

# 2021 HSC Business Studies Marking Guidelines

## Section I

### Multiple-choice Answer Key

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

## Section II

### Question 21 (a)

Criteria	Marks
<ul style="list-style-type: none"> <li>• Sketches in general terms how this customer is an input in the construction of the new home</li> </ul>	2
<ul style="list-style-type: none"> <li>• Makes a relevant statement about inputs in the construction of a new home</li> </ul>	1

**Sample answer:**

Customers are a transformed resource in the operations process. If the customer provides information to the builder about, for example, the materials, paint colours, or size of the house, they are acting as an input in the construction of the new home.

### Question 21 (b)

Criteria	Marks
<ul style="list-style-type: none"> <li>• Makes evident the relationship between a Gantt chart and the way it helps the building company meet the terms of the contract</li> </ul>	4
<ul style="list-style-type: none"> <li>• Provides characteristics of a Gantt chart and the way it helps the building company with reference to the contract</li> </ul>	3
<ul style="list-style-type: none"> <li>• Sketches in general terms a Gantt chart with reference to the contract</li> </ul>	2
<ul style="list-style-type: none"> <li>• Makes a relevant statement about a Gantt chart</li> </ul>	1

**Sample answer:**

A sequencing and scheduling tool such as a Gantt chart could help the building company meet the terms of the contract as this tool identifies the sequence or order in which components of the home need to be built and it allocates a timeframe for each component. This allows the builder to stay within the agreed timeframe in the contract and it should improve efficiency, hence allowing them to keep to the agreed budget in the contract. For example, the Gantt chart could ensure that different tradespeople come in correct order (for example, painters don't arrive before electricians) to ensure an efficient transformation process.

### Question 21 (c)

Criteria	Marks
<ul style="list-style-type: none"> <li>Clearly makes evident the relationship between each of two quality management strategies and the resulting quality of the outsourced work</li> </ul>	4
<ul style="list-style-type: none"> <li>Provides characteristics and features of two quality management strategies and their effect on the quality of the work</li> </ul>	3
<ul style="list-style-type: none"> <li>Sketches in general terms a quality management strategy and refers to quality of the work</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Sketches in general terms two quality management strategies</li> </ul>	2
<ul style="list-style-type: none"> <li>Makes a relevant statement about quality management or outsourcing</li> </ul>	1

**Sample answer:**

Outsourcing involves using other businesses to complete some activities in the construction of the house. To ensure the quality of this work, the operations manager could use a quality assurance strategy. This might involve checking that the provider has certified international standards and understands pre-determined standards which should ensure the quality of the work done by this contractor. They could also use quality control measures such as ongoing inspections of the outsourced work to ensure standards are met.

### Question 22 (a)

Criteria	Marks
<ul style="list-style-type: none"> <li>States where the business would record the loan and the properties on its balance sheet</li> </ul>	2
<ul style="list-style-type: none"> <li>States ONE place that this transaction would be recorded on the business's balance sheet</li> </ul>	1

**Sample answer:**

The new \$30m loan would be recorded as a non-current liability on this company's balance sheet and the properties would be recorded as a non-current asset.

**Question 22 (b)**

Criteria	Marks
<ul style="list-style-type: none"> <li>Provides a cause and effect relationship between the choice to borrow funds from the USA and financial risk for the business</li> </ul>	3
<ul style="list-style-type: none"> <li>Sketches in general terms how borrowing from the USA could lead to financial risk for the business</li> </ul>	2
<ul style="list-style-type: none"> <li>Makes a relevant statement about borrowing from overseas</li> </ul>	1

**Sample answer:**

Exchange rate fluctuations are a financial risk the Australian handbag business needs to consider when borrowing from the US Bank. If the Australian Dollar were to depreciate against the American Dollar, the business would be required to pay back significantly more than the \$30 million they borrowed. This would result in an increase in loan repayments and therefore a loss in profitability.

**Answers could include:**

An increase in US interest rates.

**Question 22 (c)**

Criteria	Marks
<ul style="list-style-type: none"> <li>Provides detailed reasons for the changes in the current and forecast profitability and gearing of this business</li> </ul>	5
<ul style="list-style-type: none"> <li>Provides reasons for the changes in the current and forecast profitability and gearing of this business</li> </ul>	4
<ul style="list-style-type: none"> <li>Provides reasons for the expected change to the profitability OR gearing of this business</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Provides characteristics and features of the changes to the profitability and gearing</li> </ul>	3
<ul style="list-style-type: none"> <li>Sketches in general terms changes to either the profitability OR gearing</li> </ul>	2
<ul style="list-style-type: none"> <li>Makes a relevant statement about profitability or gearing</li> </ul>	1

**Sample answer:**

The change in the forecast gearing is measured via the change to the debt to equity ratio and is likely to be a direct result of taking on the additional \$30m in debt funding with no increase in equity. This new debt is likely to be responsible for the increase in the debt to equity ratio from 85% to 150%. The changes to forecast profitability are witnessed via the increased GRP and the fall in NPR. It is likely that the anticipated additional volume of sales that will be generated by the expansion will lead to increased economies of scale and purchasing power. Although their COGS would increase, the economies of scale enjoyed would increase their gross profit margin, which would lead to the higher GPR (moving from 65% to 70%). The worsening of the NPR (from 21% to 18%) may be explained by the additional interest expense payable on the loan.

**Question 23 (a)**

Criteria	Marks
• Sketches in general terms how corporate culture can affect staff turnover	2
• Provides relevant information about corporate culture or staff turnover	1

**Sample answer:**

Corporate culture reflects the beliefs and values that are shared amongst employees in a business. A good corporate culture should reduce staff turnover, as employees will want to work for such a business, as typically, they will feel valued and respected.

**Question 23 (b)**

Criteria	Marks
• Provides a relevant reason for a business to use a contractor to recruit staff	2
• Makes a relevant statement about contracting and/or recruitment	1

**Sample answer:**

Recruitment involves identifying and attracting appropriate employees for a role. A contractor could provide specialist recruitment skills that may not be present in a business which would allow the business to focus on other core functions.

**Question 23 (c)**

Criteria	Marks
• Provides detailed advantages and/or disadvantages of the possible implications of these influences on human resource management	6
• Provides advantages and/or disadvantages of possible implications of these influences on human resource management	5
• Provides characteristics and features of these influences on human resource management	4
• Sketches in general terms aspects of human resource management and/or implications of these influences for business	3
• Sketches in general terms an aspect of human resource management and/or an implication of these influences for business	2
• Provides some relevant information about human resource management	1

**Sample answer:**

By reducing movement of people and social distancing many businesses have had fewer customers and suffered a loss of sales. This may cause human resources management to reduce acquisition of staff and, in some cases, increase separations or reduce hours for their employees. As a result of these restrictions, businesses have used technology to allow their employees to work from home.

This presents challenges for businesses in terms of ensuring that their employees understand WHS laws in their home setting and communicate ethically and in a socially responsible manner online. This has also presented opportunities to acquire workers in remote or overseas locations who can work from home, at a potentially lower cost. WHS laws have increased training and requirements of human resources management. Businesses may reduce other training or travel expenditure on courses that may be interstate or overseas.

**Question 24 (a)**

Criteria	Marks
• Provides a relationship between customisation as a global marketing strategy and it's benefits	3
• Provides characteristics and features of customisation as a global marketing strategy	2
• Makes a relevant statement about customisation or global marketing	1

**Sample answer:**

A customised global marketing strategy requires a marketing manager to alter their marketing mix to meet the customers' tastes and preferences in different countries. Marketing managers might do this in order to successfully appeal to the different target market audience to grow sales revenue and market share in each country by altering the product price, promotion or place strategies.

**Question 24 (b)**

Criteria	Marks
• Demonstrates clearly how aspect/s of the advertisement use sociocultural factors to influence customer choice	3
• Sketches in general terms how aspect/s of the advertisement use sociocultural factors to influence customer choice	2
• Makes a relevant statement about sociocultural factors	1

**Sample answer:**

This advertisement uses several sociocultural factors to encourage customers to buy the fridge. It states that if I buy this fridge I will be 'the envy of my neighbours'. This is because this fridge is the 'best quality fridge in the market', it is expensive, but I can get it at a cheaper price! These factors appeal to a customer's sense of self and where they fit in their society.

**Question 24 (c)**

Criteria	Marks
• Demonstrates a thorough understanding of how aspects of the advertisement might breach Australian consumer laws	4
• Demonstrates how aspects of the advertisement might breach Australian consumer laws	3
• Sketches in general terms an aspect of the advertisement that might breach Australian consumer laws	2
• Provides some relevant information	1

**Sample answer:**

This advertisement breaches Australian consumer laws by saying that it comes with a 'massive 6-month warranty'. The advertisement most likely breaches the implied conditions associated with Australian consumer laws as the length of the warranty (6 months) is not appropriately long enough relative to the expected quality represented by the best quality fridge on the market. This is most likely a breach of the acceptable quality consumer guarantee in the ACL, based on not being reasonably durable. Also, in the small print, the advertisement states that no repairs or returns will be considered after 6 months.

The body of the advertisement states that there is 30% off, but the fine print says that this discount is not available on this product. This is clearly deceptive advertising, advertising which misleads or is likely to mislead consumers, and thus is a breach of Australian consumer law as the fine print is in direct contradiction with the advertised statement.

## Section III

### Question 25

Criteria	Marks
<ul style="list-style-type: none"> <li>• Sketches in detail the main features of two operations influences on this business</li> <li>• Provides detailed reasons for and/or against the use of redundancy payments and retraining to overcome employee resistance to changes in this business</li> <li>• Provides detailed similarities and differences between a mortgage and a new issue of shares to fund the factory purchase</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 a sketch indicating features of two operations influences on this business</li> <li>• Provides reasons for and/or against the use of redundancy payments and retraining to overcome employee resistance to changes in this business</li> <li>• Provides similarities and differences between a mortgage and a new issue of shares to fund the factory</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 using relevant business terminology and concepts</li> </ul>	13–16
<ul style="list-style-type: none"> <li>• Indicates features of operations influences on this business</li> <li>• Provides some characteristics and features of redundancy payments and retraining to overcome employee resistance to changes in this business</li> <li>• Provides some similarities and differences between a new issue of shares and a mortgage in relation to the purchase of the factory</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 operations influences on this business</li> <li>• Sketches briefly redundancy payments and/or retraining</li> <li>• Sketches in general terms a new issue of shares and/or a mortgage</li> <li>• May include some features of a business report and uses basic business terminology</li> </ul>	5–8
<ul style="list-style-type: none"> <li>• Refers to operations and/or finance</li> <li>• Uses basic business terminology</li> </ul>	1–4

**Answers could include:**

- Operations Influences
  - globalisation, technology, quality expectations, legal regulations, environmental sustainability
  - corporate social responsibility

- Operations Strategies
  - overcoming resistance to change
  - redundancy payments
  - retraining
- Influences on Financial Management
  - external sources of finance
  - debt – long term borrowing (mortgage)
  - equity – new issue
- Processes of Financial Management
  - debt and equity financing – advantages and disadvantages of each
  - matching the terms and source of finance to business purpose
- Relevant similarities and differences between a mortgage and a new issue of shares to fund the factory purchase:
  - cost of finance – interest vs dividends, establishment costs
  - ownership/control and voting rights
  - time taken to access finance
  - assets to secure finance
  - tax implications
  - effects on gearing
  - interest rate volatility or ability to fix interest rates.

## Section IV

### Question 26

Criteria	Marks
<ul style="list-style-type: none"> <li>• Draws out and clearly relates the implications of a situational analysis (SWOT, PLC) on marketing strategies</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 a situational analysis (SWOT, PLC) and marketing strategies</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 a situational analysis (SWOT, PLC) and marketing strategies</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 a situational analysis and/or marketing strategies</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 marketing</li> <li>• May identify case study/studies</li> <li>• Uses basic business terminology</li> </ul>	1–4

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

##### *Marketing Process*

- situational analysis
  - SWOT (strengths, weaknesses, opportunities, threats)
  - product life cycle

##### *Marketing Strategies*

- market segmentation, product/service differentiation and positioning
- products – goods and/or services
  - branding
  - packaging
- price including pricing methods – cost, market, competition-based
  - pricing strategies – skimming, penetration, loss leaders, price points
  - price and quality interaction
- 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
- place/distribution
  - distribution channels
  - channel choice – intensive, selective, exclusive
  - physical distribution issues – transport, warehousing, inventory
- people, processes and physical evidence
- e-marketing
- global marketing
  - global branding
  - standardisation
  - customisation
  - global pricing
  - competitive positioning.

**Question 27**

<b>Criteria</b>	<b>Marks</b>
<ul style="list-style-type: none"> <li>Clearly draws out and relates how human resource management strategies can improve the process of employee acquisition and maintenance</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 management strategies and improvement in the process of employee acquisition and maintenance</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 management strategies that can improve the process of employee acquisition and maintenance</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 the process of employee acquisition and/or maintenance</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 management</li> <li>May identify case study/studies</li> <li>Uses basic business terminology</li> </ul>	1–4

**Answers could include:**

Processes of human resource management:

- Acquisition
- Maintenance

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.

# 2021 HSC Business Studies Mapping Grid

## Section I

Question	Marks	Content	Syllabus outcomes
1	1	Finance – cost centres	H4
2	1	Human Resources – key business functions	H4
3	1	Operations – technology	H2
4	1	Human Resources – common law contracts	H3
5	1	Marketing – factors influencing choice	H2
6	1	Human Resources – business cycle	H2, H5
7	1	Marketing – promotional mix	H5
8	1	Marketing – types of markets	H1
9	1	Marketing – effectiveness	H6, H8
10	1	Operations – transformation process	H4
11	1	Operations – global inputs	H1, H2
12	1	Operations – corporate social responsibility	H2, H3
13	1	Finance – expense	H10
14	1	Operations – warranties	H4
15	1	Human Resources – management strategies	H5
16	1	Marketing – approaches	H2
17	1	Human Resources – dismissal	H5
18	1	Finance – factoring	H8
19	1	Finance – derivatives	H10
20	1	Finance – capitalisation	H8, H10

## Section II

Question	Marks	Content	Syllabus outcomes
Question	Marks	Content	Syllabus outcomes
21 (a)	2	Operations – inputs	H4, H8
21 (b)	4	Operations – scheduling and sequencing	H5, H8
21 (c)	4	Operations – management strategies	H2, H4, H5
22 (a)	2	Finance – financial reports	H8, H9, H10
22 (b)	3	Finance – financial risks in global markets	H2, H8, H10
22 (c)	5	Finance – processes, profitability	H6, H8, H10
23 (a)	2	Human resources – corporate culture	H3, H5
23 (b)	2	Human resources – outsourcing	H2, H4
23 (c)	6	Human Resources – influences on HR management	H2, H3, H4
24 (a)	3	Marketing – marketing strategies	H3
24 (b)	3	Marketing – influences	H3, H7

Question	Marks	Content	Syllabus outcomes
24 (c)	4	Marketing – consumer law	H2, H3

**Section III**

Question	Marks	Content	Syllabus outcomes
25	20	Operations – influences and strategies Finance – debt and equity	H2, H3, H8, H9

**Section IV**

Question	Marks	Content	Syllabus outcomes
26	20	Marketing – strategies	H1, H2, H7, H8, H9
27	20	Human Resources – processes of management	H4, H5, H6, H8, H9