



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

SAMPLE ASSESSMENT TASKS

BUSINESS MANAGEMENT AND ENTERPRISE

ATAR YEAR 12

Acknowledgement of Country

Kaya. The School Curriculum and Standards Authority (the Authority) acknowledges that our offices are on Whadjuk Noongar boodjar and that we deliver our services on the country of many traditional custodians and language groups throughout Western Australia. The Authority acknowledges the traditional custodians throughout Western Australia and their continuing connection to land, waters and community. We offer our respect to Elders past and present.

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Sample assessment task

Business Management and Enterprise – ATAR Year 12

Unit 3 – Task 1

| | |
|-------------------------|--|
| Assessment type: | Business research |
| Conditions: | Part A: Research component: two weeks outside of class time (8 marks) Part B: In-class validation: 40 minutes in class under invigilated conditions (research notes are not allowed) (24 marks) Total allocated marks for this task (32 marks) |
| Task weighting: | 10% of the school mark for this pair of units |

Part A: Research component (8 marks)

In preparation for the in-class validation component of this task, you are required to research the following areas of the syllabus.

Environments: Political and legal, economic, socio-cultural and technological (PEST)

- factors driving global business development, including:
 - financial growth opportunities and/or loss minimisation
 - consumer purchasing and spending patterns
 - World Trade Organisation (WTO) regulations and sanctions
 - deregulation of the financial market
- the impact of globalisation on:
 - employment levels in developing countries and in developed countries
 - global spread of skills and technology
 - international cooperation
 - domestic market
 - tax minimisation – tax havens and transfer pricing

The following evidence of research is to be submitted.

1. Bibliography/reference list
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/reference list.

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

Part B: In-class validation**(24 marks)****Scenario**

An Australian business that makes swimwear from recycled plastics is considering expanding its operations globally, beginning with the introduction of its products into Asia.

The business has conducted some research into the possibility of launching its products into the Asian market early next year and based on the evidence gathered so far, has determined that:

- there is a strong demand for high quality, sustainable Australian products in most countries investigated
- the legal factors involved in expanding into the Asian market are manageable
- increased demand for the product due to expanding markets can be met by establishing a manufacturing base in Vietnam within the next two years
- the technology infrastructure in most countries investigated is adequate and sometimes exceeds the needs of the business.

The business now needs to conduct further analysis to address the contemporary issues facing a globalised world.

Use the information above to respond to the following questions.

Question 1

(12 marks)

Explain **four** factors driving global business development.

Factor 1 _____

Factor 2 _____

Marking key for sample assessment Task 1 – Unit 3

Total allocated marks for this task

32 marks

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 |
| Subtotal | 2 |
| Organises research notes into a logical sequence | 2 |
| Organises research notes with some evidence of a sequence | 1 |
| Subtotal | 2 |
| Uses appropriate terminology | 2 |
| Uses limited terminology | 1 |
| Subtotal | 2 |
| Uses suitable examples | 2 |
| Uses limited examples | 1 |
| Subtotal | 2 |
| Total | 8 |

Part B: In-class validation**(24 marks)****Question 1****(12 marks)**

Explain **four** factors driving global business development.

| Description | Marks |
|---|-----------|
| For each factor provided: (4 x 3 marks) | |
| Explains a factor driving global business development | 3 |
| Describes a factor driving global business development | 2 |
| Identifies a factor driving global business development | 1 |
| Subtotal | 3 |
| Total | 12 |
| Answer could include | |
| Financial growth opportunities/loss minimisation | |
| <ul style="list-style-type: none"> Expanding into global markets may lead to increased sales and therefore increased profits and growth for Australian business. Expanding into different countries can minimise loss. If one country experiences a downturn in their market, and the other countries are still generating profit, the loss will be minimised, spreading the risk of reduced profits. Establishing manufacturing facilities in another country may lead to decreased cost of production (e.g. cost of wages and shipping the product) and therefore increased profits and growth for Australian business. | |
| Consumer purchasing and spending patterns | |
| <ul style="list-style-type: none"> Increased understanding, acceptance and diversification of cultures means consumers globally have increasingly similar tastes. If an increase in spending patterns occurs in another country, there is an opportunity for a business to expand globally. The availability of credit, access to the internet and smartphones and the global growth of online shopping gives businesses the opportunity to expand, innovate and access larger markets. More people are willing to make online purchases overseas due to a wider variety of products available online and the reliable, secure and instant access to payment systems. | |
| World Trade Organisation (WTO) regulations and sanctions | |
| <p>The WTO's goal is to ensure transparent and fair trade practices between countries. It establishes standards for international trade and free trade agreement (FTA) rules. The WTO regulations and sanctions give Australian businesses the confidence and freedom to engage in overseas trade by:</p> <ul style="list-style-type: none"> combating multinational companies that exploit developing nations with regard to the environment and labour encouraging countries to remove barriers to trade by promoting open trade and providing a forum for negotiation of trade agreements promoting the fair and prompt resolution of disputes between parties identifying non-compliance with trade agreements. | |

Deregulation of the financial market

- Laws and regulations that hamper competitiveness in the supply of goods and services to consumers are revised, reduced or eliminated (deregulated), thereby allowing Australian business access to a larger customer base overseas.

Accept other relevant answers

Question 2**(12 marks)**

Analyse **three** possible impacts of globalisation on the business' proposed expansion into the Asian market.

| Description | Marks |
|--|-----------|
| For each impact provided: (3 x 4 marks) | |
| Analyses an impact of globalisation and relates it to the business | 4 |
| Explains an impact of globalisation | 3 |
| Outlines an impact of globalisation | 2 |
| Identifies an impact of globalisation | 1 |
| Subtotal | 4 |
| Total | 12 |

Answer could include**Employment levels in developing countries and developed countries**

Employment levels in developed countries are generally lower than developing countries. A higher level of unemployment results in an increased supply of labour, allowing businesses to pay lower wages and select from a larger pool of applicants when advertising jobs. This drives outsourcing of production towards developing countries where labour costs are cheaper. If production is moved overseas, ethical considerations or quality may not be assured.

Global spread of skills and technology

Communication technology is growing at an accelerated rate in both developed and developing countries. Being connected 24/7 allows international businesses to work collaboratively to achieve goals. For the business this:

- allows swimwear orders to be transported by sea containers and/or air cargo to customers
- may lead to greater sharing of ideas and education in the developing countries (e.g. Vietnam)
- increases competition and may stimulate new technological developments to improve production and distribution and reduce manufacturing costs.

International cooperation

Free trade agreements and strategic alliances facilitate globalisation. It allows for trade with other countries to be more attractive and easier for businesses. Australia has established trade agreements with many Asian countries. The business can learn from the experiences of other business that have entered the Asian market.

Domestic market

If a domestic market is flooded with a product or service (known as dumping) Australian businesses might need to decrease the price of their products to compete, negatively affecting their profits. This can result in cost-cutting and a reduction of staff. The Australian business may need to reduce the price of their swimwear to compete against international suppliers, impacting on their profit.

Tax minimisation – tax havens and transfer pricing

The tax payable by the swimwear business may be minimised because certain taxes are levied at a low rate or not at all in Vietnam. The business has opportunities to legally minimise tax through tax havens and transfer pricing once it establishes operations in Vietnam.

Accept other relevant answers

Sample assessment task

Business Management and Enterprise – ATAR Year 12

Unit 4 – Task 7

Assessment type: Response

Conditions: 45 minutes in class under test conditions

Total allocated marks for this task

(33 marks)

Task weighting: 8% of the school mark for this pair of units

Scenario

Belam Ltd is an Australian-based business that specialises in antique furnishings. It is looking to expand into the Asian market by merging with a Malaysian supplier that deals with antique reproduction furniture. As part of the merger, Belam Ltd has provided some financial data on the profitability, liquidity and stability of the business.

The following ratios have been provided by the management.

| Ratio | Formula | 2019 | 2020 | 2021 |
|------------------|--|------|------|------|
| Gross profit | $\frac{\text{gross profit}}{\text{net sales}}$ | 64% | 65% | 63% |
| Profit | $\frac{\text{profit}}{\text{net sales}}$ | 2% | 5% | 4% |
| Expense | $\frac{\text{operating expenses}}{\text{net sales}}$ | 62% | 60% | 59% |
| Debt to equity | $\frac{\text{total liabilities}}{\text{total equity}}$ | 342% | 400% | 346% |
| Current | $\frac{\text{current assets}}{\text{current liabilities}}$ | 129% | 125% | 129% |
| Return on equity | $\frac{\text{profit}}{\text{equity at end}}$ | 2% | 6% | 5% |

Question 1

(3 marks)

Explain the purpose of using basic financial ratios.

Question 2

(4 marks)

Using the financial information collected from Belam Ltd, comment on the liquidity and stability ratios.

Liquidity _____

Stability _____

Question 3

(6 marks)

Comment on the profitability of Belam Ltd over the three-year period.

Question 4

(8 marks)

Belam Ltd is considering expanding its operations into Malaysia; however, they need to obtain additional funding.

(a) Outline **three** sources of external funding that the business can seek to obtain. (6 marks)

External source of funding 1 _____

External source of funding 2 _____

External source of funding 3 _____

(b) Outline **one** source of internal funding that the business can seek to obtain. (2 marks)

Francis, the Managing Director of Belam Ltd, is meeting with the Malaysian supplier in Singapore. Francis has a strong personality and likes to be in complete control. He makes decisions without consulting employees or other stakeholders and expects everyone to follow through on his commands. As a result, the employees are fearful to provide Francis with advice or constructive feedback on business operations. The Communications Manager at Belam Ltd has concerns that Francis may be unaware of the cultural considerations when conducting business negotiations in Singapore.

Question 5 (4 marks)

Describe **two** leadership traits needed in a cross-cultural setting to Francis.

Leadership trait 1 _____

Leadership trait 2 _____

Marking key for sample assessment Task 7 – Unit 4

Total allocated marks for this task

33 marks

Question 1

(3 marks)

Explain the purpose of using basic financial ratios.

| Description | Marks |
|--|----------|
| Explains the purpose of using basic financial ratios | 3 |
| Describes the purpose of using basic financial ratios | 2 |
| States a fact about basic financial ratios | 1 |
| Total | 3 |
| Answer could include | |
| <p>The purpose of using basic financial ratios is to assist management in making informed decisions to ensure the future success of the business by:</p> <ul style="list-style-type: none"> • analysing the financial position of the business, e.g. to determine the short-term and long-term liquidity or stability of the business • analysing the financial performance of the business (determining the profitability of the business), e.g. the ability of the business to control its expenses • comparing the results of the business with other similar businesses, industry averages or key performance indicators and against past years to determine possible trends. | |
| Accept other relevant answers | |

Question 2**(4 marks)**

Using the financial information collected from Belam Ltd, comment on the liquidity and stability ratios.

| Description | Marks |
|--|----------|
| For each category of ratio provided: (2 x 2 marks) | |
| Makes a comment based on the data provided | 2 |
| Makes a general comment | 1 |
| Subtotal | 2 |
| Total | 4 |
| Answer could include | |
| <p>Liquidity ratio</p> <p>The liquidity ratio measures the ability of a business to pay its short-term liabilities when they fall due by comparing the current assets to the current liabilities (current ratio). A ratio over 100% indicates that the business has enough current assets to cover the short-term debts of the business.</p> <p>The current ratio for Belam Ltd has varied slightly over the three years, decreasing by 4% in 2020 and increasing by 4% in 2021 (from 129% in 2019 to 125% in 2020 and returning to 129% in 2021). The decrease in the current ratio in 2020 may be due to an increase in current liabilities (such as a short-term loan or an increase in the payment to creditors) or a decrease in current assets (such as a lower amount in the business bank account or debtors not paying on time).</p> <p>Belam Ltd has enough current assets to cover its short-term debt commitments with a current ratio of 129%.</p> <p>Stability ratio</p> <p>The stability ratio measures the gearing of a business by determining whether the business debt level is manageable or sustainable by comparing the liabilities of a business to its equity. The debt-to-equity ratio shows the percentage of business financing that comes from creditors and investors. A higher debt to equity ratio indicates that more external debt (such as bank loans) is used than equity (such as additional capital from owners).</p> <p>The debt to equity ratio shows that Belam Pty Ltd has varied over the three years, increasing by 58% in 2020 and decreasing by 54% in 2021 (from 342% in 2019 to 400% in 2020 and reducing to 346% in 2021).</p> <p>Belam Ltd has been able to reduce the debt to equity ratio from 400% in 2020 to 346% in 2021. Overall, the business appears to be able to manage the level of debt as they have shown that it has the liquidity to meet the payments on time, such as loans and interest repayments.</p> | |
| Accept other relevant answers | |

Question 3**(6 marks)**

Comment on the profitability of Belam Ltd over the three-year period.

| Description | Marks |
|---|----------|
| For each profitability ratio provided: (3 x 2 marks) | |
| Comments on the ratio results | 2 |
| States a fact about the ratio results | 1 |
| Subtotal | 2 |
| Total | 6 |

Answer could include**Gross profit ratio**

The gross profit ratio compares the gross profit of the business to its net sales.

The gross profit ratio of the business has varied slightly over the three years, decreasing by 2% over the last year (from 65% in 2020 to 63% in 2021). For every dollar of sales, the business made 63 cents of gross profit in 2021, compared to 65 cents in 2020.

This decrease may be due to a decrease in net sales, thereby reducing the gross profit of the business.

Profit ratio

The profit ratio compares the profit of the business to its net sales (i.e. for every dollar of sales made, what is left as profit after all expenses have been deducted).

In the last financial year, the profit ratio has decreased slightly (from 5% in 2020 to 4% in 2021) but is double what it was in the first year (2%).

Overall, this may be due to decreased costs (as possibly indicated by the decrease in the expense ratio).

Expense ratio

The expense ratio compares the operating expenses of the business to its net sales.

The expense ratio has been decreasing slightly each year and is now 3% lower than in the first year of figures provided (from 62% in 2019 to 59% in 2021).

This may be due to decreased operating expenses.

Accept other relevant answers

Question 4**(8 marks)**(a) Outline **three** sources of external funding that the business can seek to obtain. **(6 marks)**

| Description | Marks |
|--|----------|
| For each source of external funding provided: (3 x 2 marks) | |
| Outlines a source of external funding | 2 |
| Identifies a source of external funding | 1 |
| Subtotal | 2 |
| Total | 6 |
| Answer could include | |
| External sources | |
| <ul style="list-style-type: none"> • Debentures – a long-term loan issued by a company to the general public (debenture holder). Debenture holders do not have ownership or voting rights in the company. Therefore, the business does not lose any control. • Share capital – additional shares issued by the company to the general public to raise funds, which can generate large sums of finance for the company that does not need to be repaid. • Trade credit – commercial financing in which a business can purchase assets on credit now and pay later. Larger sums are not always granted or may attract high interest rates. • Venture capital – funds provided by an investor to a business, considered to have strong growth potential. The investor may receive an equity share of the business. • Secured loans – short-term or long-term finance obtained from a bank or other financial institution with one or more assets of the business being used as security for the loan. If the loan is not repaid, the asset/s may be claimed by the lender. • Financial institutions – businesses primarily focused on providing funding and investments to other businesses, e.g. banks, credit unions, building societies and finance companies. • Government grants – financial support offered to businesses from the government that are one-off payments that do not need to be repaid. | |
| Accept other relevant answers | |

(b) Outline **one** source of internal funding that the business can seek to obtain. **(2 marks)**

| Description | Marks |
|--|----------|
| Outlines a source of internal funding | 2 |
| Identifies a source of internal funding | 1 |
| Total | 2 |
| Answer could include | |
| Internal source | |
| <ul style="list-style-type: none"> • Retained profits – a profit that the company keeps after paying taxes and dividends rather than distributing to owners/shareholders. | |
| Accept other relevant answers | |

Question 5

(4 marks)

Describe **two** leadership traits needed in a cross-cultural setting to Francis.

| Description | Marks |
|--|----------|
| For each leadership trait provided: (2 x 2 marks) | |
| Describes a trait | 2 |
| Identifies a trait | 1 |
| Subtotal | 2 |
| Total | 4 |

Answer could include**Skilled communicator**

- An active listener who can process and exchange information accurately and promptly.
- Communication is more difficult in a cross-cultural setting due to language barriers.
- Francis will need to work on his communication and adapt to a more open style of communication.

Socially aware

- A socially aware leader has the ability to understand relationships and the needs of team members.
- The ability to understand other social and cultural customs leads to establishing trust and long-lasting business relationships.
- Francis needs to be aware of the social norms in Singapore and Malaysia to avoid offending any employees.

Skilled decision maker

- A skilled decision maker knows when to make decisions quickly if required and is able to balance the risk in decision making to avoid damage to the business.
- Skilled decision making is needed in a new cross-cultural setting, as there is no history of past actions and performance to follow or provide advice.

Future thinker

- A future thinker has a long-term vision of where the business is headed, so incremental planning can take place and the business is proactive, rather than reactive in its responses.
- A future thinker can see the larger global picture and implements the vision on a global scale.
- Francis needs to develop a long-term vision regarding the direction of Belam Ltd so he can be proactive not reactive.

Self-disciplined

- A self-disciplined leader is able to control their emotions and deals with a crisis or adverse situation intelligently.
- A self-disciplined leader understands the impact that their actions and decisions may have in a cross-cultural setting, as it helps to provide greater certainty for staff.
- Francis could adapt his direct communication style to control his emotions in high pressure situations.

Responsible

- A responsible leader is independent, accountable, accepts authority and is aware that actions have consequences.
- A responsible leader is needed in a new cross-cultural setting to understand pre-established ideas and where adaptation or new ideas are required. They think for themselves, often seeing new perspectives, real purpose and outcomes.
- Francis must have the ability to take control and be answerable in a new cross-cultural setting.

Motivational

- A motivational leader has the ability to use psychological forces and motivate people to strive for certain goals rather than simply act on orders.
- Francis needs to be aware in a new cross-cultural setting that he needs to provide motivation, direction and support for staff while recognising differences in intrinsic and extrinsic motivations, rewards and punishments.

Accept other relevant answers

Question 6**(8 marks)**

Outline the characteristics of a participative leadership style and explain **two** benefits if Francis adapts to this leadership style.

| Description | Marks |
|---|----------|
| Characteristics of a participative leadership style | |
| Outlines the characteristics of the participative leadership style | 2 |
| States a fact about the characteristics of the participative leadership style | 1 |
| Subtotal | 2 |
| For each benefit provided: (2 x 3 marks) | |
| Explains the benefit | 3 |
| Describes the benefit | 2 |
| States the benefit | 1 |
| Subtotal | 6 |
| Total | 8 |

Answer could include**Characteristics of a participative leadership style**

- Staff are encouraged to become actively involved in the decision-making process.
- There is a degree of decentralised authority.
- Communication is a two-way process.

Benefits

Acceptance of decisions – decisions on policies will be more readily accepted by staff as they had a say in the decisions. This reduces staff resistance to change.

Staff morale and retention – improved staff morale happens when staff feel empowered and involved in the decision making of the business. They play an active role in improving their work conditions and take pride in their work. They are also more likely to be loyal and stay with the organisation.

Creativity – staff that are encouraged to express their ideas on business issues can assist in finding creative and innovative solutions and increase business efficiency.

Teamwork – encouragement and recognition of staff success develops positive relationships and promotes productive teamwork, improving business operations and efficiency.

Accept other relevant answers

Resources

Marking key for sample assessment Task 7 – Unit 4

Question 6, p. 63

Participative Organisational Management System concept from:
Likert, R. (1961). *New Patterns of Management*. McGraw-Hill.