

VCE Unit 1 Business Management

Semester 1 2019

Question and Answer Booklet

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

TEACHER(S): Ms Emerson-Drake Mr Harris

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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| Section Number of questions | Number of questions to be answered | Number of marks |
| A 8  B 6 | 8  6 | 34  21  **Total**  55 |

**SECTION A**

**Instructions for Section A**

Answer **all** questions in the spaces provided.

Alice is a vegan designer who values sustainable production methods and materials. She wants to start a business producing shoes using materials derived from pineapples. Pineapples can be used to produce a quality, leather-like substitute. Currently, there are few alternatives to leather. People who want to purchase shoes with a leather-like appearance (but not leather) choose plastic. Pineapple ‘leather’ is an innovative, sustainable material that provides a real alternative to using leather and plastic. However, it is not yet widely produced or used in the footwear and textiles industries. Pineapple ‘leather’ appeals to the vegan community who prefer not to wear leather shoes. It also appeals to environmentally conscious consumers who understand the impact of producing and using leather and the current alternatives, including plastic. Alice’s goal is to produce quality shoes for the vegan and environmentally conscious consumer.

**Question 1** (14 marks)

1. Describe how the following sources of business opportunity would affect Alice’s decision-making: 4 marks

* Innovation\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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* Changing customer needs\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. Explain a personal motivation driving Alice to start a new business. 2 marks

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1. Using examples, describe two business resource needs for Alice’s business. 4 marks

* Resource 1:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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* Resource 2: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. Compare a sole trader with a social enterprise.

4 marks

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**Question 2** (4 marks)

Analyse two important elements of goal – setting in a business.

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**Question 3** (2 marks)

Describe one characteristic of a successful business manager and one characteristic of a successful business entrepreneur.

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**Question 4** (4 marks)

Outline two ways that a business can contribute to the economic wellbeing of a nation.

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**Question 5** (1 mark)

Describe one legal or government regulation that may affect a business in the planning stage.

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**Question 6** (4 marks)

1. Define corporate social responsibility. 1 mark

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1. Evaluate one example of corporate social responsibility behaviour that a business could demonstrate. 3 marks

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**Question 7** (2 marks)

Explain one way that interest rates may affect business planning.

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**Question 8** (3 marks)

Describe how crowdfunding works as a source of finance. Discuss its advantages and disadvantages.

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**SECTION B**

**Instructions for Section B**

Answer **all** questions in the spaces provided.

Sam has recently graduated as a pharmacist and plans to open a new pharmacy in the suburb he grew up in – ‘Sam’s Pharmacy Store’. He wants to operate as an independent owner and manager of the store. Sam has definite ideas about how he wants to develop the business, and therefore wants complete control over decision-making.

He wishes to employ two pharmacists to work at the store as employees. He will also need to employ shop assistants.

After 24 months of operating Sam’s Pharmacy Store, Sam is quite happy with how his business has grown in the community. Customer feedback from a satisfaction survey suggests that customers are happy with their experience. Customers are happy with the expert advice provided by the pharmacists and the timely filling of prescriptions. The staff are friendly, patient and helpful in answering customer questions.

However, customers do complain that the products offered are more expensive than online products. The store is also quite small so does not stock a large range of goods. Sam is also nervous that another pharmacy is planning to open at the new shopping centre currently being built.

Sam is thoughtful about the new private hospital that will be opening in 18 months. The local newspaper is advertising for traders to fill the vacant retail stores on the ground floor.

**Question 1** (3 marks)

Identify the business model that Sam will adopt at his pharmacy. Describe one advantage and one disadvantage of this model.

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**Question 2** (4 marks)

Analyse the decision to establish a new business instead of purchasing an existing business.

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**Question 3** (2 marks)

Describe the legal business structure that would best suit Sam.

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**Question 4** (6 marks)

Propose and discuss two possible location options for Sam. In your answer, include reference to two factors affecting the choice of a location.

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**Question 5** (4 marks)

Sam is reviewing the performance of his business in its first two years. To help Sam undertake strategic planning for the future, he would like to undertake a SWOT analysis. Explain how Sam would do this for his business.

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**Question 6** (2 marks)

Describe one situation where a business owner might need to use a support service.

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**Extra space for responses**

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