**SECTION A: The business idea**

**Instructions**

Read the following case study and answer **all** questions in the spaces provided.

**PAWFECT PAWZ PHOTOGRAPHY**

Pawfect Pawz Photography is a pet photography business established by owner Sally Mitchell. Sally has a background in wedding photography and worked in the past for a large business as both a photographer and videographer.

Sally decided to start her own business in pet photography following the increasing popularity of photo-sharing websites such as Facebook and Instagram. She was also inspired by many wedding clients asking for photos with their pets.

At Pawfect Pawz Photography, Sally offers photography services for pets such as cats, dogs, birds and rabbits. She provides a range of costumes and themes for pets, as well as a variety of airbrushing services. Clients may choose their own location for a photography session with their pet.

Sally operates in the southern suburbs of Melbourne where pet ownership is at an all-time high. Due to a rapid increase in bookings, she is considering a new business concept of Santa themed pet photos at Christmas time.

Sally is also thinking about expanding her business by developing a range of pet treats made from natural and nutritious ingredients, which she could display at photo sittings.

**Question 1** (2 marks)

Define business concept development using an example from the case to support your answer. 2 marks

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**Question 2** (2 mark)

Explain how the desire for financial independence might have been a personal motivation for Sally to start her business.

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**Question 3** (2 marks)

Identify one characteristic of an entrepreneur and state how possessing this characteristic would help Sally to be a successful business owner.

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**Question 4** (4 marks)

Explain how each of the following sources of business opportunity would help with the establishment of Pawfect Pawz Photography.

**i.** Changing customer needs:

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| **ii.** Technological development:  |
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**Question 5** (3 marks)

Outline the importance of goal setting for Sally at Pawfect Pawz Photography and suggest a goal for Pawfect Paws.

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**Question 6** (4 marks)

**a.** Explain one way Pawfect Pawz Photography could contribute to the economic wellbeing of the nation. (2 marks)

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| **b.** Explain one way Pawfect Pawz Photography could contribute to the social wellbeing of the nation. (2 marks) |
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**SECTION b: external environment**

**Instructions**

Read the following case study and answer **all** questions in the spaces provided.

Just Jeans is an Australian-owned jeans retailer that has 400 physical stores across Australia and New Zealand, as well as an online store.

In 2019, according to Australian Bureau of Statistics figures, retail spending was found to be at its lowest level since the Australian recession of the 1990s. A key reason for the reduced spending is high levels of household debt, low wage growth and consumers’ concerns about their job security.

**Question 1** (5 marks)

**a.** Distinguish between the macro environment and the operating environment of abusiness. Use examples of each to support your answer.

 3 marks

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**b.** Global issues include pressure from overseas competitors, overseas markets and online sales.

 Justify how one global issue and might operate as a pressure on business planning at Just Jeans. 2 marks

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**Question 2** (6 marks)

Describe and discuss two external factors that could influence business planning at Just Jeans.

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**Question 3** (2 marks)

Describe one impact of a possible technological development on business planning at Just Jeans.

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**Question 4** (4 marks)

Despite the retail sector’s decline, Just Jeans believes now is a good time to launch its ‘Green Jeans’ corporate social responsibility initiative. Just Jeans has identified two strategies to support this initiative:

1. 50% of all energy consumption to be solar generated
2. To source 90% of materials from local suppliers rather than from overseas.

Discuss Just Jeans’ corporate social responsibility strategies.

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**SECTION C: internal environment**

**Instructions**

Read the following case study and answer **all** questions in the spaces provided.

Flo’s Fitness Centres is an Australian gym business started by Florence and her two business partners Nabin and Jesse, who pooled their savings to start the business.

Flo’s Fitness Centres offer a range of different products and services, including group fitness classes, one-on-one personal training, cardio machines and strength training with weights. It also offers an on-site child care centre allowing working parents to participate in specific fitness programs.

**Question 1** (8 marks)

**a.** Using an example, outline one resource that Flo’s Fitness Centres would have required to establish the business. 2 marks

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**b.** Identify and justify one source of finance that could have been be used to establish Flo’s Fitness Centres. 2 marks

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**c.** Compare the legal business structure used by Flo’s Fitness Centres with one other type of legal business structure. 4 marks

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**Question 2** (8 marks)

**a.** Outline two factors that Florence, Nabin and Jesse could have considered when choosing a location for their fitness centres. 2 marks

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**b.** The COVID-19 restrictions has prompted Flo’s Fitness Centres to consider shifting permanently to an online business model.

 Evaluate the suitability of this business model for Flo’s Fitness Centres. 6 marks

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