

# 2020 HSC Business Studies Marking Guidelines

## Section I

### Multiple-choice Answer Key

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

## Section II

### Question 21 (a)

Criteria	Marks
<ul style="list-style-type: none"> <li>• Sketches in general terms the role of ONE stakeholder who represents the interests of employees in workplace disputes</li> </ul>	2
<ul style="list-style-type: none"> <li>• Provides some relevant information about ONE stakeholder who represents the interests of employees</li> </ul>	1

**Sample answer:**

In a workplace dispute, employee interests are represented by trade unions. Trade unions operate for the benefit of their members and one of the services which they provide is to bargain on behalf of members in negotiations with employers.

### Question 21 (b)

Criteria	Marks
<ul style="list-style-type: none"> <li>• Demonstrates a clear understanding of the difference between voluntary and involuntary separation</li> </ul>	4
<ul style="list-style-type: none"> <li>• Demonstrates an understanding of the difference between voluntary and involuntary separation</li> </ul>	3
<ul style="list-style-type: none"> <li>• Demonstrates some understanding of a difference between voluntary and involuntary separation</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• Sketches in general terms voluntary and involuntary separation</li> </ul>	2
<ul style="list-style-type: none"> <li>• Provides some relevant information about voluntary or involuntary separation</li> </ul>	1

**Sample answer:**

Voluntary separation is when an employee has chosen to leave their employment of their own accord. This could be in the form of a resignation, retirement or relocation. Involuntary separation occurs when an employee is forced to leave their place of employment because they may have breached their employment conditions, finished their contract or been made redundant.

### Question 21 (c)

Criteria	Marks
<ul style="list-style-type: none"> <li>Provides why AND/OR how technological influences and globalisation can lead to a company reducing staff numbers with reference to relevant examples</li> </ul>	4
<ul style="list-style-type: none"> <li>Provides characteristics and features of how technological influences and globalisation can lead to a company reducing staff numbers with reference to a relevant example</li> </ul>	3
<ul style="list-style-type: none"> <li>Sketches in general terms how technological influences AND/OR globalisation can lead to a company reducing staff numbers with reference to an example</li> </ul>	2
<ul style="list-style-type: none"> <li>Sketches in general terms how technological influences AND/OR globalisation can lead to a company reducing staff numbers</li> </ul>	1

**Sample answer:**

Changes in technology can influence a business's ability to create and sell its product/service. A change in technology usually allows for an increase in speed and production which generally means a reduction in time spent making the product eg Samsung uses CAD and robotics to manufacture their products which has caused their assembly based labour force to be retrenched. Globalisation, which involves increased economic integration, can also increase production and create cost saving measures. Globalisation allows businesses to benefit from lower production and labour costs found overseas which may lead to the outsourcing of jobs overseas. For example, Bonds moved their manufacturing operations offshore to take advantage of cheaper labour costs leading to Australian staff retrenchment.

### Question 22 (a)

Criteria	Marks
• Clearly determines the purpose of a SWOT analysis for this business	3
• Names elements of a SWOT analysis and refers to its purpose for this business	2
• Names elements of a SWOT analysis	1

**Sample answer:**

The purpose of the SWOT analysis for this business is to enable them to understand the current position of the business by identifying internal strengths and weaknesses. Additionally, it provides this business with information on potential opportunities and threats when entering the US market.

As part of the situational analysis, the SWOT informs the rest of the marketing process as marketing objectives and strategies can only be determined upon completion of the SWOT.

### Question 22 (b)

Criteria	Marks
• Clearly provides reasons for adopting a particular pricing method	3
• Provides characteristics and features of a pricing method or pricing strategy	2
• Names a pricing method or pricing strategy	1

**Sample answer:**

Competition based pricing could be an effective pricing method for this business in the US market. This pricing method covers materials and operations costs and is comparable with the competitor’s price based on the following pricing options:

- Below that of competitors to undercut the competition to establish themselves in the market.
- Equal to competitor’s price which saves money on researching how much consumers would pay for guitars.
- Above that of competitors to create a perception of superiority.

**Question 22 (c)**

Criteria	Marks
• Provides a clear and supported argument for the use of a standardised marketing strategy by this business	4
• Provides an argument for the use of a standardised marketing strategy this business	3
• Sketches in general terms a standardised marketing strategy	2
• Makes a relevant statement about a standardised marketing strategy	1

**Sample answer:**

Using a standardised marketing strategy this business can increase its success when entering the global market. It can achieve economies of scale which achieve lower per unit input costs. This strategy paired with standardised marketing can save the business money when taking spare parts, repairs and after-sales service into account. Customers also benefit from this strategy as they can expect consistency throughout the world and product features remain the same regardless of where the product is purchased. Finally, the business will achieve cost savings as the one marketing approach will be adopted worldwide and does not need to be customised for the needs of individual markets.

**Question 23 (a)**

Criteria	Marks
• Provides detailed ways in which the strategic role of operations management could assist this business	4
• Provides ways in which the strategic role of operations management could assist this business	3
• Provides characteristics and features of operations management that could assist this business	2
• Sketches in general terms an aspect of operations management	1

**Sample answer:**

The strategic role of operations management ensures the operations function effectively contributes to the achievement of goals and the strategic direction of the business. The business could examine goods/service differentiation as currently the business' product range is limited to denim products. They could differentiate their products and add non-denim items and clothing accessories. This would potentially increase the customer base, attracting customers who are interested in non-denim items which may increase sales and profits.

**Question 23 (b)**

Criteria	Marks
• Draws out and relates the implications of using operations strategies to address TWO operations influences affecting the business	6
• Provides implications of operations strategies that could be used to address TWO operations influences affecting the business	5
• Provides characteristics and features of operations strategies which could be used by this business to address TWO operations influences affecting the business	4
• Sketches in general terms operations strategies in general terms with limited link to operations influences	3
• Sketches in general terms a strategy or an operations influence in general terms	2
• Provides some relevant information	1

**Sample answer:**

The business should address the influence of technology. To manage this influence, the store could adopt more leading-edge payment methods such as smartphones and smart watches or established technologies such as EFTPOS. By purchasing this new equipment, customers might be more inclined to shop at the business which may increase sales and enhance speed of service.

To address the influence of cost-based competition, which has resulted in declining sales, the business could utilise the strategies of supply chain management, global sourcing or the performance objective of cost. By improving logistics in the supply chain and focusing on cost as a performance objective the business could improve efficiency and better compete with foreign businesses. Moreover, global sourcing typically enables lower input costs as the business takes advantage of low cost clothing producers.

**Question 24 (a)**

Criteria	Marks
<ul style="list-style-type: none"> <li>Correctly calculates the accounts receivable turnover ratio for this business</li> </ul>	1

**Sample answer:**

$(\text{Sales} \div \text{accounts receivable}) = 225\,000 \div 30\,000 = 7.5$  (times per year)

OR

$365 \div 7.5 = 49$  (days)

**Question 24 (b)**

Criteria	Marks
<ul style="list-style-type: none"> <li>Correctly calculates and interprets the expense ratio for this business</li> </ul>	2
<ul style="list-style-type: none"> <li>Correctly calculates the expense ratio for this business or correctly interprets the expense ratio</li> </ul>	1

**Sample answer:**

$(\text{Total expenses} \div \text{sales}) = 18\,500 \div 225\,000 = 8.2\%$

For every \$1 the business makes in sales the business is spending 8 cents on expenses.

The ratio compares total expenses with total sales and indicates that for every \$1 of sales, 8.2% (or 8.2 cents) is absorbed by expenses. This business is below the industry standard of 10%.

**Question 24 (c)**

Criteria	Marks
<ul style="list-style-type: none"> <li>Provides reasons in favour of ONE financial strategy this business could implement to improve efficiency in the collection of accounts receivable</li> </ul>	3
<ul style="list-style-type: none"> <li>Sketches in general terms ONE financial strategy this business could implement to improve efficiency in the collection of accounts receivable</li> </ul>	2
<ul style="list-style-type: none"> <li>Names ONE financial strategy this business could implement to improve efficiency in the collection of accounts receivable</li> </ul>	1

**Sample answer:**

Discounts for early payments. This is where the business provides a discount to customers if they pay early to encourage faster debt collection. This could be in line with penalties for late payments to encourage this efficiency.

### Question 24 (d)

Criteria	Marks
<ul style="list-style-type: none"> <li>Provides an explanation of how TWO ways of comparative ratio analysis can be used to assess the financial position of the business</li> </ul>	4
<ul style="list-style-type: none"> <li>Sketches in general terms how TWO ways of comparative ratio analysis can be used to assess the financial position of the business</li> </ul>	3
<ul style="list-style-type: none"> <li>Sketches in general terms how comparative ratio analysis can be used to assess the financial position of the business</li> </ul>	2
<ul style="list-style-type: none"> <li>Sketches comparative ratio analysis in general terms</li> </ul>	1

**Sample answer:**

First method is over different time periods. This business could be comparing financial data within different years or financial periods to analyse liquidity, gearing, profitability and efficiency and to understand how these have changed and put strategies in place to address any issues.

The second way is against similar businesses. This business could see the financial position of the competition to understand if their expenses are too high compared to competitors. If this is the case, then the business could change their supplier to a cheaper one. Also, if the competitor has consistently made sales, even during slow periods, the business can analyse this to understand what they are doing wrong and hence make adjustments.

## Section III

### Question 25

Criteria	Marks
<ul style="list-style-type: none"> <li>• Provides detailed characteristics and features of TWO physical distribution issues which the business could use to deliver the product</li> <li>• Clearly provides an argument for ONE promotional strategy the business could use</li> <li>• Provides detailed reasons in favour of possible changes the business could make to their operations processes to address the volume and quality concerns of Eucafuels</li> <li>• Makes effective use of the information provided, demonstrating extensive knowledge and understanding relevant to the question</li> <li>• Presents a sustained, logical and cohesive business report integrating relevant business terminology and concepts</li> </ul>	17–20
<ul style="list-style-type: none"> <li>• Provides characteristics and features of TWO physical distribution issues which the business could use to deliver the product</li> <li>• Provides an argument for ONE promotional strategy the business could use</li> <li>• Provides reasons in favour of possible change(s) the business could make to their operations processes to address the volume and quality concerns of Eucafuels</li> <li>• Makes some use of the information provided, demonstrating some knowledge and understanding relevant to the question</li> <li>• Presents a logical and cohesive business report integrating relevant business terminology and concepts</li> </ul>	13–16
<ul style="list-style-type: none"> <li>• Sketches in general terms TWO physical distribution issues which the business could use to deliver the product OR provides characteristics and features of ONE physical distribution issue which the business could use to deliver the product</li> <li>• Provides characteristics and features of ONE promotional strategy which the business could use</li> <li>• Provides characteristics and features of operations processes to address volume and/or quality concerns</li> <li>• Includes features of a business report and uses some business terminology and concepts</li> </ul>	9–12
<ul style="list-style-type: none"> <li>• Identifies a physical distribution issue</li> <li>• Sketches in general terms ONE promotional strategy</li> <li>• Sketches in general terms operations processes</li> <li>• May include some features of a business report and uses some basic business terminology</li> </ul>	5–8
<ul style="list-style-type: none"> <li>• Refers to operations and/or marketing</li> <li>• Uses basic business terminology</li> </ul>	1–4

***Answers could include:***

**Marketing**

- Place/distribution
  - physical distribution issues – transport, warehousing, inventory
  
- Promotion
  - elements of the promotion mix – advertising, personal selling and relationship marketing, sales promotions, publicity and public relations
  - the communication process – opinion leaders, word of mouth

**Operations**

- Transformation processes
  - the influence of volume, variety, variation in demand and visibility (customer contact)
  - sequencing and scheduling Gantt charts, critical path analysis
  - technology, task design and process layout
  - monitoring, control and improvement
  
- Operations strategies.

## Section IV

### Question 26

Criteria	Marks
<ul style="list-style-type: none"> <li>Makes a judgement about the financial management strategies used to achieve profit and growth objectives</li> <li>Applies relevant case study/studies and contemporary business issues</li> <li>Presents a sustained, logical and cohesive response and communicates clearly using relevant business terminology and concepts</li> </ul>	17–20
<ul style="list-style-type: none"> <li>Clearly explains the relationship between financial management strategies and profit and growth objectives</li> <li>Uses relevant case study/studies and contemporary business issues</li> <li>Presents a logical and cohesive response using relevant business terminology and concepts</li> </ul>	13–16
<ul style="list-style-type: none"> <li>Identifies the relationship between financial management strategies AND profit and/or growth objectives</li> <li>Makes reference to case study/studies and/or contemporary business issues</li> <li>Communicates using relevant business terminology and concepts</li> </ul>	9–12
<ul style="list-style-type: none"> <li>Sketches in general terms financial management strategies and/or profit and growth objectives</li> <li>May make reference to case study/studies and/or contemporary business issues</li> <li>Communicates using some business terminology and concepts</li> </ul>	5–8
<ul style="list-style-type: none"> <li>Makes limited reference to financial management</li> <li>May identify case study/studies</li> <li>Uses basic business terminology</li> </ul>	1–4

#### **Answers could include:**

##### *Role of financial management*

- Objectives of financial management
  - profitability, growth, efficiency, liquidity, solvency
  - short term and long term

##### *Financial management strategies*

- cash-flow management
  - cash-flow statements
  - distribution of payments, discounts for early payment, factoring
- working capital management
  - control of current assets – cash, receivables, inventories
  - control of current liabilities – payables, loans, overdrafts
  - strategies – leasing, sale and lease back
- profitability management
  - cost controls – fixed and variable, cost centres, expense minimisation
  - revenue controls – marketing objectives

- global financial management
  - exchange rates
  - interest rates
  - methods of international payment – payment in advance, letter of credit, clean payment, bill of exchange
  - hedging
  - derivatives.

## Question 27

Criteria	Marks
<ul style="list-style-type: none"> <li>• Makes a judgement about the human resource strategies used to achieve three indicators of effective human resource management</li> <li>• Applies relevant case study/studies and contemporary business issues</li> <li>• Presents a sustained, logical and cohesive response and communicates clearly using relevant business terminology and concepts</li> </ul>	17–20
<ul style="list-style-type: none"> <li>• Makes evident the relationship between human resource strategies and three indicators of effective human resource management</li> <li>• Uses relevant case study/studies and contemporary business issues</li> <li>• Presents a logical and cohesive response using relevant business terminology and concepts</li> </ul>	13–16
<ul style="list-style-type: none"> <li>• Provides characteristics and features of human resource strategies and three indicators of effective human resource management</li> <li>• Makes reference to case study/studies and/or contemporary business issues</li> <li>• Communicates using relevant business terminology and concepts</li> </ul>	9–12
<ul style="list-style-type: none"> <li>• Sketches in general terms human resource strategies and/or effective human resource management</li> <li>• May make reference to case study/studies and/or contemporary business issues</li> <li>• Communicates using some business terminology and concepts</li> </ul>	5–8
<ul style="list-style-type: none"> <li>• Makes limited reference to human resource strategies and/or effective human resource management</li> <li>• May identify case study/studies</li> <li>• Uses basic business terminology</li> </ul>	1–4

### **Answers could include:**

#### *Strategies in human resource management*

- Leadership style
- Job design – general or specific tasks
- Recruitment – internal or external, general or specific skills
- Training and development – current or future skills
- Performance management – developmental or administrative
- Rewards – monetary and non-monetary, individual or group, performance pay
- Global – costs, skills, supply
- Workplace disputes
  - resolution – negotiation, mediation, grievance procedures, involvement of courts and tribunals

#### *Effectiveness of human resource management*

- Indicators
  - corporate culture
  - benchmarking key variables
  - changes in staff turnover
  - absenteeism
  - accidents
  - levels of disputation
  - worker satisfaction.

# 2020 HSC Business Studies Mapping Grid

## Section I

Question	Marks	Content	Syllabus outcomes
1	1	Human resources – training and development	H5, H6
2	1	Human resources – current legal framework	H2, H3
3	1	Human resources – outsourcing	H4
4	1	Marketing – consumer laws	H2
5	1	Marketing – market research	H8
6	1	Operations – economies of scale	H2
7	1	Operations – quality management	H5
8	1	Marketing – branding	H5
9	1	Human resources – economic cycle	H1, H2
10	1	Marketing – product life cycle	H2, H6
11	1	Operations – inventory management	H2
12	1	Human resources – workers compensation	H5
13	1	Operations – global strategies	H1, H4
14	1	Finance – limitations of financial reports	H5
15	1	Operations – performance objectives	H2
16	1	Marketing – comparing actual and planned results	H2, H10
17	1	Finance – gross profit and net profit ratios	H8, H10
18	1	Finance – gross profit and expense ratios	H10
19	1	Finance – liquidity	H8, H10
20	1	Finance – gearing	H8, H10

## Section II

Question	Marks	Content	Syllabus outcomes
21 (a)	2	Human resources – stakeholders/employees	H2, H6
21 (b)	4	Human resources – unfair/summary dismissal	H2, H3, H5
21 (c)	4	Human resources – technological influences/globalisation	H1, H2
22 (a)	3	Marketing – SWOT analysis	H4
22 (b)	3	Marketing – pricing methods	H5, H8
22 (c)	4	Marketing – marketing strategy	H5, H8
23 (a)	4	Operations – strategic role of operations	H2, H4
23 (b)	6	Operations strategies	H2, H5, H6
24 (a)	1	Finance – accounts receivable turnover ratio	H10
24 (b)	2	Finance – expense ratio	H10
24 (c)	3	Finance – financial strategy	H2, H5
24 (d)	4	Finance – comparative ratio analysis	H4, H8

**Section III**

<b>Question</b>	<b>Marks</b>	<b>Content</b>	<b>Syllabus outcomes</b>
25	20	Operations strategies, promotional strategies, place, distribution strategies	H2, H4, H5, H8, H9

**Section IV**

<b>Question</b>	<b>Marks</b>	<b>Content</b>	<b>Syllabus outcomes</b>
26	20	Financial management strategy and financial objectives	H4, H5, H6, H8, H9
27	20	HR strategies and effective HR management	H4, H5, H6, H8, H9