



ATAR course sample examination two

Question/Answer booklet

AGRIBUSINESS

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
Multiple-choice answer sheet

Number of additional answer booklets used (if applicable):	<input type="text"/>
--	----------------------

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 Multiple-choice	20	20	30	20	20
Section Two Short answer	5	5	90	50	50
Section Three Extended answer	3	2	60	30	30
Total					100

Instructions to candidates

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

- Answer the questions according to the following instructions.

Section One: Answer all questions on the separate Multiple-choice answer sheet provided. For each question, shade the box to indicate your answer. Use only a blue or black pen to shade the boxes. Do not use erasable or gel pens. If you make a mistake, place a cross through that square, then shade your new answer. Do not erase or use correction fluid/tape. Marks will not be deducted for incorrect answers. No marks will be given if more than one answer is completed for any question.

Sections Two and Three: Write your answers in this Question/Answer booklet preferably using a blue/black pen. Do not use erasable or gel pens.

- 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.
- 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: Multiple-choice

20% (20 Marks)

This section has **20** questions. Answer **all** questions on the separate Multiple-choice answer sheet provided. For each question shade the box to indicate your answer. Use only a blue or black pen to shade the boxes. Do not use erasable or gel pens. If you make a mistake, place a cross through that square, then shade your new answer. Do not erase or use correction fluid/tape. Marks will not be deducted for incorrect answers. No marks will be given if more than one answer is completed for any question.

Suggested working time: 30 minutes.

1. Which of the following is an advantage of the genetic engineering of crops?
 - (a) farmers can produce less food on a greater amount of land
 - (b) it leads to a higher yield per hectare
 - (c) increased costs of production for farmers
 - (d) farmers can charge a higher price for genetically modified crops

2. The P in PESTEL analysis stands for
 - (a) political.
 - (b) policies.
 - (c) pressures.
 - (d) public.

3. Which of the following would be included under the legal element of a PESTEL analysis?
 - (a) environmental concerns over climate change
 - (b) regulation regarding what an agribusiness sells
 - (c) consumer trends and tastes in the agribusiness industry
 - (d) interdependence of the agribusiness industry

4. In a SWOT analysis of an agribusiness, a threat would be
 - (a) the business's high focus on research and development.
 - (b) a positive outlook for the industry as a whole.
 - (c) the business's patent protection recently expired.
 - (d) growing competition from cheaper imports.

5. The element of a marketing plan that outlines exactly how an agribusiness will achieve its marketing goals is known as the marketing
 - (a) analysis.
 - (b) mix.
 - (c) strategy.
 - (d) position.

See next page

6. The concept of a market includes
- i. a physical or virtual location.
 - ii. where buyers and sellers exchange goods and services.
 - iii. the mechanism that sets the price of a product.
 - iv. a process which analyses, creates, informs and delivers value to consumers.
- (a) i only
 - (b) i and ii only
 - (c) i, ii and iii only
 - (d) i, ii, iii, iv
7. Which of the following describes the key function of the target market analysis element of the marketing plan?
- (a) an analysis of the strengths and weaknesses of competitors
 - (b) an identification of the market segment that a product targets
 - (c) a list of goals that an agribusiness wants to achieve
 - (d) a summary of the existing situation of an agribusiness

Question 8 refers to the graph below.



8. Which of the following can be concluded from the graph above?
- (a) The most frequently occurring age group of the workforce in livestock production is higher than in the meat processing workforce.
 - (b) The age profile of livestock production workforce is skewed towards the younger age demographic.
 - (c) In the youngest age bracket, there is a higher percentage of livestock production workforce than in the Australian workforce.
 - (d) The age profile of the livestock production workforce category is similar to that of the rest of the Australian workforce.

See next page

9. Which distribution method would be the most suitable to use if a product is new to the agribusiness market?
- manufacturer or wholesaler to distributor to retailer
 - manufacturer or retailer directly to an agent
 - wholesaler or distributor directly to consumers
 - manufacturer directly to small retailer
10. Which of the following is **not** a common characteristic of market segmentation?
- geographic location
 - income
 - age
 - employment status

Question 11 refers to the data below.

Wine production July 2020 – July 2021				
Country	Volume (million litres)	Change	US\$ per litre	Change
Spain	1219	25%	0.46	–6%
Australia	374	4%	1.08	11%
Italy	264	–15%	0.85	15%

11. Spain is considered a competitor to the Australian wine market because
- Spain produce more wine than Italy.
 - the price per litre is less than Australia's price per litre.
 - Spain produced less wine in the 12 months to July 2021 than they did in the 12 months to July 2020.
 - the price of Spanish wine is falling, whilst the price of Australian wine is rising.
- i and iv
 - i and iii
 - ii and iii
 - ii and iv
12. Which of the following is **not** a role of the government in agribusiness?
- Setting the price of commodities such as wheat and wool in international markets.
 - Addressing problems including soil degradation, introduced plants and animals and water quality.
 - Ensuring the safety, security and ongoing supply of food in Australia.
 - Maintaining the rights and responsibilities of consumers and traders through Australian Consumer Law.

13. The legislative responsibility for animal welfare rests primarily with
- (a) the federal government.
 - (b) animal industry groups.
 - (c) state and territory governments.
 - (d) international agencies.
14. Which of the following agricultural goods have the highest elasticity of demand?
- (a) Product A = 0.25
 - (b) Product B = -0.1
 - (c) Product C = 0.75
 - (d) Product D = 1.2
15. Which of the following is **not** a reason for commodity producers to be price takers?
- (a) The short shelf-life of fresh produce prevents farmers from stockpiling produce until a higher price can be achieved.
 - (b) Individual family operated farms are limited due to the bargaining power of processors.
 - (c) Commodity producers are typically willing and able to rapidly switch production to alternative commodities in response to changes in demand.
 - (d) Production infrastructure is often tailored to producing one commodity, so switching to an alternative can be costly and require significant additional investments.
16. An internal source of financing is one which
- (a) funds the business in the short-term but not the long-term.
 - (b) changes the ownership structure of the business.
 - (c) comes from funds generated within a company from its own operations.
 - (d) comes from outside the business.
17. An advantage to an agribusiness of using trade credit as a source of finance is that it is
- (a) a free source of finance as no interest is charged.
 - (b) an ideal source of finance for very long-term projects.
 - (c) a flexible way of funding day-to-day requirements.
 - (d) a way to raise very large amounts of capital.
18. Liquidity is a factor considered by a financial institution when approving agribusiness finance because it
- (a) shows how much cash a business has.
 - (b) indicates the ability to pay debts without having to source external finance.
 - (c) measures how well a business can meet its long-term debts.
 - (d) demonstrates how easy it is for a business to expand.

19. One example of corporate social responsibility is
- (a) ensuring business costs remain low.
 - (b) maintaining up-to-date business and financial records.
 - (c) increased social media engagement to grow the business.
 - (d) reducing the business's carbon footprint.
20. Reasons agribusinesses may implement sustainable management practices include
- i. increasing the size of the agribusiness.
 - ii. preservation of natural resources.
 - iii. mitigating climate change impacts.
 - iv. ensuring the long-term viability of the industry.
- (a) i only
 - (b) ii and iv only
 - (c) i, ii and iv
 - (d) ii, iii and iv

End of Section One

See next page

Section Two: Short answer**50% (50 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: 90 minutes.

Question 21**(11 marks)**

Use the extract below to answer the questions that follow.

Waste becoming international export

By Johanna Marie
Tue 26 Dec 2023

For the Bundaberg-based Dang family, it is waste not, want not.

They are the second biggest strawberry grower in Australia, but as their crop has grown each year, so has the waste.

The family has turned to the lucrative freeze-dried fruit market with a \$15 million factory to give produce a second life.

“We have foods that are oversize or undersize but still perfectly good and delicious fruit,” Gina Dang said.

“Our mission is to help our business grow in Australia and export market, [and] to help other farmers and other businesses to grow. We are already working with not just our strawberries, but other berries, mangoes, apple, and we will be looking down the track to [other] options.”

- (a) (i) Describe the innovation being used by the Dang family. (2 marks)

- (ii) Describe how the innovation solves a problem in production **and** adds value to their agribusiness. (4 marks)

Solves a problem: _____

Adds value: _____

- (b) Define the concept of a value chain and identify **one** stakeholder in the agribusiness value chain. (2 marks)

- (c) Explain how the Dang family's involvement in the value chain improves product traceability. (3 marks)

Question 22

(9 marks)

This question refers to the income statement below, outlining the income/revenue and expenses for Dairy R UZ Pty Ltd.

Dairy R UZ Pty Ltd
Income Statement
 as of 31 December 2023

Income/Revenue	\$	\$
Milk sold		655,675
Calves sold		43,694
Add dividends received		10,000
Total revenue		709,369
Accounting & Legal	4,980	
Advertisement & Promotion	11,276	
Breeding	4,800	
Electrical	11,100	
Employee Rent	5,400	
Feed	213,678	
Fertiliser	5,600	
Fuel	9,504	
Hay	3,558	
Insurance	19,044	
Labour	72,600	
Milk Transport	20,197	
Miscellaneous	7,200	
Office Supplies	240	
Phone	2,040	
Repairs	26,376	
Seed	2,400	
Supplies	12,000	
Taxes	10,800	
Vet & Drugs	2,640	
Total expenses		445,433
Net income		

(a) Determine the following elements of the income statement.

(i) Calculate the net income for the period ending 31 December 2023. (1 mark)

(ii) Define expenses. (1 mark)

(b) Explain the purpose of an income statement. (3 marks)

(c) The dairy industry's average profit ratio is 0.14. Use the income statement on page 10 to analyse the profitability of Dairy R UZ. (4 marks)

Question 23

(9 marks)

Sally has worked for a plant nursery, Bell and Flora for the past 15 years. The business is now being sold as the owner is moving overseas. Sally has held various positions with the business and believes that she could become the new owner of Bell and Flora. She has proven skills in the nursery industry but lacks business knowledge and skills such as accounting, marketing and human resource management. Sally is planning to buy and expand Bell and Flora and has contacted a business consultant to help her make this very important decision. The consultant has advised Sally that she should present a business plan to a bank to see if she is eligible to secure finance to purchase Bell and Flora. Sally has also been advised that she will need to employ at least five new staff in the first year of her ownership.

- (a) Explain the purpose of a business plan for Sally’s potential purchase of Bell and Flora.

(3 marks)

- (b) Explain the purpose of the following **two** elements of a business plan in the context of Bell and Flora. (6 marks)

Business objectives

Staffing requirements

Question 24

(12 marks)

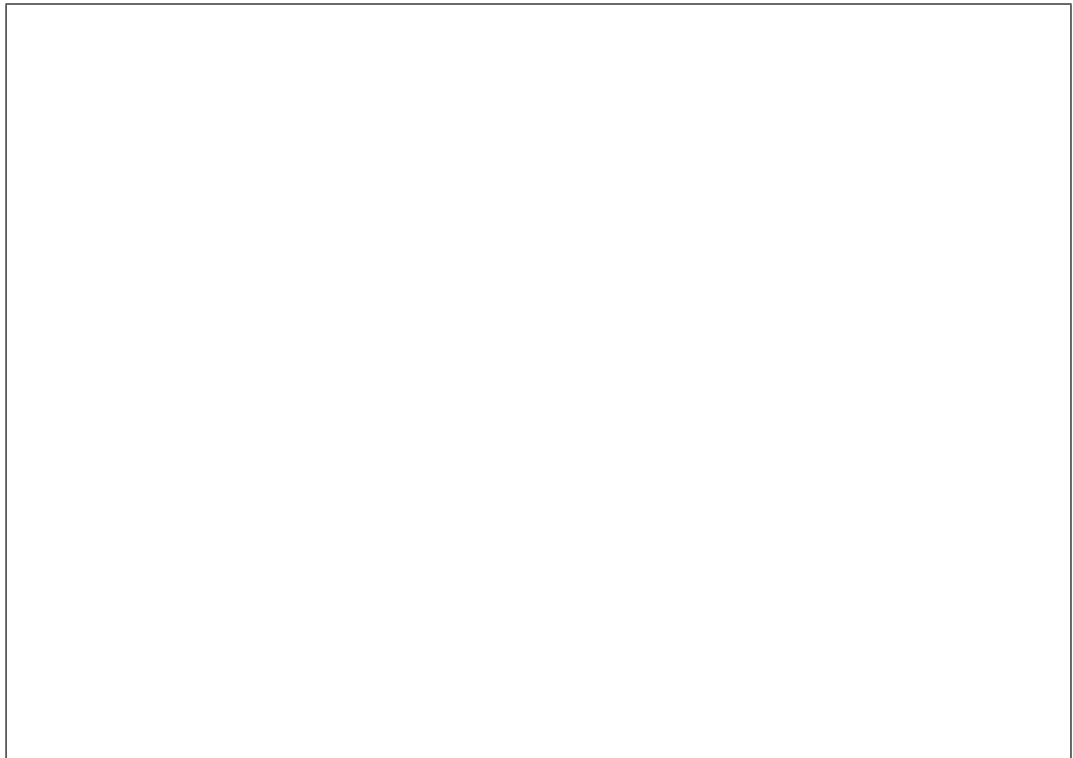
Wheat is a good, which has an inelastic supply. Using wheat as an example, answer the following questions.

(a) Explain the concept of price elasticity of supply, with reference to the wheat market.

(3 marks)

(b) (i) Draw a demand and supply model for the market for wheat.

(2 marks)



- (ii) On your model, demonstrate and describe the impact of a drought on the supply of wheat. (4 marks)

- (c) Explain **one** reason why wheat producers are price takers. (3 marks)

Question 25

(9 marks)

Price is an important element of the marketing mix.

Explain the following **three** pricing strategies in the context of an agribusiness you have studied.

Skim:

Penetration:

Premium/Prestige:

End of Section Two

See next page

Section Three: Extended answer**30% (30 Marks)**

This section contains **three** questions. You must answer **two** questions: the compulsory question (Question 26) and **one** of the other questions (Question 27 or Question 28). For Question 26, write your answer in the spaces provided. For Question 27 or Question 28, write your answers on the lined pages following Question 28.

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: 60 minutes.

Question 26

(15 marks)

Refer to the infographic below to answer the questions that follow.

Trends in the Australian Agricultural Workforce

Changes in the agricultural workforce

	2001	2006	2011	2016
Nursery & floriculture	16,141	8,810	6,940	12,897
Vegetables	17,218	17,347	15,791	20,412
Fruit and nut trees	38,195	31,836	25,027	28,950
Sheep	24,847	21,710	19,319	20,459
Grains	18,675	18,928	19,177	21,397
Beef	49,022	50,970	47,819	50,920
Mixed grain-livestock	60,128	46,799	38,812	24,408
Other crops	18,300	11,343	8,803	8,529
Dairy	29,185	22,905	19,247	22,619
Poultry & pigs	10,485	9,720	8,127	11,504
Other livestock	5,291	6,206	5,883	6,251
Services to agriculture	17,499	13,627	11,641	15,994
Meat & poultry processing	26,566	36,487	36,240	42,332
Total	287,587	246,603	219,269	228,372

Spatially diffuse but concentrated in key regions

State/Territory	2016
New South Wales	62,565
Victoria	54,096
Queensland	52,738
South Australia	25,436
Western Australia	23,998
Tasmania	7,563
Northern Territory	1,483
Australian Capital Territory	468
Total Australia	228,372

Source: Australian Bureau of Statistics



One-third of workers live in the Murray-Darling Basin

Note: All Agriculture is defined through the reaggregation of ANZSIC 2006 4 digit codes to include the following production industries; nursery and floriculture, vegetable and mushrooms, fruit and nut, sheep farming, beef farming, mixed livestock and grain, grain growing, other cropping (rice, sugar, cotton), dairy, poultry and pig, and other livestock (deer, horse, bees). Source: Australian Bureau of Statistics

Farmers remain the most common occupation



56%

of agricultural workers are farmers and farm managers



22%

of agricultural workers are labourers

Owner-operators are steadily declining in numbers

Employment status (%)	2001	2006	2011	2016
Owner-operators	56	45	43	37
Higher skill employees	16	13	15	16
Lower skill employees	25	23	22	29
Unpaid family workers	-	18	20	18

Age of owner-operators continues to rise



Median age increases to **56** in 2016 from 51 in 2011

Median age in beef industry exceeds **60**

Gender composition remains consistent and distinct in some occupations



31% of agricultural workers are female
69% of agricultural workers are male



3% of shearers are female



96% of book keepers are female

See next page

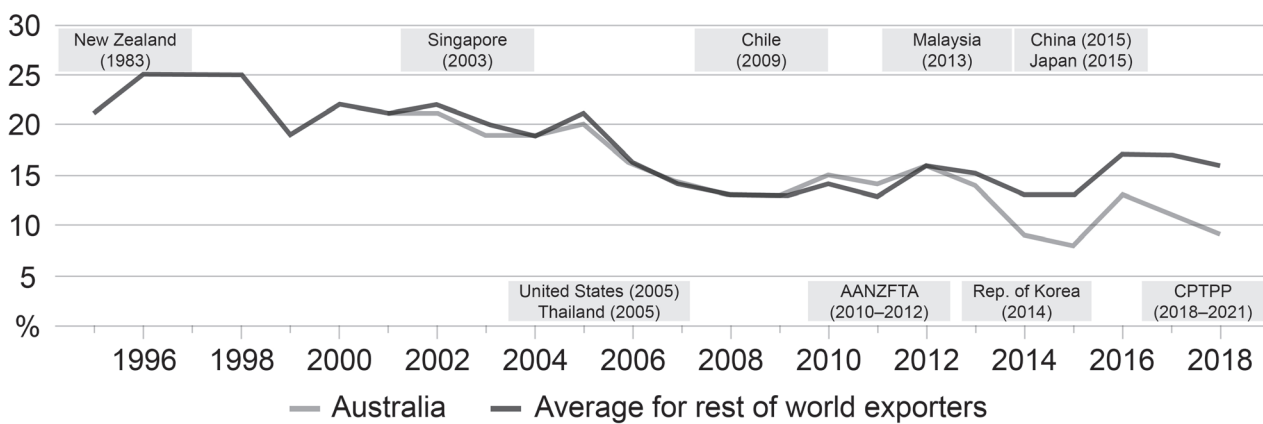
Question 27

(15 marks)

The Australian economy relies on international trade and investment to create jobs and prosperity. With approximately two-thirds of Australia’s agricultural products exported to overseas markets, the government plays an important role in creating an environment that enables trade while protecting domestic agribusiness markets.

According to the Department of Foreign Affairs and Trade (DFAT) ‘a free trade agreement (FTA) is an international treaty between two or more economies that reduces or eliminates certain barriers to trade in goods and services, as well as investment. Australia negotiates FTAs to benefit Australian exporters, importers, producers and investors by reducing and eliminating certain barriers to international trade and investment.’

Average agricultural tariffs faced by Australia in FTA markets are lower than those faced by competitors



- (a) Describe **two** forms of protection that the Australian Government may use in the international trade of food and fibre products. Provide an example for your chosen forms of protection. (6 marks)

- (b) With reference to the above information and examples you have studied, discuss **three** arguments for **or** against government intervention in agribusiness. (9 marks)

or

Question 28

(15 marks)

Biosecurity has played a critical role in reducing risk and shaping our nation to become one of the few countries in the world to remain free from the world's most invasive pests and diseases.

While our status as an island nation has been a key factor in maintaining this position a number of factors, including growth in trade volumes, are putting pressure on the system.

Australia has over 60 000 kilometres of coastline offering a variety of pathways for exotic pests, weeds and diseases to enter the country. The department screens, inspects and clears millions of mail parcels, cargo containers, plants and animals, and of course people are no exception. Using x-ray machines, pre- and post-entry quarantine and surveillance programs and detector dogs, our border security is our first line of defence for protecting our environment and social amenity.

To protect Australia, we must apply biosecurity measures offshore, at the border and onshore. Investing in research and new ways of understanding and detecting risks, sharing international resources and intelligence, and continually reviewing our risk settings helps prevent the introduction, establishment and spread of pests, weeds and diseases in Australia. The use of surveillance and monitoring of the highest risk areas is critical along with border control activities, which focus on managing potential biosecurity threats at airports, seaports and mail centres.

Our biosecurity system protects agriculture, forestry and fisheries export industries worth \$51 billion; a tourism sector worth \$50 billion; environmental assets worth more than \$5.7 trillion; and more than 1.6 million jobs. All this, which provides us with the way of life we value so much, will be at risk if we fail to maintain a strong focus on biosecurity and managing potential threats. Not only do we depend on a healthy environment for fresh water, fresh food and a prosperous society, but it also allows us to protect the culture and values of our wider community and First Nations People.

Government intervention in biosecurity is designed to protect the environment for agribusinesses.

- (a) With reference to the text, describe **three** ways the government is involved in environmental protection. (6 marks)
- (b) With reference to the text and examples you have studied, analyse current management practices that promote economic, social and environmental indicators of sustainability within an agribusiness. (9 marks)

ACKNOWLEDGEMENTS

- Question 8** Meat & Livestock Australia. (2022). Figure 30: Age Profile of Industry and Australian Workforces (2016) [Graph]. *State of the Industry Report: The Australian Red Meat and Livestock Industry* (p. 15). Retrieved July, 2024, from https://www.mla.com.au/contentassets/d2e98fb3c699448a80c41ca5d440db64/2879-mla-state-of-industry-report-2022_d3.pdf
Reproduced courtesy of Meat & Livestock Australia Limited - www.mla.com.au
- Question 11** Adapted from: Wine Australia. (2021, October). Bulk Wine Exports by Country, 12 Months Ended July 2021 [Table]. *Global Wine Production Competitor Analysis* (p. 9). Retrieved July, 2024, from https://www.wineaustralia.com/getmedia/766d03ed-0772-42b5-9a1f-bd0a7510c64d/Insight-Report_Competitor-Analysis_v2.pdf
- Question 21** Marie, J. (2023, December 26). *Bundaberg-Based Businesses Find Sweet Success With International Export Markets*. Retrieved July, 2024, from <https://www.abc.net.au/news/2023-12-26/australian-ginger-beer-strawberries-export-success-bundaberg/103250364>
- Question 22** Information adapted from: Holt, J. & Webb, D. (n.d.). Table 2. Example Dairy Income Statement. *Dairy Farm Financial Management* (p. 3). The University of Florida's Institute of Food and Agricultural Sciences (UF/IFAS). Retrieved July, 2024, from <https://ufdcimages.uflib.ufl.edu/IR/00/00/47/47/00001/DS10800.PDF>
- Question 26** Barr, N., Kancans, R. (n.d.). *Trends in the Australian Agricultural Workforce* [Infographic]. Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES). Retrieved July, 2024, from <https://www.agriculture.gov.au/abares/research-topics/agricultural-workforce/australian-agricultural-workforce-trends>
Used under Creative Commons Attribution 4.0 International licence.
- Question 27** Department of Foreign Affairs and Trade. (n.d.). *Australia's Free Trade Agreements (FTAs)*. Retrieved July, 2024, from <https://www.dfat.gov.au/trade/agreements/trade-agreements>
Used under Creative Commons Attribution 4.0 International licence.
Graph adapted from: Fell, J. (2022). Figure 1 Average Agricultural Tariffs Faced by Australia in FTA Markets are Lower Than Those Faced by Competitors. *ABARES Insights* (2) (p. 2). Retrieved July, 2024, from https://daff.ent.sirsidynix.net.au/client/en_AU/search/asset/1033361/0
Used under Creative Commons Attribution 4.0 International licence.
- Question 28** Department of Agriculture, Fisheries and Forestry. (n.d.). *Biosecurity in Australia*. Retrieved July, 2024, from <https://www.agriculture.gov.au/biosecurity-trade/policy/australia>
Used under Creative Commons Attribution 4.0 International licence.

Copyright

© School Curriculum and Standards Authority, 2024

This document – apart from any third-party copyright material contained in it – may be freely copied, or communicated on an intranet, for non-commercial purposes in educational institutions, provided that it is not changed and that the School Curriculum and Standards Authority (the Authority) is acknowledged as the copyright owner, and that the Authority's moral rights are not infringed.

Copying or communication for any other purpose can be done only within the terms of the *Copyright Act 1968* or with prior written permission of the Authority. Copying or communication of any third-party copyright material can be done only within the terms of the *Copyright Act 1968* or with permission of the copyright owners.

Any content in this document that has been derived from the Australian Curriculum may be used under the terms of the Creative Commons [Attribution 4.0 International \(CC BY\)](https://creativecommons.org/licenses/by/4.0/) licence.

An *Acknowledgements variation* document is available on the Authority website.