



ATAR course examination, 2017

Question/Answer booklet

BUSINESS MANAGEMENT AND ENTERPRISE

Please place your student identification label in this box

Student number: In figures

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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: non-programmable calculators approved for use in this 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	60	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 2017*. 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 the use of planning/continuing your answer to a question have been 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% (60 Marks)**

This section has **six (6)** questions. Answer **all** questions. Write your answers in the spaces provided.

Supplementary pages for the use of planning/continuing your answer to a question have been 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**(10 marks)**

Foxtrot Transportable Housing, a company specialising in cyclone-proof, portable housing and granny flats, has expanded its Australian business to New Zealand, where it has decided to standardise its marketing mix. It is also keen to expand to Asia in the future.

- (a) Describe a benefit of having a global brand. (2 marks)

Question 1 (continued)

- (b) Explain why Foxtrot Transportable Housing may need to consider adapting its product name and product features in its marketing mix when expanding to Asia. (4 marks)

Product name:

Product features:

- (c) Describe **two** ways in which Foxtrot Transportable Housing could use technology in global markets. (4 marks)

One: _____

Two: _____

Question 2

(10 marks)

In recent months, Veggie Fresh Café has begun experiencing cash flow problems and one of its major suppliers of fresh produce has gone out of business. The owner, Aaron Green, is looking for a replacement supplier and a way to manage the café's cash flow.

- (a) Outline for Aaron the purpose of a production management system for his café. (2 marks)

- (b) Justify why just-in-time is a suitable inventory control technique for Veggie Fresh Café. (4 marks)

- (c) Outline **two** advantages and **two** disadvantages of the just-in-case inventory control technique. (4 marks)

Advantages:

Disadvantages:

- (c) Management is the process of 'getting things done through other people to achieve the goals and objectives of the business'. Local culture plays an important role in management around the world. Outline **two** cultural considerations in global business practice. (4 marks)

One: _____

Two: _____

Question 4

(10 marks)

Business operation in global markets requires knowledge of different business practices and legal systems.

- (a) Describe a difference that could impact business operations in global markets in each of the areas of patent registrations and product liability. (4 marks)

Patent registrations: _____

Product liability: _____

- (b) Describe the role of corporate social responsibility in ethical practice for a global business. (2 marks)

- (c) Describe **one** source of internal finance and **one** source of external finance available to Australian companies. (4 marks)

Internal source:

External source:

Question 5

(10 marks)

The didgeridoo is a hollow eucalyptus hardwood wind instrument between one and three metres in length. Original didgeridoos have been crafted and decorated by Indigenous Australians for over 1500 years. It is still played throughout Australia today. The didgeridoo is taught in more music schools in Switzerland than anywhere else in the world. The most similar instrument to the didgeridoo is the Swiss horn.

- (a) Explain a benefit of home grown/developed products, such as didgeridoos designed and made by Indigenous Australians. (3 marks)

- (b) Outline **two** home government incentives for international trade. (4 marks)

One: _____

Two: _____

- (c) Describe **one** factor that might determine the feasibility of expanding didgeridoo sales in European markets. (3 marks)

Question 6

(10 marks)

Elk and Frazer are optometrists specialising in eyewear and contact lenses. Given the massive increase in the demand for glasses and contact lenses in all demographics, their business is booming and they are now exporting eyewear to many Asian countries.

- (a) Outline **one** source of financial risk in export markets. (2 marks)

- (b) Describe **two** strategies Elk and Frazer could consider to minimise financial risk in export markets. (4 marks)

One: _____

Two: _____

Section Two: Extended answer

40% (50 Marks)

This section contains **three (3)** questions. You must answer **two (2)** 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.

Question 7

(25 marks)

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Prepare a short report or essay for the CEO addressing the following points:

- explain to the CEO **two** benefits of innovation for Domino's Pizza business (6 marks)
- explain the benefits Domino's will experience from product and process innovation (6 marks)
- outline how Domino's innovation in technology assists ethical practice in achieving environmental sustainability (3 marks)
- explain how the factors of cost and technology have impacted the success of innovation for Domino's Pizza (6 marks)
- recommend to the CEO whether expansion into Italy is a desirable option. (4 marks)

Question 8**(25 marks)**

During his high school years, Bob worked in his dad's specialty camera store, developing film and selling cameras and equipment after school. Bob took a couple of gap years and travelled the world, noticing the variety of photographic equipment people used. He also noticed the range of accessories people had purchased, such as camera covers, bags and selfie sticks.

Now back home, Bob's ambition is to work with his dad to modernise and manage the camera shop once he graduates from the local university. Bob is trying to encourage his dad to embrace new digital technology by changing his current practices to modern digital camera practices and embracing the digital age.

Bob thinks an e-commerce platform would help move the 'old' cameras to collectors worldwide. Operationally, this would provide more space to stock digital products for customer sales in the shop. As well, the online presence would provide opportunities to develop electronic sales. However, his dad is resisting any change to the digital age and, as a result, sales are down and the shelves are full of outdated cameras and equipment.

Prepare a short report or essay for Bob and his dad addressing the following points:

- outline why it is vital that businesses be aware of the internal and external factors that drive change (4 marks)
- outline **two** reasons why Bob's dad may be resistant to change (4 marks)
- explain why Kotter's 8 Steps change management model facilitates change (3 marks)
- apply the first **three** steps of Kotter's 8 Steps model to guide the camera shop into the digital age (6 marks)
- draw and apply Lewin's Forcefield Analysis to the camera shop and recommend whether or not to adopt change by embracing the digital age. (8 marks)

Question 9

(25 marks)

Amy Wong plans to grow her business by importing quality silk products from China. Silk is used to manufacture a wide range of products. Amy has undertaken market research and identified the silk-bedding market, including silk quilts and pillows, as having significant growth potential. While popular for centuries in China, her research shows that silk-bedding products are now becoming better known in Western markets.

The increasing popularity of silk and its associated reputation has developed due to a combination of factors, including its excellent thermal properties, light weight, resistance to insects and natural hypoallergenic properties. Also, silk does not require any processing chemicals during its manufacturing process. Consequently, it is considered an environmentally-friendly product.

Amy thinks that growth in Western markets, customer demand for natural products, introduction of free trade agreements (FTAs) and the increase in production of quality silk products from China provides the basis for a successful global business. Given the scope of potential changes to her current business, Amy may need to review her strategic plan.

Prepare a short report or essay for Amy, addressing the following points:

- explain the purpose of the strategic planning process and why it is important for a growing business such as hers. Include in your answer the key features of a strategic plan (6 marks)
- explain why managing diversity should be included in Amy's strategy for business growth (3 marks)
- construct a PEST analysis for Amy's business (8 marks)
- describe **one** benefit and **one** challenge for Australian businesses as a result of free trade agreements (FTAs) (4 marks)
- recommend to Amy whether or not you consider that importing silk products from China is a desirable business proposition. (4 marks)

ACKNOWLEDGEMENTS

Question 7

Taylor, W. C. (2016, November 28). *How Domino's Pizza reinvented itself*. Retrieved April 1, 2017, from <https://hbr.org/2016/11/how-dominos-pizza-reinvented-itself>

Domino's. (n.d.). *Technology and innovation*. Retrieved April 1, 2017, from www.dominos.com.au/inside-dominos/technology

Domino's (n.d.). *Corporate social responsibility*. Retrieved April 1, 2017, from <http://corporate.dominos.co.uk/csr?feed=environment>

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