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

ATAR course examination, 2020

Question/Answer booklet

BUSINESS MANAGEMENT AND ENTERPRISE

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

Number of additional answer booklets used (if applicable):

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.

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2021/2572
Web version of 2020/58723

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	5	5	100	56	60
Section Two Extended answer	3	2	80	50	40
				Total	100

Instructions to candidates

1. The rules for the conduct of the Western Australian external examinations are detailed in the *Year 12 Information Handbook 2020: Part II Examinations*. Sitting this examination implies that you agree to abide by these rules.

2. Write your answers in this Question/Answer booklet.

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% (56 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: 100 minutes.

Question 1 **(16 marks)**

When should a business go global? Australian businesses are competing in a complex world economy and it's important that companies respond to the legal, cultural and economic environments of the countries in which they operate. These environmental factors can foster or hinder innovation, business operations, marketing and enterprise.

(a) Describe **two** benefits to a business of having a global brand. (4 marks)

One: _____

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_____

_____

_____

_____

Two: _____

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Question 1 (continued)

(b) Outline why a business might adapt the following **two** elements of a marketing mix in a global market. (4 marks)

Corporate slogan

Product features

(c) Explain how a marketing strategy can have an impact on the success of innovation. (3 marks)

(d) Propose how a business could use social media campaigns to enhance its marketing in the global environment. (5 marks)

Question 2 **(10 marks)**

There are many potential risks facing businesses that operate in a global market. Careful planning and research are required to ensure a business' best chance of success.

(a) Explain how hedging can be used as a strategy for minimising financial risk in a global export market. (3 marks)

(b) Explain **one** political factor that can have an impact on business operations in a global market. (3 marks)

(c) Discuss the impact of legal systems on businesses operating in a global market in relation to product liability. (4 marks)

Question 3 **(13 marks)**

Globalisation can be described as the spread of products, technology, information and jobs across borders and cultures.

(a) Describe **two** impacts of globalisation. (4 marks)

One: _____

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Two: _____

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(b) Explain the benefits of globalisation for an Australian business specialising in home grown products. (3 marks)

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(c) Explain **one** home government incentive for Australian businesses engaging in international trade. (3 marks)

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

Question 4 **(8 marks)**

Inventory control techniques are used by businesses to manage their stock levels.

(a) Describe the just-in-time technique and state **two** of its advantages. (4 marks)

Just-in-time technique

Advantages

One:

Two:

(b) Describe the just-in-case technique and state **two** of its advantages. (4 marks)

Just-in-case technique

Advantages

One:

Two:

Question 5 **(9 marks)**

Successful management of any workforce requires the ability to continuously change and adapt. To operate in a global environment, organisations must also prepare their people adequately for change.

(a) Describe **one** internal and **one** external factor that drive change in a global environment. (4 marks)

Internal: _____

_____

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_____

External: _____

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(b) Analyse how a business can apply Lewin's Forcefield Analysis model when preparing its people for change. (5 marks)

End of Section One

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 8.

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

Suggested working time: 80 minutes.

Question 6 **(25 marks)**

Ted and Roshan have recently completed their commerce degrees, majoring in tourism management. While at university, they have been operating a small tour company that organises weekend trips away for international students. Their tours have become popular and, since finishing university, they are keen to grow their business.

On their trips away, Ted and Roshan had many conversations with Singaporean students, who explained Perth's appeal. Besides having top ranked universities, Perth has great weather and is only a five-hour flight from Singapore. The Singapore dollar and the Australian dollar are almost equal in value and Western Australia offers a huge choice of international cuisines. Ted and Roshan also learnt most Singaporeans speak English and that Singapore is one of the most tech savvy countries in the world.

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The article also stated Singaporeans were big social media users, with most tourists flocking to tourist destinations they had seen on Instagram with people posing for selfies at places such as Cottesloe Beach, Wave Rock, the Pinnacles and, for the ultimate selfie, with a quokka at Rottnest Island.

During their research, Ted and Roshan discovered that Australia and Singapore enjoy a strong two-way investment relationship and that Singapore is Australia's largest trade and investment partner in South-East Asia, having the Singapore-Australia Free Trade Agreement (SAFTA). They also read on the Department of Foreign Affairs and Trade (DFAT) website that Singapore is Australia's sixth largest inbound tourism market and, in the year ending December 2019, Singaporean visitors spent $1.528 billion. Australia and Singapore also hold regular tourism talks and have established a framework for collaboration on research, data-sharing, and market insights to strengthen tourism collaboration.

Referring to the source information and your own knowledge, prepare a report or essay in which you answer the question parts below.

(a) Describe the purpose and intention of the strategic planning process. (3 marks)

(b) Explain to Ted and Roshan the importance of strategic formulation and describe how they could implement this process to ensure their business' success. (4 marks)

(c) Complete a PEST analysis for Ted and Roshan's proposed business. (12 marks)

(d) Describe **two** key factors that will determine the feasibility of Ted and Roshan expanding their business to access the Singapore market. Make a final recommendation, giving your reasons. (6 marks)

Question 7 **(25 marks)**

Tartology Ltd is a Western Australian business that specialises in manufacturing premium handmade chocolate tarts using locally-sourced ingredients. Founded in 2013, Tartology Ltd initially began as a home-based business and opened its first store in 2015. Over the past five years, Tartology Ltd has expanded both its business and the range of chocolate tarts it sells. At present, Tartology Ltd sells through various retail stores across Australia and through its website and Instagram page.

The increasing popularity of the chocolate tarts within both Western Australia and Australia has seen a huge growth in Tartology Ltd's customer base, sales and profits. Tartology Ltd has been analysing the current economic climate and is now considering entering the New Zealand market. It is seeking to buy a warehouse facility in New Zealand which will focus on the production of tarts to sell to various patisseries in large cities. Ethical practice is important to Tartology Ltd, so it is keen to employ a diverse range of employees in its warehouse and to connect with the local community.

Tartology Ltd believes that moving into the New Zealand market is a good business decision due to that country's growing middle-income population. This would mean an increase in the number of people who can afford to spend money on luxury items such as Tartology Ltd's chocolate tarts. There are also good trade relations between Australia and New Zealand and the Australian dollar is relatively close in value to the New Zealand dollar. Interest rates in Australia are at an all-time low and this would allow Tartology Ltd to take advantage of the benefits of investing more into the business.

To assist in the expansion into New Zealand, Tartology Ltd is considering seeking additional funding. These funds will provide support for Tartology Ltd in purchasing the warehouse facility and extra machinery to increase the efficiency of producing and packaging the chocolate tarts in New Zealand.

Referring to the source information and your own knowledge, prepare a report or essay in which you answer the question parts below.

(a) Discuss the differences between banks and finance companies and describe **two** other sources of external funding that Tartology Ltd could use to assist it in its expansion. (8 marks)

(b) State briefly the meaning of 'ethical practice' and describe **two** ethical practices in a global business that Tartology Ltd should be aware of if it enters the New Zealand market. (5 marks)

(c) Describe **two** sources of financial risks that Tartology Ltd could face if it decides to enter the New Zealand market. (4 marks)

(d) For Tartology Ltd to be successful in the New Zealand market, it would also need to consider economic factors that could impact on its business operations. Analyse **two** economic factors that could have an impact on Tartology Ltd. (8 marks)

Question 8 **(25 marks)**

Joho and Pez are entrepreneurs and partners in a successful broadcast media business, specialising in the production of podcasts. Beginning as a small independent outlet with a handful of programs made in-house, it has now grown to be a business with more than 20 employees.

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By entering into a global strategic alliance, Joho and Pez will continue to grow their business. It will provide the opportunity to increase profits and gain access to more resources, expertise and funding. There is also potential in a global strategic alliance to have access to a diverse labour force and reduce marketing, research and development costs.

In a global strategic alliance, Joho and Pez and their employees will need to respond to different communication protocols, ethical practices, cultural beliefs and levels of education. It is anticipated that the workplace will be far more diverse in a global strategic alliance.

Joho and Pez are acutely aware of how any change to the structure of their business will have an impact on their employees. They pride themselves on maintaining a positive staff culture and seek to continually improve the work environment. They are aware staff may be resistant to the change at first; therefore, Joho and Pez will need to provide structure, information and guidance to prepare their employees for this change.

Referring to the source information and your own knowledge, prepare a report or essay in which you answer the question parts below.

(a) Describe the rationale for, and discuss the benefits of, a merger for Joho and Pez. (6 marks)

(b) Explain how cultural incompatibility and staff attitudes in mergers/takeovers could have an impact on the success of a global strategic alliance. (6 marks)

(c) Describe participative and autocratic leadership styles and explain how Joho and Pez could adapt **one** of these styles in a cross-cultural setting. (8 marks)

(d) Evaluate the following statement: ‘Global strategic alliances can be used as a means to manage diversity as a strategy for business growth’. (5 marks)

End of questions

Question number: _____

Question number: _____

Question number: _____

Question number: _____

Question number: _____

Question number: _____

Question number: _____

Question number: _____

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Question number: _____

Question number: _____

Supplementary page

Question number: _____

Supplementary page

Question number: _____

Supplementary page

Question number: _____

Supplementary page

Question number: _____

ACKNOWLEDGEMENTS

Question 3

Adapted from: Kopp, C. M. (2020). *Globalization* [Definition]. Retrieved June, 2020, from https://www.investopedia.com/terms/g/globalization.asp

Question 6

Paragraph 2 (sentences 2–3) and paragraph 3 (sentence 2) information from: Zimmerman, J. (2019). Singaporeans revealed as the State's biggest spending tourists. *The West Australian*. Retrieved July, 2020, from https://thewest.com.au/news/wa/singaporeans-revealed-as-the-states-biggest-spending-tourists-ng-b881145484z

Paragraph 3 (sentence 1) adapted from: Zimmerman, J. (2019). Singaporeans revealed as the State's biggest spending tourists. *The West Australian*. Retrieved July, 2020, from https://thewest.com.au/news/wa/singaporeans-revealed-as-the-states-biggest-spending-tourists-ng-b881145484z

Paragraph 4 (sentence 1) adapted from: Department of Foreign Affairs and Trade. (2004). *Singapore–Australia free trade agreement business guide*. Retrieved July, 2020, from https://www.dfat.gov.au/trade/agreements/in-force/safta/Pages/singapore-australia-free-trade-agreement-safta-business-guide#foreword
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Paragraph 4 (sentences 2–3) adapted from: Department of Foreign Affairs and Trade. (n.d.). *Singapore country brief*. Retrieved July, 2020, from https://www.dfat.gov.au/geo/singapore/Pages/singapore-country-brief
Used under a Creative Commons Attribution 3.0 licence.

Question 8

Paragraph 2 adapted from: Kafka, P. (Host). (2019, 7 February). Gimlet co-founders Alex Blumberg and Matt Lieber, plus fortune CEO Alan Murray [Audio podcast transcript]. In *Recode Media*. Vox. Retrieved June, 2020, from https://www.vox.com/2019/2/7/18214941/alex-blumberg-matt-lieber-gimlet-spotify-deal-acquisition-peter-kafka-media-podcast-audio-interview

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