

2016 HSC Business Studies Marking Guidelines

Section I

Multiple-choice Answer Key

Question	Answer
1	D
2	D
3	C
4	C
5	C
6	D
7	D
8	B
9	C
10	A
11	B
12	B
13	D
14	C
15	C
16	A
17	C
18	D
19	A
20	B

Section II

Question 21 (a)

Criteria	Marks
<ul style="list-style-type: none"> Shows how and/or why a short-term and long-term financial objective may conflict 	3
<ul style="list-style-type: none"> Names a short-term and a long-term financial objective OR outlines why a conflict might occur 	2
<ul style="list-style-type: none"> Names a financial objective 	1

Sample answer:

Sue may aim for long-run higher profit through more sales. In the short run, this requires her to purchase stock, which may reduce her liquidity. Hence, her long-term goal of higher profit conflicts in the short run with liquidity.

Question 21 (b)

Criteria	Marks
<ul style="list-style-type: none"> Provides points for and/or against one internal and one external source of finance for this purchase 	6
<ul style="list-style-type: none"> Provides points for and/or against one internal source and provides a point for or against an external source OR <ul style="list-style-type: none"> Provides points for and/or against one external source and provides a point for or against an internal source 	5
<ul style="list-style-type: none"> Provides points for and/or against one internal source of finance and sketches in general terms one external source of finance OR <ul style="list-style-type: none"> Provides points for and/or against one external source of finance and sketches in general terms one internal source of finance 	4
<ul style="list-style-type: none"> Provides points for and/or against one source of finance OR <ul style="list-style-type: none"> Sketches both internal and external sources of finance 	3
<ul style="list-style-type: none"> Provides a point for or against one source of finance OR names one external and one internal source of finance 	2
<ul style="list-style-type: none"> Names one source of finance 	1

Sample answer:

Sue could consider using retained profits for this purchase. This would be a lower risk option as it does not add to her gearing. It could however significantly reduce her cash flow. She could also use a mortgage. This would be a lower interest rate than many other types of loan but she would be using a long-term loan for a short-term purpose. Sue would still be paying back the mortgage years after the stock has been sold.

Question 22 (a)

Criteria	Marks
• Clearly provides the reason why the information is important in the monitoring and controlling aspect of the marketing process	2
• Sketches the importance of the information for marketing	1

Sample answer:

This information is important as it allows the firm to compare actual and planned results and to see how their marketing plan worked. Therefore the firm can see what if any changes need to be made.

Question 22 (b)

Criteria	Marks
• Identifies an appropriate promotion strategy and provides a reason in favour of this strategy with reference to the data	3
• Provides a reason in favour of a promotion strategy OR provides characteristics and features of a promotion strategy	2
• Sketches in general terms a promotion strategy	1

Sample answer:

Sales for game *B* are less than planned, therefore a new promotion strategy needs to be adopted. Personal selling involves the process of taking the business and the product directly to the consumer. Personal selling would be a good strategy as you are able to demonstrate the game in action to customers and highlight its positive features. You would also be able to direct customers to other products in the range. This would improve sales.

Question 22 (c)

Criteria	Marks
• Identifies an appropriate distribution strategy and provides a reason in favour of it with reference to the data	3
• Provides a reason in favor of a distribution strategy OR provides characteristics and features of a distribution strategy	2
• Sketches in general terms a distribution strategy	1

Sample answer:

Sales are higher than predicted. The business may therefore be finding it difficult to distribute the product quickly enough (physical distribution issue). They may have to increase the resources devoted to transport and warehousing to distribute their product to customers efficiently.

Question 23 (a)

Criteria	Marks
<ul style="list-style-type: none"> Identifies one relevant advantage of outsourcing Provides how/why it is an advantage for the business 	2
<ul style="list-style-type: none"> Makes a relevant statement 	1

Sample answer:

Costs could be lower, she only needs to employ someone possibly for a few hours per week and she will have no on-costs.

Question 23 (b)

Criteria	Marks
<ul style="list-style-type: none"> Identifies two relevant disadvantages of outsourcing and why they are a disadvantage for the business 	4
<ul style="list-style-type: none"> Identifies one relevant disadvantage of outsourcing and why it is a disadvantage AND sketches in general terms another disadvantage of outsourcing 	3
<ul style="list-style-type: none"> Provides one relevant disadvantage of outsourcing and provides why it is a disadvantage OR sketches in general terms two disadvantages of outsourcing 	2
<ul style="list-style-type: none"> Makes a relevant statement about outsourcing 	1

Sample answer:

- She may lose control over the record keeping business, as she does not have day-to-day oversight. This could include loss of quality control and security issues.
- She may have problems with communication, for example, cultural misunderstanding and language difficulties.

Question 23 (c)

Criteria	Marks
• Gives two reasons how and/or why Heather's business will benefit from a diverse culturally competent workforce	4
• Gives one reason how and/or why Heather's business will benefit from a diverse culturally competent workforce and sketches in general terms another benefit	3
• Gives one reason how and/or why Heather's business will benefit from a diverse culturally competent workforce OR sketches in general terms two benefits	2
• Sketches in general terms one benefit	1

Sample answer:

- Employees will know different languages and have knowledge of different cultures, which could be used constructively to open up markets in other parts of the world. They may also have contacts in other countries that could be used as sources of supplies, finance or to set up branches of the company.
- The business can get ideas and input from employees of different backgrounds. They will bring different training and approaches that could be beneficial to the firm.

Question 24 (a)

Criteria	Marks
• Clearly identifies the issues for and/or against one inventory management system for this business	4
• Outlines one advantage OR one disadvantage of one inventory management system for this business	3
• Sketches in general terms one method of inventory management	2
• Makes a relevant statement about inventory	1

Sample answer:

One method of inventory management is Just-In-Time. The advantage of this for the business is that the business does not need to hold large amounts of stock which could be damaged or perish costing the business money. A disadvantage is that the business may find it difficult to respond to a sudden increase in demand for a product, as they may not have enough supply to meet the order.

Question 24 (b)

Criteria	Marks
• Provides how or why corporate social responsibility should be a key consideration in operations management for this business	3
• Sketches in general terms how corporate social responsibility may affect operations	2
• Sketches in general terms corporate social responsibility	1

Sample answer:

Corporate social responsibility is about businesses doing more than just complying with the law and may be expensive for the business. The business should avoid pollution, and degrading the air, water and farmland in its operations management. The business, by supplying goods in an ecologically sustainable manner, will be fulfilling customer expectations about them being a responsible business.

Question 25

Criteria	Marks
• Draws out and relates the implications of the relationship between cost and quality with reference to a business	6
• Provides links between cost and quality with reference to a specific business	5
• Provides characteristics and features of cost and quality with reference to a business OR	4
• Provides links between cost and quality in operations	
• Provides characteristics and features of cost and/or quality	3
• Sketches in general terms cost and/or quality	2
• Makes reference to cost/quality	1

Sample answer:

Cost and quality usually have a close, positive relationship in the operations of a business. As the quality of a product increases, usually the cost of producing it also increases, as it requires more expensive inputs and/or more time to produce. An implication of this is that these products tend to have higher prices as businesses pass higher costs onto consumers. For example flights on low cost budget airlines such as Jetstar are cheaper to produce than flights on full-service flights such as those sold by QANTAS. Jetstar is less flexible and has fewer 'extras' such as food, entertainment and therefore provides a lower quality product, which is usually sold at a lower price.

Section III

Question 26

Criteria	Marks
<ul style="list-style-type: none"> Provides how/why the information in the financial reports for Lee's Catering may be limited Provides reasons in favour of appropriate working capital strategies Makes a judgement based on criteria regarding a pricing strategy which could be used Makes effective use of the information provided, demonstrating extensive knowledge and understanding relevant to the question Presents a sustained, logical and cohesive business report integrating relevant business terminology and concepts 	17–20
<ul style="list-style-type: none"> Provides characteristics and features of some possible limitations to financial reports Provides reasons in favour of working capital strategies Provides reasons for and/or against a particular pricing strategy Makes some use of the information provided, demonstrating some knowledge and understanding relevant to the question Presents a logical and cohesive business report using relevant business terminology and concepts 	13–16
<ul style="list-style-type: none"> Sketches in general terms some limitations of financial reports Provides characteristics and features of a working capital management strategy/strategies Provides characteristics and features of a pricing strategy Includes features of a business report and uses some business terminology and concepts 	9–12
<ul style="list-style-type: none"> Sketches in general terms features of financial reports Sketches in general terms working capital management Sketches in general terms a pricing strategy May include some features of a business report and uses basic business terminology 	5–8
<ul style="list-style-type: none"> Refers to financial reports and/or working capital and/or pricing Uses basic business terminology 	1–4

Answers could include:

- Limitations of financial reports
 - Normalised earnings, capitalising, expenses, valuing assets, timing issues, debt repayments, notes to the financial reports
- Working capital strategies
 - Control of current assets – cash, receivables, inventories
 - Control of current liabilities – payables, loans, overdrafts
 - Strategies – leasing, sale and lease back
- Pricing strategies
 - Skimming, penetration, loss leaders, price points
 - Price and quality interaction

Section IV

Question 27

Criteria	Marks
<ul style="list-style-type: none"> • Makes a well-reasoned judgement based on criteria regarding how operations management has responded to external influences in the business environment • Applies relevant case study/studies and contemporary business issues • Presents a sustained, logical and cohesive response and communicates clearly using relevant business terminology and concepts 	17–20
<ul style="list-style-type: none"> • Makes some judgement regarding how operations management has responded to external influences in the business environment • Uses relevant case study/studies and contemporary business issues • Presents a logical and cohesive response using relevant business terminology and concepts 	13–16
<ul style="list-style-type: none"> • Provides characteristics and features of operations management and the business environment • May make reference to case study/studies and contemporary business issues • Communicates using business terminology and concepts 	9–12
<ul style="list-style-type: none"> • Sketches in general terms operations management and/or influences in the business environment • May make reference to case study/studies and/or contemporary business issues • Communicates using some business terminology and concepts 	5–8
<ul style="list-style-type: none"> • Makes limited reference to operations management • May identify case study/studies • Uses basic business terminology 	1–4

Answers could include:

Influences:

- Globalisation, technology, quality expectations, cost based competition, government policies, legal regulation, environmental sustainability
- Corporate social responsibility
 - Difference between legal compliance and ethical responsibility
 - Environmental sustainability and social responsibility

Question 28

Criteria	Marks
<ul style="list-style-type: none"> • Makes a well-reasoned judgement based on criteria regarding how human resource management has responded to legal and ethical influences in the business environment • Applies relevant case study/studies and contemporary business issues • Presents a sustained, logical and cohesive response and communicates clearly using relevant business terminology and concepts 	17–20
<ul style="list-style-type: none"> • Makes some judgement regarding how human resource management has responded to legal and ethical influences in the business environment • Uses relevant case study/studies and contemporary business issues • Presents a logical and cohesive response using relevant business terminology and concepts 	13–16
<ul style="list-style-type: none"> • Provides characteristics and features of human resource management and legal and/or ethical influences in the business environment • May make reference to case study/studies and contemporary business issues • Communicates using business terminology and concepts 	9–12
<ul style="list-style-type: none"> • Sketches in general terms human resource management and/or influences in the business environment • May make reference to case study/studies and/or contemporary business issues • Communicates using some business terminology and concepts 	5–8
<ul style="list-style-type: none"> • Makes limited reference to human resource management and/or influences in the business environment • May identify case study/studies • Uses basic business terminology 	1–4

Answers could include:

Key influences:

- Legal
 - Current legal framework
 - The employment contract
 - Work, health and safety, workers compensation
 - Anti-discrimination and equal employment opportunity
- Ethics and corporate social responsibility

2016 HSC Business Studies

Mapping Grid

Section I

Question	Marks	Content	Syllabus outcomes
1	1	Consumer laws	H3, H4
2	1	Legal influences on human resources	H3, H4
3	1	Marketing process	H2, H4
4	1	Role of financial management	H4
5	1	Key influences on human resources	H3, H4
6	1	Operations strategies	H2, H5
7	1	Factors influencing consumer choice	H4
8	1	Interdependence	H4, H5
9	1	Operations strategies	H4, H10
10	1	Financial management strategies	H4, H10
11	1	Financial ratios	H4, H10
12	1	Financial ratios	H4, H10
13	1	Marketing strategies	H4, H5
14	1	Financial institutions	H4
15	1	Marketing strategies	H5
16	1	Key influences on human resources	H3, H4
17	1	Marketing strategies	H5
18	1	Key influences on human resources	H3, H4
19	1	Financial ratios	H6, H10
20	1	Key influences on human resources	H3, H4

Section II

Question	Marks	Content	Syllabus outcomes
21 (a)	3	Role of financial management	H2, H4, H5
21 (b)	6	Sources of finance	H2, H4, H5
22 (a)	2	Marketing process	H2, H4, H5
22 (b)	3	Marketing strategies	H2, H4, H5
22 (c)	3	Marketing strategies	H2, H4, H5
23 (a)	2	Human resources strategies	H2, H4, H5
23 (b)	4	Human resources strategies	H2, H4, H5
23 (c)	4	Human resources strategies	H2, H4, H5
24 (a)	4	Operations – strategies	H1, H2, H3
24 (b)	3	Operations – influences	H1, H2, H3
25	6	Operations – strategies	H4, H5, H6

Section III

Question	Marks	Content	Syllabus outcomes
26	20	Processes of financial management Financial management strategies Marketing strategies	H2, H5, H6, H8, H9, H10

Section IV

Question	Marks	Content	Syllabus outcomes
27	20	Operations – influences and strategies	H2, H4, H5, H6, H8, H9
28	20	Human resources – key influences and strategies	H2, H3, H4, H5, H6, H8, H9