



Government of **Western Australia**  
School Curriculum and Standards Authority



## ATAR course examination, 2023

### 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

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### 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	61	60
Section Two Extended answer	3	2	80	50	40
<b>Total</b>					100

**Instructions to candidates**

1. The rules for the conduct of the Western Australian external examinations are detailed in the *Year 12 Information Handbook 2023: 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% (61 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.

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**Question 1**

**(10 marks)**

Exporting can bring opportunities and benefits to global businesses, but also has its challenges. Success comes from making the most of the opportunities while minimising the risks.

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

One: \_\_\_\_\_

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Two: \_\_\_\_\_

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**Question 2**

**(11 marks)**

- (a) Describe the role of ethics in global business decisions when businesses choose to use offshore labour. (2 marks)

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- (b) Explain how deregulation of the financial market drives global business development. (3 marks)

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(c) Explain an impact of globalisation on each of the following. (6 marks)

Employment levels in developing and developed countries:

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The global spread of skills and technology:

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**Question 3**

**(8 marks)**

Innovation is often important to the continued success of any business. It can refer to a new process, idea or product.

- (a) Outline a role of innovation in improving processes. (2 marks)

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- (b) Explain how innovation can lead to the expansion of a global market presence. (3 marks)

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- (c) Explain how technology can have an impact on the success of innovation. (3 marks)

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**Question 4**

**(12 marks)**

Strategic management is a key element to consider when operating in global markets.

- (a) Outline the purpose of the strategic planning process. (2 marks)

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- (b) Name and describe the environmental scan that can be used to analyse the macro-environment of a business. (3 marks)

Name: \_\_\_\_\_

Description: \_\_\_\_\_

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- (c) Explain the impact security and privacy issues have on business operations in global markets. (3 marks)

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- (d) Explain, using an example, how **one** political factor may affect Australian business operations in a global market. (4 marks)

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**Question 5**

**(11 marks)**

Ratio analysis is important to businesses' understanding of financial statements and is crucial to stakeholders in comparing past performance.

- (a) Outline the purpose of basic financial ratios. (2 marks)

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The table below shows the ratio results for Companies A and B.

<b>Ratio</b>	<b>Company A</b>	<b>Company B</b>
Debt to equity	64%	95%
Profit	12%	15%
Current	180%	80%
Return on equity	10%	12%

- (b) With specific reference to the relevant ratio(s) and data provided, assess the performance of each company in relation to its liquidity and stability. (6 marks)

Liquidity: \_\_\_\_\_

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Stability: \_\_\_\_\_  
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- (c) From the results in the table on page 12, identify which company is more profitable. Justify your answer. (3 marks)

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Communication protocols: \_\_\_\_\_

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**End of Section One**

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**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.

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**Question 7**

**(25 marks)**

Giacomo and Chris own a number of wellness centres around Australia. The centres' philosophy and corporate slogan is 'Commit to a healthy lifestyle'. The centres include spaces for Pilates, yoga and personal training, as well as a dedicated nutrition area, where clients can complete educational courses on food and participate in cooking classes. They have found having a one-stop location for their clients has led to success in their businesses across Australia.

After successfully expanding throughout Australia, Giacomo and Chris have decided it is time to enter the South-East Asian market. They have sourced locations to open their wellness centres and are in the final decision-making process for staffing and branding. They are also keen to replicate the same experiences that their Australian customers receive.

Chris and Giacomo believe the South-East Asian market has great growth potential; they have chosen places to which many Australians have relocated. With the right marketing strategies, Chris and Giacomo believe this planned expansion will be very successful.

They think the demand in South-East Asia for the wellness centres will be very high as two out of every five adults are classified as overweight, with the need for diet and exercise interventions becoming higher by the day. As a result of their research on South-East Asia, they believe they have found a gap in the market, as their closest competitors are wellness resorts and not separate wellness centres.

It was decided that Giacomo would relocate to South-East Asia to implement the policy and procedures of the Australian branches. Giacomo is very assertive in his instructions; however, he maintains a motivational approach with his employees, gathering their opinions on minor decisions to help them feel a part of the business. Giacomo is very self-disciplined and wants to learn additional skills in his leadership journey to ensure the centres will succeed in the South-East Asian locations.

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

- (a) Describe **two** benefits to Giacomo and Chris of having a global brand. (4 marks)
- (b) Explain whether Giacomo and Chris should standardise **or** adapt the business's corporate slogan to the South-East Asian market. (3 marks)
- (c) Explain **two** factors to Giacomo and Chris that determine the feasibility of expanding into foreign markets. (6 marks)
- (d) Advise Giacomo of **three** other leadership traits he needs to adopt for the wellness centres to be successful in this cross-cultural setting. (12 marks)

**See next page**

## Question 8

(25 marks)

Jay and Lin operate a men's skincare business known as Woodyz. They started the business together in 2017 and are based in Fremantle, Western Australia. They have five retail stores around the Perth metropolitan area and set up a pop-up store weekly at the weekend markets around the state. The business sells skincare, such as shower gels, facial cleansers and creams. Woodyz prides itself on using 100% organic and vegan ingredients. Ingredients are sourced both locally and overseas. Primary ingredients include sandalwood oil, macadamia oil, aloe vera and cucumber.

Woodyz has a strong social media presence, with regular product information and tutorials posted on Instagram and TikTok. Customers have been also giving Woodyz rave reviews online and recommending the products on their own social media platforms. The business has a growing customer base and Jay and Lin have noticed in the past two years their website has received an increasing number of orders from South Africa. Their South African customers who live in Perth often visit Woodyz to purchase products to give to their relatives in South Africa when they go back to visit. Jay and Lin are now thinking of entering the South African market to grow their business further.

While selling at a recent 'Men's week' convention in Perth, Jay and Lin met up with another stallholder, Alex, who runs Beards R Us. Alex sells shaving products and he also sources 100% organic ingredients. Alex has been considering venturing overseas and setting up production sites in South Africa as well. All three see the potential to grow their businesses together, both in Australia and overseas, over the next few years. Ethical practice is important to Jay, Lin and Alex and they are keen to ensure that any overseas production facilities adhere to international standards.

Jay, Lin and Alex would like to explore their options further. Both businesses would like to consider the options of either a joint venture or a merger to enter into the South African market. Jay, Lin and Alex are also considering options for funding. With interest rates on the rise, they are now seeking advice from a business consultant.

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

- (a) Explain how Woodyz and Beards R Us could uphold the minimum standards of labour by the International Labour Organisation, including the use of child labour, if the businesses enter the South African market. (3 marks)
- (b) Describe **two** sources of external funding that Woodyz and Beards R Us could use to assist them in their expansion into the South African market. (4 marks)
- (c) Explain how the economic factors of discretionary spending and interest rates could affect Woodyz and Beards R Us's business operations in the South African market. (6 marks)
- (d) 'A joint venture between Woodyz and Beards R Us, would be more beneficial to both businesses than a merger.'

For each of the strategic alliances mentioned in this statement, outline the rationale and discuss the benefits. (12 marks)

See next page

**Question 9**

**(25 marks)**

Wendy is the CEO of an Australian-owned hotel chain, Wunderers' Hotels Pty Ltd, that has been operating for 25 years. Wendy has hotels in Australia and the Asia-Pacific area. The hotels have a strong loyalty rewards program, with over 50,000 members. Their goal in the next five years is to double their membership base and increase sales now that international regulations and legislation have decreased between countries. Wendy has seen an increase in room bookings in the last six months and believes people now have the confidence to travel once again internationally. Another accrediting factor to increased sales is due to popular events being rescheduled, such as the Australian Open and the Formula 1 Grand Prix.

Wunderers' Hotels' head office is in Melbourne. However, Wendy would like to move the office to the Asia Pacific region. This would allow her to focus on increasing memberships and customer service within that region and enable the hotel to be recognised as an international hotel chain. Wendy has chosen to establish the new head office in Singapore.

Currently, Wendy has 40 employees working in the Melbourne office in a range of roles in accounting, strategic business development, marketing, sales and human resource management. To train new employees in the Singapore office, she has requested a team member from each department to apply for a new role: Training and Development Coordinator. This will involve travel to Singapore four times a year. The role is an opportunity for leadership within the company and comes with an increase in salary and an annual bonus. Everyone within each team can apply if interested, no matter how long they have worked for the organisation or their experience. One of her main reasons for this is to create a team of leaders with diversity. Wendy strongly believes diversity within teams is a driving force for change and growth.

Some more experienced employees within the company have expressed disappointment and frustration that junior members of staff can apply for this promotional position. This has created arguments within the teams. Some staff members are also unhappy with the change of head office to Singapore. Implementing change within a business can be difficult and it is often met with resistance, so Wendy is keen to use Kotter's 8 Steps to implement her changes successfully.

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

- (a) Explain **one** external factor that could drive change in this global business. (3 marks)
  
- (b) Describe the term 'managerial inertia' and explain why it has become a reason for resistance to change in Wendy's organisation. (5 marks)
  
- (c) Discuss **one** way in which Wendy can implement managing diversity as a strategy for business growth. (4 marks)
  
- (d) Apply Steps 6, 7 and 8 of Kotter's 8 Steps change management model to Wendy's new Training and Development Coordinator role. Advise how she can use this model to prepare staff for the upcoming changes. (13 marks)

**End of questions**



























## ACKNOWLEDGEMENTS

### Question 1

Adapted from: Austrade. (n.d.). *Export Benefits and Risks*. Retrieved May, 2023, from <https://export.business.gov.au/get-started-with-exporting/export-benefits-and-risks>

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