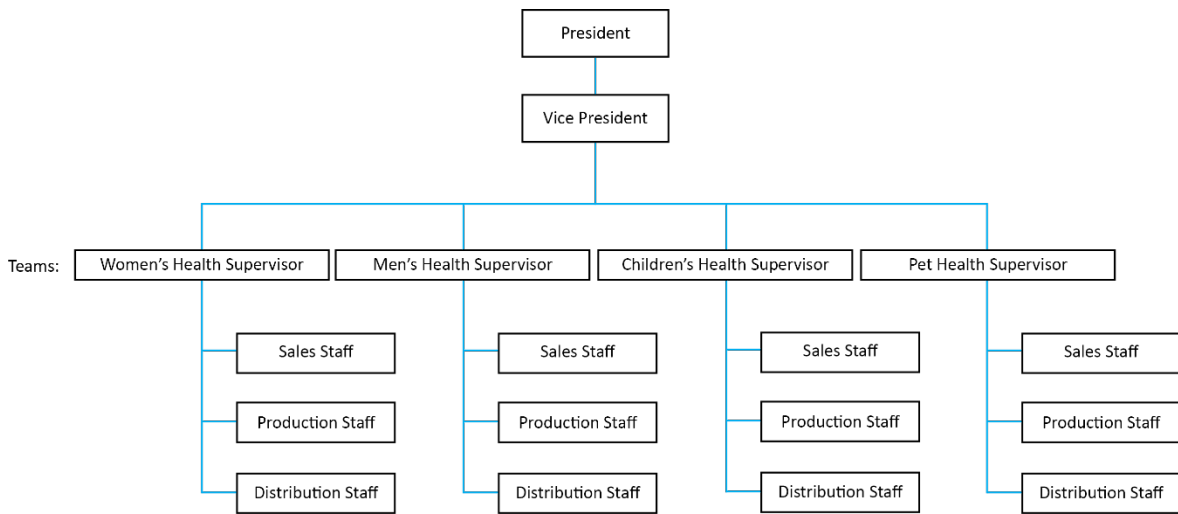
This type of organisational structure relies on a hierarchical model, where employees are formed into expert (specialised) groups. The expert groups are managed by a functional supervisor with the same expertise. This assists in achieving the business's objectives by efficiently using the expert skills of employees. At Herbs-a-Lot Ltd, a functional structure would be:

- President
- Vice President
- State Managers
- Departmental Heads of Sales, Production and Distribution.

Production is divided into the following expert teams led by an experienced Supervisor:

- Women's Health
- Men's Health
- Children's Health
- Pets' Health.

**OR**

**Illustration****Team organisational structure****Explanation**

This type of organisational structure groups employees by compatible skills and combined effort, all operating together to achieve a common objective. Teams are typically organised by common tasks and duties. This type of structure has less levels of management and can therefore reduce costs incurred by the company for wage expenses.

Note: Team organisational structure would remove the need for departmental heads.

Accept other relevant answers.

**Question 3**Outline **three** features of the organisational structure you have selected.

(6 marks)

Description	Marks
<b>For each feature: (3 x 2 marks)</b>	
Outlines a feature of the organisational structure selected for Herbs-a-Lot Ltd	2
States a fact about the features of the organisational structure selected for Herbs-a-Lot Ltd	1
<b>Subtotal</b>	<b>/2</b>
<b>Total</b>	<b>/6</b>
<b>Answer could include:</b>	
<p><b>Chain of command</b></p> <p>An official line of command in an organisation that directions are passed through from the top end management down to the team level.</p> <p><b>Span of control</b></p> <p>The number of employees that are directly answerable to one manager. This avoids the confusion caused by reporting to more than one manager by ensuring employees are accountable to one manager only.</p> <p><b>Delegation</b></p> <p>The assigning of specific tasks to individual employees, allowing them to make decisions on behalf of the organisation instead of managers telling them what to do.</p>	
Accept other relevant answers.	

**Question 4**State **three** responsibilities of frontline level management at Herbs-a-Lot Ltd.

(3 marks)

Description	Marks
States three responsibilities of frontline management	3
States two responsibilities of frontline management	2
States one responsibility of frontline management	1
<b>Total</b>	<b>/3</b>
<b>Answer could include:</b>	
<p>The responsibilities of frontline level management at Herbs-a-Lot Ltd could include:</p> <ul style="list-style-type: none"> <li>• allocating duties to team members</li> <li>• ensuring quality control and production volumes are reached</li> <li>• promoting the company's goals and objectives, as set by top-level management</li> <li>• managing team members by addressing employee issues and conveying suggestions, recommendations and other team information to higher-level managers</li> <li>• mentoring team workers on day-to-day tasks</li> <li>• providing regular updates - workers report to frontline management.</li> </ul>	
Accept other relevant answers.	

**Question 5**Outline the **three** key elements of an employment contract.

(6 marks)

Description	Marks
<b>For each key element (3 x 2 marks)</b>	
Outlines a main feature	2
States a fact about the key element	1
<b>Subtotal</b>	<b>/2</b>
<b>Total</b>	<b>/6</b>
<b>Answer could include:</b>	
<p><b>Intention</b> There must be intention by both parties to enter into a contract 'to create a legal relationship'. A potential new employee and employer must comply within the terms outlined in the employment contract.</p> <p><b>Agreement (offer and acceptance)</b> Before there is a formal contract, there must be a legally binding agreement between both parties: employer and employee. This agreement takes the form of <i>offer</i> and <i>acceptance</i> where one party makes an offer (offeror) and the other accepts. The employer is the offeror (makes an offer) and the potential employee must accept the terms stated in the contract.</p> <p><b>Consideration</b> The concept of value offered and accepted by people or an organisation entering into contracts, i.e. a potential employee will be paid the agreed salary in exchange for work.</p>	
Accept other relevant answers.	

**Question 6**

Describe **three** legal requirements of a contract that Herbs-a-Lot Ltd will need to comply with.

(6 marks)

Description	Marks
<b>For each legal requirement of a contract (3 x 2 marks)</b>	
Describes a legal requirement	2
States a fact about the legal requirement	1
<b>Subtotal</b>	<b>/2</b>
<b>Total</b>	<b>/6</b>
<b>Answer could include:</b>	
<p><b>Capacity</b> Both parties in a contract must have the necessary mental capacity to understand what they are doing. Employees must be of sound mind and be 15 years or older to sign the contract. Employees who are aged between 13 to 14 years require parent consent.</p> <p><b>Consent</b> Both parties agree to the contract of their own free will. A party's genuine consent is an essential element of a legally binding contract. The employees must understand the agreement they are entering into and willing to make perfectly clear any concerns they may have.</p> <p><b>Legal purpose</b> The contract does not contain any breaches of law that the employees would not be privy to in signing their contracts. A contract may be illegal because its subject matter is prohibited by law or because it infringes a rule of public policy. A contract containing illegal acts, promises or objects would violate this condition.</p>	
Accept other relevant answers.	



**Question 7**

Recommend an appropriate recruitment and selection process that Herbs-a-Lot Ltd could implement to hire quality workers suited to their staffing needs. (4 marks)

Description	Marks
<b>Recruitment process</b>	
Recommends an appropriate recruitment process with a reason	2
Recommends an appropriate recruitment process	1
<b>Subtotal</b>	<b>/2</b>
<b>Selection process</b>	
Recommends an appropriate selection process with a reason	2
Recommends an appropriate selection process	1
<b>Subtotal</b>	<b>/2</b>
<b>Total</b>	<b>/4</b>

**Answer could include:****Recruitment process**

Herbs-a-Lot Ltd can attract a pool of qualified applicants for the jobs by using any of the following internal and external strategies.

## Internal

- staff newsletters
- internal advertisements on the staff intranet
- advertisements or expressions of interest via staff email

## External

- employment agencies
- newspaper advertisements
- job websites, such as SEEK
- social media such as LinkedIn and industry groups
- the business website
- university job boards for new graduates

## Recommendation

Herbs-a-Lot Ltd needs to increase the required number of staff through recruitment of quality workers. An external source, like an employment agency, is more likely to attract a larger pool of workers who possess the desired qualities, such as being innovative.

**Selection process**

Herbs-a-Lot Ltd may have a number of positions across branches they wish to fill, so they may need to consider using an agency to assist in the process of selecting high quality new workers.

Selection procedure steps involve:

- receiving applications
- screening applications
- selecting competitive applicants to interview
- interviewing competitive applicants for selection
- undertaking background checks on selected applicant/s
- advising applicants of the outcome
- preparing employment contract/s for successful applicant/s.

## Recommendation

Using an employment agency will save Herbs-a-Lot Ltd time, ensure the best applicants are chosen to fill the positions.

Accept other relevant answers.

## Sample assessment task

### Business Management and Enterprise – ATAR Year 11

#### Unit 2 – Task 5

<b>Assessment type</b>	Response	
<b>Conditions</b>	Time for the task: 50 minutes	
	In class test, conducted under invigilated conditions	
	Total allocated marks for this task	<b>33 marks</b>
<b>Task weighting</b>	10% of the school mark for this pair of units	

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#### Question 1

Explain the concept of motivation in business. List **two** examples. (5 marks)

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**Question 2**

Explain **two** benefits of motivation in business.

(6 marks)

Benefit 1

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Benefit 2

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**Question 4**

Describe **one** example of a financial incentive and **one** example of a non-financial incentive that a business may use to help motivate employees. (4 marks)

Financial incentive example

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Non-financial incentive example

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**Question 5**

Explain how the non-financial incentive described in Question 4 could increase the motivation of employees. (3 marks)

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**Question 6**

Identify **two** motivation theories and outline **two** characteristics of each theory. (6 marks)

Motivation theory 1

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Motivation theory 2

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**Question 7**

Select and justify the motivation theory that would be most appropriate for management to adopt in the following situation:

- the business has a high turnover of staff
- employee morale is low
- employees are dissatisfied due to the perception that some employees are provided with more options than others and are rewarded more than others for their effort. (4 marks)

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## Business Management and Enterprise – ATAR Year 11

### Marking key for sample assessment task 5

#### Unit 2 – Task 5

**Assessment type:** Response

**Total: 33 marks**

#### Question 1

Explain the concept of motivation in business. List **two** examples.

(5 marks)

Description	Marks
Explains the concept of motivation in business	3
Describes the concept of motivation in business	2
States a fact about motivation in business	1
<b>Subtotal</b>	<b>3</b>
Lists two examples	2
Lists one example	1
<b>Subtotal</b>	<b>/2</b>
<b>Total</b>	<b>/5</b>

#### Answer could include:

Motivation in business is about how to encourage staff to give their best while at work. Motivated staff have more concern about the success of the business and work better. A motivated workforce results in increased output and productivity due to the increased effort applied by staff. Levels of quality assurance are also increased as staff take greater pride in their work.

Some examples of strategies that businesses can use to increase motivation include rewards, status, praise and acknowledgment, competition, job security and public recognition.

Accept other relevant answers.



**Question 2**Explain **two** benefits of motivation in business.

(6 marks)

Description	Marks
<b>For each benefit: (2 x 3 marks)</b>	
Explains the benefit of motivation in business	3
Describes the benefit of motivation in business	2
States a fact about a benefit of motivation in business	1
<b>Subtotal</b>	<b>/3</b>
<b>Total</b>	<b>/6</b>
<b>Answer could include:</b>	
<p>Motivation is important to businesses in attracting and retaining employees and increasing the level of productivity. Having motivated employees has several benefits.</p> <p>These benefits include:</p> <ul style="list-style-type: none"> <li>• improved customer service – employees who are motivated to do their job well will be more enthusiastic about their role and will attract and retain satisfied customers</li> <li>• less absenteeism – employees who are content in their work environment will take fewer days off for sickness or other reasons and therefore be more productive</li> <li>• lower levels of employee turnover – employees that stay in a business have experience and keep recruitment and training costs low</li> <li>• improved relations between employees, middle and senior management – employees are more likely to accept changes without dispute and less likely to take either legal or industrial action</li> <li>• improved productivity – motivated employees work harder increasing the overall output of a business</li> <li>• improved quality – motivated employees are more likely to work to a higher standard and create better quality goods or services.</li> </ul>	
Accept other relevant answers.	

**Question 3**

Distinguish between penalties and rewards. Explain why **one** form of motivation is more effective than the other. (5 marks)

Description	Marks
Distinguishes between penalties and rewards	2
States a fact about penalties and/or rewards	1
<b>Subtotal</b>	<b>/2</b>
Explains why rewards are more effective than penalties	3
Outlines why rewards are more effective than penalties	2
States that rewards are more effective than penalties	1
<b>Subtotal</b>	<b>/3</b>
<b>Total</b>	<b>/5</b>

**Answer could include:****Rewards are more effective than penalties**

A penalty is a form of punishment or threat of punishment for poor work performance or non-performance.

A reward is a way of compensating employees for their work performance. It is a method of demonstrating to employees that their work is valued.

**Distinguish between penalties and rewards**

A reward is more likely to result in employees feeling valued. This will tend to improve motivation and increase their work performance, which in turn boosts business performance.

While a penalty can temporarily motivate employees to comply, it often leads to lower morale and disgruntled employees who do not feel valued or motivated to perform. When employees are not motivated, business performance suffers.

Accept other relevant answers.

**Question 4**

Describe **one** example of a financial incentive and **one** example of a non-financial incentive that a business may use to help motivate employees. (4 marks)

Description	Marks
Describes a financial incentive and provides a suitable example	2
States a fact about a financial incentive	1
<b>Subtotal</b>	<b>/2</b>
Describes a non-financial incentive and provides a suitable example	2
States a fact about a non-financial incentive	1
<b>Subtotal</b>	<b>/2</b>
<b>Total</b>	<b>/4</b>
<b>Answer could include:</b>	
<p><b>Financial incentives</b> A financial incentive is a monetary benefit that is paid by a company to motivate employees. Employers have financial incentive programs to encourage greater productivity and loyalty among employees. Common examples of financial incentives include bonuses (based on increased sales), higher wages and salaries and share ownership.</p> <p><b>Non-financial incentives</b> Non-financial incentives focus on an employee's psychological, social and emotional needs. Satisfying these needs is important in increasing the motivation of employees without receiving a monetary reward. Common examples of non-financial incentives include skill improvement training, recognition and reward.</p> <p>Accept other relevant answers.</p>	

**Question 5**

Explain how the non-financial incentive described in Question 4 could increase the motivation of employees. (3 marks)

Description	Marks
Explains how the non-financial incentive could increase the motivation of employees	3
Describes how the non-financial incentive could increase the motivation of employees	2
States how the non-financial incentive could increase the motivation of employees	1
<b>Total</b>	<b>/3</b>
<b>Answer could include:</b>	
<p><b>Non-financial incentives</b> One non-financial incentive is skill improvement training. By improving the skill level of employees, this enables them to work more efficiently and be more confident in their ability to perform their tasks.</p> <p>Providing staff with recognition and/or reward by acknowledging employee contribution to the business is another way to motivate employees. For example, by providing a reward such as a loyalty discount for goods and services within the business or other businesses may improve the self-esteem of employees.</p> <p>The employer may also provide staff with access to different work conditions or environments, such as working from home. Alternatively, it may also be of benefit to encourage employees to approach management about accessing flexible working hours. This will allow them to retain staff rather than staff seeking more rewarding employment elsewhere.</p> <p>Accept other relevant answers.</p>	

**Question 6**

Identify **two** motivation theories and outline **two** characteristics of each theory. (6 marks)

Description	Marks
<b>For each motivation theory (2 x 3 marks)</b>	
Identifies a motivation theory and outlines two characteristics of the theory	3
Identifies a motivation theory and outlines one characteristic of the theory	2
Identifies a motivation theory	1
<b>Subtotal</b>	<b>/3</b>
<b>Total</b>	<b>/6</b>
<b>Answer could include:</b>	
<p><b>Maslow's Hierarchy of Needs (Abraham Maslow)</b></p> <ul style="list-style-type: none"> <li>• General theory of human motivation</li> <li>• Stages in the hierarchy of needs           <ul style="list-style-type: none"> <li>▪ physiological – food, water, shelter and air</li> <li>▪ safety – security, unfearful, stability</li> <li>▪ belonging – family, work, group, friends</li> <li>▪ self-esteem – status, achievement, recognition, respect</li> <li>▪ self-actualisation – inner talent, personal growth, fulfilment</li> </ul> </li> <li>• Must meet the requirements of each step before moving to the next step</li> </ul> <p><b>Herzberg's Motivation-Hygiene Theory (Fredrick Herzberg)</b></p> <ul style="list-style-type: none"> <li>• Expands on Maslow's Hierarchy of Needs theory</li> <li>• Defines two different levels of employee needs in the workplace           <ul style="list-style-type: none"> <li>▪ hygiene factors (long-term motivation) – work environment and conditions of employment, e.g. physical working conditions</li> <li>▪ motivation factors (short-term motivation) – elements of work e.g. promotion</li> </ul> </li> </ul> <p><b>Vroom's Expectancy Theory (Victor Vroom)</b></p> <ul style="list-style-type: none"> <li>• Employees will want to maximise their happiness at work and minimise pain</li> <li>• Each employee's performance at work is reflective of personal factors, e.g. personality</li> <li>• Employees will be motivated if they believe they will be rewarded for improved job performance.</li> </ul> <p><b>Adams' Equity Theory (John Stacey Adams)</b></p> <ul style="list-style-type: none"> <li>• The comparison an employee makes between their reward and that of other employees in a similar situation</li> <li>• Pay and conditions alone do not determine motivation</li> <li>• The employees' perception of fair or unfair treatment when compared with the treatment of others</li> <li>• The ratio of inputs (employee efforts) compared with outputs (reward received)</li> </ul>	
Accept other relevant answers.	

**Question 7**

Select and justify the motivation theory that would be most appropriate for management to adopt in the following situation:

- the business has a high turnover of staff
- employee morale is low
- employees are dissatisfied due to the perception that some employees are provided with more options than others and are rewarded more than others for their effort. (4 marks)

Description	Marks
Selects the correct motivation theory	1
<b>Subtotal</b>	<b>/1</b>
Justifies how the theory can be used by management to improve employee satisfaction	3
Outlines how the theory can be used by management to improve employee satisfaction	2
States a fact about the motivation theory	1
<b>Subtotal</b>	<b>/3</b>
<b>Total</b>	<b>/4</b>

**Answer could include:**

Adams' Equity Theory is the most appropriate, as it relates specifically to the belief that other employees have more options and advantages available to them and covers the following items.

If staff on the same workload perceive that others are being favoured by being provided with more options such as: extra rewards, promotion, increased salary/bonuses, flexible working arrangement; can lead to decreased levels of motivation and reduce productivity. Staff who are feeling unfairly treated and overlooked in the workplace are more likely to become dissatisfied, resulting in low morale. Dissatisfied staff will resign and move to new jobs in other organisations. Subsequently causing a high staff turnover for the business.

Accept other relevant answers.

**Resources**

Adams, J.S. (1963) Toward an Understanding of Inequity. In *Journal of Abnormal and Social Psychology*, 67, 422–436.

Maslow, A. H. (1954). *Motivation and personality* (3rd ed.). Harper & Row, Publishers, Inc.

Herzberg, F., Mausner, B., & Snyderman, B. (1959). *The Motivation to work* (2nd ed.). John Wiley & Sons.

Vroom, V.H. (1964). *Work and motivation*. Wiley.

## Sample assessment task

### Business Management and Enterprise – ATAR Year 11

#### Unit 2 – Task 7

<b>Assessment type:</b>	Business research
<b>Conditions</b>	<p><b>Part A:</b> Research component: period allowed for completion one week (8 marks)</p> <p><b>Part B:</b> In-class validation: 45 minutes conducted under invigilated conditions</p> <p>(Research notes allowed) (25 marks)</p> <p>Total allocated marks for this task <b>33 marks</b></p>
<b>Task weighting:</b>	18% of the school mark for this pair of units

#### **Part A: Research component – business plan** (8 marks)

Research the purpose and elements of business plans using the following syllabus dot points.

##### **Management: operations**

- purpose and intent of a business plan
- key elements and structure of a business plan, including:
  - executive summary
  - vision statement
  - mission statement
  - business concept
  - operations strategy
  - marketing plan, including SWOT (strengths, weaknesses, opportunities, threats) analysis
  - financial plan
  - human resource management (HRM)

##### **The following evidence of research is to be submitted:**

5. Bibliography/references
6. Research notes organised into a logical sequence
7. Appropriate terminology
8. Suitable examples

##### **Note**

The in-class validation will consist of an extended answer questions based on some or all of the content you are required to research. Prior to commencing the in-class validation you will need to submit all evidence of the research you have conducted, including a bibliography.

You will have access to your research during the in-class validation.

## Sample assessment task

### Business Management and Enterprise – ATAR Year 11

#### Unit 2 – Task 7

<b>Assessment type:</b>	Business research
<b>Conditions</b>	<p><b>Part A:</b> Research component: period allowed for completion one week (8 marks)</p> <p><b>Part B:</b> In-class validation: 45 minutes conducted under invigilated conditions</p> <p>(Research notes allowed) (25 marks)</p> <p>Total allocated marks for this task <b>33 marks</b></p>
<b>Task weighting:</b>	18% of the school mark for this pair of units

#### **Part B: in-class validation** (25 marks)

##### **Scenario**

Nic operates a sewing service, called Nic’s Fix and Stitch, located in Perth, Western Australia. He provides clothing alterations and makes original customised garments for his clientele at his shop in the city. With the popularity and success of his business, Nic is looking at expanding his sewing services, so he has employed a consultancy firm to conduct market research. The results show that there is a viable trend for recycling clothing materials due to designer markets closing, supply chain interruptions and sourcing fabrics becoming increasingly difficult.

Nic is considering the following ideas to grow his business:

- adding new product lines including
  - upcycling and recycling clothes, e.g. unravelling wool jumpers and blankets and using the yarn to knit new garments or converting dresses into tops and skirts
  - designing new clothes using a new plant-based material
- offering a new service, such as sewing tuition and unique pricing packages.

Nic is in the process of opening a new store in Sydney, Australia and will need assistance with developing a business plan to facilitate this expansion. He will need to establish networks in Sydney and create an online presence for the business to promote his new product lines.



To assist Nic in making decisions about the future of his business, you are to use your research and respond to the following questions.

**Question 1**

Distinguish between a mission statement and vision statement. (2 marks)

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**Question 2**

Propose both a mission statement and vision statement for the business, Nic’s Fix and Stitch. (2 marks)

**Mission statement**

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**Vision statement**

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**Question 3**

Nic has decided to adopt the mission statement and vision statement you have suggested for his business. Apply **two** other elements of business planning that would best serve Nic’s Fix and Stitch in its expansion.

**Business planning element 1**

(3 marks)

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**Business planning element 2**

(3 marks)

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**Question 4**

Business expansion requires the acquisition of new staff to service the business’s increasing operations.

Describe **two** strategies that Nic could use to predict the business’s future staffing needs.

(4 marks)

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**Question 5**

Prepare a SWOT analysis for the business expansion of Nic's Fix and Stitch.

(8 marks)

**Question 6**

Advise Nic on whether you would recommend the business expansion of Nic’s Fix and Stitch. Justify your recommendation. (3 marks)

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## Business Management and Enterprise – ATAR Year 11

### Marking key for sample assessment task 7

#### Unit 2 – Task 7

#### Part A: Research component

(8 marks)

Description	Marks
Selects appropriate sources and applies correct referencing conventions	2
Selects sources and applies some evidence of referencing	1
<b>Subtotal</b>	<b>/2</b>
Organises research notes into a logical sequence: <ul style="list-style-type: none"> <li>• purpose of a business plan</li> <li>• key elements of a business plan</li> </ul>	2
Organises research notes with some evidence of a sequence	1
<b>Subtotal</b>	<b>/2</b>
Uses appropriate terminology	2
Uses limited terminology	1
<b>Subtotal</b>	<b>/2</b>
Uses suitable examples	2
Uses limited examples	1
<b>Subtotal</b>	<b>/2</b>
<b>Total</b>	<b>/8</b>

#### Part B: in-class validation

(25 marks)

#### Question 1

Distinguish between a mission statement and vision statement.

(2 marks)

Description	Marks
Distinguishes between a mission and vision statement	2
States a fact about a mission or vision statement	1
<b>Total</b>	<b>/2</b>

#### Answer could include:

##### Mission statement

A mission statement is the objectives of a business that defines its culture, values, ethics, fundamental goals and agenda. It explains how each of these applies to the business's stakeholders, employees, distributors, suppliers, shareholders and the community at large.

##### Vision statement

A vision statement communicates long-term business aims – the dream that the business aspires to achieve in the future.

##### Difference

A mission statement is the goals and objectives of the business and the process of how to achieve them. A vision statement is the business's long-term aim.

Accept other relevant answers.

**Question 2**

Propose both a mission statement and vision statement for the business, Nic's Fix and Stitch.

(2 marks)

Description	Marks
<b>For both the mission and vision statement (1 x 1 mark)</b>	
Proposes a relevant example	1
<b>Subtotal</b>	<b>/1</b>
<b>Total</b>	<b>/2</b>
<b>Answer could include:</b>	
<p><b>Mission statement</b>            Example            Our mission at Nic's Fix and Stitch is to provide quality, original and sustainable clothing without the high-end price tag, which our clientele can proudly wear knowing that it helps to preserve the environment.</p> <p><b>Vision statement</b>            Example            Nic's Fix and Stitch vision: saving the fabric of life, one stitch at a time.</p>	
Accept other relevant answers.	

**Question 3**

Nic has decided to adopt the mission and vision statement you have suggested for his business. Apply **two** other elements of business planning that would best serve Nic's Fix and Stitch in its expansion. (6 marks)

Description	Marks
<b>For each of the two elements of the business plan (2 x 3 marks)</b>	
Applies the element to the case study	3
Describes the feature/s of the element	2
Provides a general comment about the element	1
<b>Subtotal</b>	<b>/3</b>
<b>Total</b>	<b>/6</b>

**Answer could include:**

Elements of business planning include: executive summary, vision statement, mission statement, business concept, operations strategy, marketing plan, including SWOT (strengths, weaknesses, opportunities and threats) analysis, financial plan, human resource management (HRM).

Application to the case study:

**Executive summary**

This can include information about the current position of Nic's Fix and Stitch business and the expected future expansion into new lines of production, services and the opening of the new store in Sydney.

**Business concept**

This is the story of how the business started with an idea or innovation. It describes the main issues that it endeavours to solve and how it will market this to potential customers and provides a clear focus for the business plan. Nic is finding innovative ways to upcycle and recycle clothes and other materials and create new clothes that provides customers with the knowledge that they are helping save the planet by reducing landfill with cost-effective products.

**Operations strategy**

This is a summary of production processes and procedures. For Nic, it would include locations of a new shop in Sydney; pricing strategies for new product ranges, such as recycled clothes and alterations influenced by the location's socio-economics; internal controls over assets (cash, inventory of stock, debtors); and the availability of suppliers in local areas to fulfil inventory and distribution needs.

**Marketing plan**

A marketing plan is a significant part of the business plan and outlines the actions to be executed to meet the requirements of the key categories of the marketing mix – the 4 Ps (product, price, place and promotion). Nic may need to gather information on the current market position, costings, competitors and target market to be able to set marketing goals and strategies to ensure success. This could include a SWOT analysis.

**Financial plan**

This is the most critical part of the business plan as it predicts the probability of success. It looks at predicted sales and purchases based on historical financial data and projects future income and cash flow. Nic would need to factor in the sustainability of environmentally-friendly fashion trends to sustain financial success.

**Human resource management (HRM)**

This is the continuous process of optimising staff to align with the success of the business. Nic will need to look at future hiring of staff in Sydney where he will initiate the expansion of his sewing shops and look at how to retain experienced staff in making/recycling fashion.

Accept other relevant answers.



**Question 4**

Business expansion requires the acquisition of new staff to service the business's increasing operations.

Describe **two** strategies that Nic could use to predict the business's future staffing needs. (4 marks)

Description	Marks
<b>For each strategy: (2 x 2 marks)</b>	
Describes the strategy that Nic could use to predict the business's future staffing needs	2
Identifies a strategy that Nic could use to predict the business's future staffing needs	1
<b>Subtotal</b>	<b>/2</b>
<b>Total</b>	<b>/4</b>
<b>Answer could include:</b>	
<p><b>Analysis of existing workforce</b> Analyse the existing workforce, for example, the number of workers, the amount of full-time/part-time/casual workers, current productivity and skills base of the existing workforce.</p> <p>Identify what additional talent the business needs regarding the required experience, knowledge, skills and capability to add new products and provide the new service.</p>	
<p><b>Assessment of future staffing needs</b> Consider the economic environment the business is likely to operate in the next few years. This includes the external requirements that impose change on Nic's business, including the availability of suitable workers and technological innovations, such as staff experience in using new plant-based materials.</p>	
Accept other relevant answers.	

**Question 5**

Prepare a SWOT analysis for the business expansion of Nic's Fix and Stitch.

(8 marks)

Description	Marks
<b>For each SWOT element: (4 x 2 marks)</b>	
Outlines more than one factor relevant to the business expansion of Nic's Fix and Stitch	2
States a factor relevant to the business expansion of Nic's Fix and Stitch	1
<b>Subtotal</b>	<b>/2</b>
<b>Total</b>	<b>/8</b>
<b>Answer could include:</b>	
<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Experience in sewing alterations</li> <li>• The popularity of recycle/upcycle clothing/fabric is growing</li> <li>• A loyal customer base and customer satisfaction with quality alterations and price</li> <li>• Experienced staff who are willing to adapt to the new methods</li> </ul> <p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Nic does not currently have business connections in Sydney</li> <li>• Nic will need to spend time creating networks in Sydney</li> <li>• No online presence of the business on social media or a website</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• The availability to offer different products/services to customers</li> <li>• To create an online presence on social media and a website</li> <li>• To introduce sewing tuition</li> <li>• To introduce unique pricing packages</li> <li>• The lack of sewing skills in the younger generations, who therefore require these services</li> </ul> <p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Competition from established sewing alteration booths successfully operating in Sydney</li> <li>• Competition from other private sewing businesses</li> <li>• Change in council by-laws on locations of where these businesses can trade may affect custom</li> </ul> <p>No marks are awarded for stating the elements of a SWOT analysis.</p> <p>Accept other relevant answers.</p>	

**Question 6**

Advise Nic on whether you would recommend the business expansion of Nic's Fix and Stitch. Justify your recommendation. (3 marks)

Description	Marks
Advises and provides justified reasons to recommend or not recommend business expansion with reference to the case study	3
Advises and outlines a reason to recommend or not recommend the business expansion	2
Advises whether to recommend or not recommend the business proposal	1
<b>Total</b>	<b>/3</b>
<b>Answer could include:</b>	
<p>Nic could offer the new product lines of recycled fashion and extend the service of sewing tuition without the costs of purchasing/leasing shops in Sydney, which also means employing fewer staff.</p> <p style="text-align: center;"><b>or</b></p> <p>Nic could go ahead with the full expansion, but the risk of overextending too quickly could be his downfall, as cash flow could be an issue.</p> <p style="text-align: center;"><b>or</b></p> <p>No expansion, as the business environment already faces challenges, including supply chain shortages and uncertain consumer spending patterns.</p>	
Accept other relevant answers.	