



## 2017 Trial Examination

STUDENT NUMBER

Figures


Words

Letter

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# BUSINESS MANAGEMENT

## Unit 1 – Written Examination

Reading time: 15 minutes

Writing time: 2 hours

### QUESTION & ANSWER BOOK

#### Structure of book

<i>Number of questions</i>	<i>Number of questions to be answered</i>	<i>Number of marks</i>
18	18	65

- Students are permitted to bring into the examination room: pens, pencils, highlighters, erasers, sharpeners and rulers
- Students are NOT permitted to bring into the examination room: blank sheets of paper and/or white out liquid/tape.
- No calculator is permitted in this examination.

#### Materials supplied

- Question and answer book of 12 pages.

#### Instructions

- Print your name in the space provided on the top of this page.
- All written responses must be in English.

**Students are NOT permitted to bring mobile phones and/or any other unauthorised electronic communication devices into the examination room.**

## The Daily Grind

Paul and Sophie want to start up a coffee shop with a difference. Sophie is semi-retired and has a long history working in hospitality. She is very popular, hardworking and has the personality trait of being able to read people. Sophie believes the coffee should be organic and sourced from a raintree forest alliance supplier. She is meticulous in cleanliness and shows great concern for the environment.

Paul was recently made redundant from an IT firm. Prior to this he ran his own computer repair shop. Paul has developed a new app that allows customers to order a specific coffee, pay for it, and be ready at a precise time. The app also acts as a loyalty program and notifies customers when their coffee is actually ready.

The coffee shop is located directly opposite the entrance to a busy railway station and bus interchange, in a group of about 30 shops in an affluent eastern suburb.

### Question 1 (2 marks)

Define the following terms:

- innovation

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- entrepreneurship

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**Question 2 (3 marks)**

Identify and describe two other sources of business opportunity.

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**Question 3 (2 marks)**

Outline two reasons why you think Paul and Sophie may wish to start their own business.

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**Question 4 (2 marks)**

Explain the importance of goal setting in business.

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**TURN OVER**

**Question 5 (4 marks)**

Sophie decides to undertake some initial market research. Describe two methods of market research Sophie could use.

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**Question 6 (4 marks)**

Identify and describe two methods by which a culture of business innovation and entrepreneurship may be fostered in a nation.

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**Question 7 (2 marks)**

Paul thinks a feasibility study should also be undertaken. Describe a feasibility study.

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**Question 8 (2 marks)**

Outline two key legal and government regulations affecting businesses in the planning stage.

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**Question 9 (4 marks)**

Explain how societal attitudes and behaviour such as values, beliefs and trends can affect the Daily Grind Coffee Shop.

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**TURN OVER**

**Question 10 (2 marks)**

Outline two advantages of preparing a business plan.

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**Question 11 (4 marks)**

Paul is concerned about interest rates and tax rates. Explain how these rates affect business planning.

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**Question 12 (4 marks)**

Describe two factors from the operating environment that may affect the Daily Grind Coffee Shop.

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**Question 13 (5 marks)**

Evaluate Paul & Sophie’s choice to establish their business as either a partnership or a private limited company.

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**TURN OVER**

**Question 14 (1 mark)**

Sophie is considering establishing the business as a social enterprise. Define social enterprise.

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**Question 15 (2 marks)**

The coffee shop is a bricks and mortar business. Compare this type of business to an on-line business.

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