

**VCE Unit 2** **Business Management**

**2018**

**Question and Answer Booklet**

**STUDENT NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**TEACHER(S):** Mrs. Monique McCorry Mrs Julie Emerson-Drake

**TIME ALLOWED: Reading time**  **minutes**

**Writing time**  **minutes**

**INSTRUCTIONS**

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| **You are not permitted to use notes, texts or a dictionary.**  **You are to answer each question in space provided.**  **Do not write in pencil.** |

**STRUCTURE OF BOOKLET / MARKING SCHEME**

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| Number of questions | Number of questions to be answered | Total marks |
| SECTION A  SECTION B  SECTION C  TOTAL | 3  3 3  9 | 9  25 21  55 |

**Instructions**

Answer all questions in the spaces provided.

**Section A (9 marks)**

**Question 1 (4 marks)**Describe the importance of meeting the following legal requirements when establishing a business.

1. Work safe insurance 2 marks

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1. Trade practices legislation 2 marks

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**Question 2 (2 marks)**

Explain two reasons why a business would need policies when starting a business.

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**Question 3 (3 marks)**

Rebecca and Julia have decided to start a new clothing business and have named it Mojo Fashions. They want to create funky, bohemian clothing for open-minded and socially responsible youth aged between 15 and 30. The owners want to design and make the fabrics in Victoria and use pure and natural fabrics, including vegetable dye cotton and natural silk, and only use ethical suppliers.

a. Define the term ‘corporate social responsibility’. 1 mark

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b. In relation to Mojo Fashions, explain one benefit and one weakness of choosing suppliers that meet the business’s corporate social responsibility objectives. 2 marks

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END OF SECTION A

**Section B (25 marks)**

**Question 1 (8 marks)**

Cal is planning to open a vegan restaurant called Vegan Delights in Melbourne. He has been researching trends in the restaurant scene and has found that there is a trend towards healthy vegetarian and vegan eating in the area. He has also identified the ‘Netflix culture’ among many young workers who prefer to dine at home using apps such as Foodora and Uber Eats to order home-delivered food rather than visit a restaurant on working days. Cal is considering whether to open Vegan Delights as a restaurant and partner with an online food delivery company, or operate as a ‘dark kitchen’, which is the term used to describe a kitchen in the back alleys of inner-city Melbourne that prepares food for an online food delivery company such as Deliveroo. The second option will enable him to minimise his overheads and offer vegan dishes to a growing customer base that is digitally active and convenience driven.

a. Describe one market research practice Cal could use to gather information about the changing food habits of young workers in Melbourne. 2 marks

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b. Define the term ‘target market’. 1 mark

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c. With reference to the case study, explain why it could be important for a business to generate a customer database. 2 marks

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d. Describe one external environment factor that will affect Cal’s ability to establish a customer base.

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e. Propose a customer relations strategy that Cal could use to promote the business once it is established. 1 mark

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**Question 2 (7 marks)**

Cal has established a café named Vegan Delights and has decided to offer a calorie-based balanced meal plan, named ‘Slim and Trim’ with the help of his dietician wife. The meal plans will be designed to cater for customers’ needs. Cal will prepare and deliver them daily.

Analyse how the following strategies from the 7 Ps model of marketing could be used by Cal to market his business:

* product
* price
* place

Recommend the most appropriate 7Ps strategy for the business to implement first.

7 marks

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**Question 3 (10 marks)**

Cal has received a number of complaints from his customers who are suffering from gastroenteritis after eating his food yesterday. A number of them have written negative reviews about his business on MenuLog and Zomato and there are fewer orders today. Also, a complaint has been lodged with the local council, which has arranged to undertake a food safety audit and assessment of his premises. Cal needs to resolve this crisis.

a. Define an objective. 1 mark

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b. Explain the relationship between public relations and business objectives. 3 marks

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c. With reference to the case study, explain the importance of public relations in maintaining a positive relationship with customers. 2 marks

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d. Propose and justify how Cal could use two elements of the crisis communication plan to manage the problem of customer complaints. 4 marks

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END OF SECTION B

**Section C (21 marks)**

**Question 1 (4 marks)**

Toytown is a Melbourne-based toy retailer that is expanding nationally and opening new stores in Sydney and Brisbane. The human resource manager, Jill Anderson, has been asked to recruit sales staff for each location.

Jill Anderson has the choice of using existing staff and relocating them or choosing new sales staff from outside the business.

Using examples, compare internal recruitment and external recruitment. 4 marks

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**Question 2 (4 marks)**

Explain one benefit for a business and one advantage for new employees of a well-run induction program. 4 marks

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**Question 3 (13 marks)**

Jill Anderson has decided to recruit casual staff to maximise staffing flexibility, especially in the early stages of expansion.

a. Discuss the implications of Jill’s proposed staffing strategy from the perspectives of both the business and its employees. In your answer, suggest and justify the most suitable employment arrangement for Jill’s business. 6 marks

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b. Outline one selection method Jill could use to select her sales staff and explain one advantage and one disadvantage of its use. 3 marks

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c. Explain two corporate social responsibility issues Jill needs to consider when staffing her business. 4 marks

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END OF QUESTION AND ANSWER BOOK

**Extra space for responses**

**Clearly number all responses in this space.**

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