Government of Western Australia
School Curriculum and Standards Authority

Sample Assessment Tasks

Business Management and Enterprise
ATAR Year 12

Sample assessment task

Business Management and Enterprise – ATAR Year 12

Task 1 – Unit 3

Assessment type: Business research

Conditions
Part A: Research component: two weeks outside of class time (10 marks)
Part B: In-class validation: 55 minutes in class under invigilated conditions (30 marks)

Task weighting
7% of the school mark for this pair of units

Part A – Research (10 marks)

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

- 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
- analysis of the impact of globalisation
  - 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 in-class validation will consist of an extended answer report based on some or all of the content you are required to research. You will be permitted access to only one A4 page of summarised notes during the validation task.

Prior to commencing the in-class validation you will need to submit all other evidence of the research you have conducted, including a bibliography.

Part B – In-class Validation (30 marks)

A national Australian business, based primarily in Perth, is considering expanding its operations globally, beginning with introducing its products firstly into Asia and then later into South America.

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, and therefore production of the product created by the expanding markets, may be met by establishing a manufacturing base in China in 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.

To assist the business's management team, you are to prepare a report addressing the following points:

- explain **three (3)** factors driving global business development, including how this may affect or impact on the business, if applicable (12 marks)

- analyse **three (3)** possible impacts of globalisation that may impact on the business's proposed expansion into the Asian market (12 marks)

- provide a recommendation whether the global business expansion, beginning with Asia, is a desirable option, justifying your response. (6 marks)

Marking key for sample assessment task 1 – Unit 3

Part A – Evidence of research (10 marks)

Description	Marks
Plans and conducts comprehensive targeted research	9–10
Plans and conducts mostly comprehensive targeted research	7–8
Plans and conducts relevant research	5–6
Conducts some relevant research	3–4
Conducts minimal research	1–2
Total	**/10**

Part B – In-class validation (30 marks)

- explain **three (3)** factors driving global business development, including how this may affect or impact on the business, if applicable (12 marks)

Description	Marks
For each of the three factors:	
Explains a factor driving global business development and relates it to the case study	4
Explains a factor driving global business development	3
Describes a factor driving global business development	2
Identifies a factor driving global business development	1
Total	**/12**

Answers could include, but are not limited to:

Financial growth opportunities/loss minimisation

- expanding into new markets may lead to increased sales and therefore increased profits and growth of the business
- establishing manufacturing facilities in China may lead to decreased cost of production (e.g. cost of wages, cost of shipping the product) and therefore increased profits and growth for the business

Consumer purchasing and spending patterns

- increased understanding, acceptance and diversification of cultures, means consumers globally have increasingly similar tastes
- demand for Australian products indicates that customers are more willing to purchase foreign products, increasing or changing their purchasing and spending patterns
- globalisation has facilitated global purchasing of products and produce; consumers are prepared and able to pay for quality produce

World Trade Organisation (WTO) regulations and sanctions

- aims for the removal of barriers to international trade in goods, services, and intellectual property, thereby possibly reducing the cost of supplying the goods internationally
- promotes the fair and prompt resolution of disputes between parties
- the identification of non-compliance with trade agreements
- removal of trade barriers enables producers to sell and consumers to purchase goods internationally and thereby possibly increasing the global market share of the business

Deregulation of the financial market

- revision, reduction, or elimination of laws and regulations that hamper competition in the supply of goods and services to consumers
- deregulation enables greater access to international capital

- analyse **three (3)** possible impacts of globalisation that may impact on the business's proposed expansion into the Asian market (12 marks)

Description	Marks
For each of the three impacts:	
Analyses an impact of globalisation and relates it to the case study	4
Analyses an impact of globalisation	3
Analyses briefly an impact of globalisation	2
Identifies an impact of globalisation	1
Total	**/12**
Answers could include, but is not limited to:	
Employment levels in developing countries and in developed countries • increased number of jobs in other countries, if manufacturing is expanded offshore with low wage rates, possibly resulting in loss of jobs in Australia with higher rates of pay • standards of living may increase in other countries as employment and skills levels of workers increases • opportunity to employ the best qualified staff from around the world **Global spread of skills and technology** • globalisation enables taking advantage of labour skills or available technology in other countries • globalisation may result in building a skilled workforce in developing countries • increased competition from globalisation may stimulate new technological developments to improve production and distribution and reduce manufacturing costs **International cooperation** • increased cultural awareness of other countries may lead to increased acceptance of other countries by consumers • multicultural societies show increased diversity, understanding of other cultures and norms, increased travel, migration and thus exposure to more diversity • impact of globalisation has seen increased policy and/or practice of cooperation among societies/countries • Australia has established trade agreements with many Asian countries, therefore the business can learn from/build on these **Domestic market** • globalisation may have negative impacts on domestic markets, e.g. reducing available supplies of the product or reducing demand if production is moved overseas where ethical consideration or quality may not be assured **Tax minimisation – tax havens and transfer pricing** • tax payable by the business may be minimised because certain taxes are levied at a low rate or not at all in other countries • opportunities to legally minimise tax through tax havens and transfer pricing may be available to the business once it establishes operations in other countries	

- provide a recommendation whether the global business expansion, beginning with Asia, is a desirable option, justifying your response. (6 marks)

Description	Marks
Provides a recommendation with a detailed justification	4–5
Provides a recommendation with logical justification	2–3
Provides a recommendation with minimal justification	1
Total	**/5**

Sample assessment task

Business Management and Enterprise – ATAR Year 12

Task 11 – Unit 4

Assessment type: Response

Conditions
Time for the task: 45 minutes in class under test conditions

Task weighting
5% of the school mark for this pair of units

The following ratios have been provided by the management of Belam Ltd, a business that specialises in antique furnishings.

Ratio	Formula	2019	2018	2017
Gross profit	$\frac{\text{gross profit}}{\text{net sales}}$	0.63:1	0.65:1	0.64:1
Profit	$\frac{\text{profit}}{\text{net sales}}$	0.04:1	0.05:1	0.02:1
Expense	$\frac{\text{operating expenses}}{\text{net sales}}$	0.59:1	0.60:1	0.62:1
Debt to equity	$\frac{\text{total liabilities}}{\text{total equity}}$	3.46:1	4.00:1	3.42:1
Current	$\frac{\text{current assets}}{\text{current liabilities}}$	1.29:1	1.25:1	1.29:1
Return on equity	$\frac{\text{profit}}{\text{equity at end}}$	0.05:1	0.06:1	0.02:1

1. Explain the purpose of using basic financial ratios. (3 marks)

2. Ratios can be grouped into liquidity, profitability and stability ratios. Describe how each of these categories of ratios help to analyse the performance or positon of the business. (6 marks)

3. Using the above ratio results, discuss the profitability of the company. (6 marks)

4. Using the above ratio results, discuss the stability of the company. (3 marks)

5. The company is considering expanding its operations, but it needs to obtain additional funds. Outline 4 sources of funds that the business can seek to obtain, at least one of which must be internal. (8 marks)

Marking key for sample assessment task 11 — Unit 4

1. Explain the purpose of using basic financial ratios. (3 marks)

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, but is not limited to:	
Basic financial ratios may be used to: • analyse the financial position of the business, e.g. to determine the short and long-term liquidity or stability of the business • analyse the financial performance of the business, (i.e. to determine the profitability of the business) e.g. the ability of the business to control its expenses • compare the results of the business with other similar businesses, industry averages or key performance indicators and also against past years to determine possible trends.	

2. Ratios can be grouped into liquidity, profitability and stability ratios. Describe how each of these categories of ratios help to analyse the performance or position of the business. (6 marks)

Description	Marks
For each category of ratios:	
Describes how the category of ratios may be used to help analyse the performance or position of the business	2
Briefly describes how the category of ratios may be used to help analyse the performance or position of the business	1
Total	**/6**
Answer could include, but is not limited to:	
Profitability • measures the ability of a business to generate earnings as compared to expenses and other relevant costs incurred during a specific period of time • measures how well a business is performing regarding its ability to generate profit during a specific period of time **Liquidity ratio** • measure the ability of a business to pay its short-term liabilities when they fall due by comparing the current assets to the current liabilities **Stability ratio** • determines whether the business debt level is manageable or sustainable • measures the liabilities of a business compared to its equity	

3. Using the above ratio results, discuss the profitability of the company. (6 marks)

Description	Marks
For each profitability ratio:	
Discusses the result of the ratio	2
States a fact about the ratio results	1
Total	**/6**
Answer could include, but is not limited to:	

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 2018 to 4% in 2019) but is double what it was in the first year (2%)
- Overall this may be due to increased sales or decreased costs (as possibly indicated by the decrease in the expense ratio)

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 2018 to 63% in 2019)
- This decrease may be due to a decrease in net sales or an increase in cost of sales, thereby reducing the gross profit of the business

Expenses ratio
- The expenses ratio compares the operating expenses of the business to its net sales
- The expenses ratio has been decreasing slightly each year and is now 3% lower than in the first year of figures provided (from 62% in 2017 to 59% in 2019)
- This may be due to either decreasing operating expenses or increasing sales

4. Using the above ratio results, discuss the stability of the company. (3 marks)

Description	Marks
Discusses the stability of the company with reference to the debt to equity ratio	3
Briefly discuss the stability of the company with reference to the debt to equity ratio	2
States a fact about stability or the debt to equity ratio	1
Total	**/3**
Answer could include, but is not limited to:	

- The stability of the business, measured by the debt to equity ratio, the ratio indicates the proportion of debts that a business has compared to the equity of the business
- The higher the ratio, the more the business relies on debt to finance its operations and the greater the risk to external parties which may have invested in the business
- The business is highly geared as the ratio has moved from 3.42:1 in 2014, to an increase of 4:1 in 2015 and to 3.46:1 in 2016. Although the ratio has improved slightly, it shows a possible lack of control over debts
- The company appears to have a dependency on external debt to function

5. The company is considering expanding its operations, but to do so needs to obtain additional funds. Outline 4 sources of funds that the business can seek to obtain, at least one of which must be internal. (8 marks)

Description	Marks
For each source of finance:	
Describes a source of finance	2
Identifies a source of finance	1
Total	**/8**
Answer could include, but is not limited to:	
Internal source • Retained profits – profit that the company keeps after paying taxes and dividends rather than distributing to owners/shareholders **External sources** • Debentures – are issued by a company as a long-term loan to the general public (debenture holder) Debenture holders do not have ownership or voting rights in the company and therefore the business does not lose any control • Share capital – additional shares are issued by the company to the general public to raise funds, this can generate large sums of finance for the company that does not need to be repaid • Trade credit – business can purchase assets on credit now and pay later, not always available for larger sums of finance or may attract high interest rates • Venture capital – funds provided by an investor to a business that is considered to have strong growth potential. Investor may receive an equity share of the business • Secured loans – short or long-term finance obtained from a bank or other financial institution with the 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 that primarily focussed on providing funding and investments to other businesses, e.g. banks, credit unions, building societies, finance companies • Government – financial support offered to businesses from the government, may be in the form of government grants that are one-off payments that do not need to be repaid	