

**VCE Unit 1 Business Management**

**EXAMINATION**

**Semester 1 2021**

**Question and Answer Booklet**

**STUDENT NAME: Answers**

**TEACHER(S):** Ms Emerson-Drake and Mr Harris

**TIME ALLOWED: Reading time 15 minutes**

**Writing time 90 minutes**

**INSTRUCTIONS**

**You are not permitted to use notes, texts or a dictionary.  
You are to answer each question in the space provided.  
Do not write in pencil. Write in black or blue pen only.**

**STRUCTURE OF BOOKLET / MARKING SCHEME**

|  |  |  |
| --- | --- | --- |
| Exam Section | Number of questions to be answered | Total marks |
| SECTION A  SECTION B  TOTAL | 8  4  12 | 35  15   50 |

**SECTION A** (35 marks)

**Instructions for Section A**

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

**Question 1** (3 marks)

Describe the external environment of a business.

*Marking guide:*

*Describe = provide detailed features of this concept.*

*Eg. external environment = outside factors – 1 mark*

*Eg. macro factors = pressures or forces – 1 mark*

*Eg. operating factors = interacting factors – 1 mark*

Sample answer:

The external environment consists of all factors outside the business. It includes macro factors (such as societal attitudes) that act as forces on a business and operating factors (such as competitors) that interact with a business when conducting its activities. Both of these factors are outside the control of the business.

**Question 2** (2 marks)

Define **one** operating and **one** macro factor:

*Marking guide:*

*Each factor – 1 mark each*

*TIP: one EXAMPLE of each factor – NOT theory.*

Sample answer:

One operating factor is a competitor which is a rival business in the same market for products or services offered by the business.

One macro factor is societal attitudes which is the tendency to evaluate a product or a business in a specific way resulting in positive or negative beliefs about a product or business.

**Question 3** (7 marks)

‘FastaPasta’ is a local pasta restaurant that offers special requirements to customers. It asks customers to select any relevant special requirements when making an online booking. Special requirements that can be chosen include the following:

* Shellfish allergy
* Pregnant
* Dog
* Elderly
* Anniversary

1. Define a customer. 1 mark

*Marking guide:outline key points to identify this term – 1 mark*

*TIP: avoid circular language (eg. avoid defining the term with the SAME term)*

Sample answer:

A customer is an individual who buys goods or services from a business.

1. With reference to **one** of the listed examples above, describe why it is important for a business to meet customer needs and expectations. 2 marks

*Marking guide:*

*Reference ONE of the listed examples – 1 mark*

*Link of WHY making a business decision to meet the needs of this one example is IMPORTANT.- 1 mark*

Sample answer:

It is important for a business to meet customer needs and expectations so that it provides **value** for the customer when they purchase a good or service. For example, customers with a shellfish allergy would like to have confidence that they can order a ‘special requirement’ pasta meal free from any allergic food ingredients. Meeting these needs would increase business sales and profit.

1. Describe how the owners of ‘FastaPasta’ could achieve the personal motivation of ‘to make a profit.’ 2 marks

*Marking guide:*

*Outline of what ‘to make a profit’ is – 1 mark*

*Give a specific example of what the business could do to either increase sales revenue or decrease expenses to achieve this motivation – 1 mark*

Sample answer:

To make a profit is when sales revenue exceeds business expenses resulting in surplus funds. The owners of ‘Fasta Pasta’ could introduce new pasta meals to increase sales revenue to increase profit. For example, a new range of seafood pasta dishes that do not contain shellfish to attract an increasing number of customer sales to increase profits.

1. Propose **one** legal and government regulation that could be considered by the business in its planning stage. 2 marks

*Marking guide:*

*Clear identification of ONE specific law or government regulation.*

*Explanation of HOW this would affect busines decision-making – 1 mark*

Sample answer:

One legal regulation could be a council planning permit to place outdoor seating on the suburban footpath. This would be considered by ‘FastaPasta’ when decising on the number of tables and chairs it would like to have on the footpath.

*[could also consider ‘Occupational Heath & safety Laws’, Environmental legislation (eg. use of recycled bamboo cutlery or paper napkins) or employment laws (eg. minimum wages for staff as per industry awards)]*

**Question 4** (3 marks)

Table 1. Changes in employment in Australia from March 2020 to March 2021

<https://www.smh.com.au/politics/federal/record-number-of-people-in-work-as-jobless-rate-falls-in-march-20210415-p57jfr.html>

![Graphical user interface, chart

Description automatically generated]()

Interpret the data provided in Table 1 above to justify how the economic condition of consumer confidence could affect business planning.

*Marking guide:*

*Interpret data – 1 mark*

*Justify HOW optimism about the economy can affect business decision-making – 2 marks*

Sample answer:

Consumer confidence is when customers are optimistic or pessimistic about economic activity. If customers are feeling confident then they are more likely to increase their total spending on goods or services or purchase more expensive, luxury goods from a business. The data above shows that the number of people with a job has increased in the recent months of 2021, indicating that consumers have increased confidence to purchase an increased supply of goods due to increased employment options and job security. Thus a business could successfully expand its product range with the strong belief that total sales will increase.

**Question 5** (4 marks)

|  |  |
| --- | --- |
| **Goal 1**:  Australia has a goal to vaccinate all Australians with a COVID-19 vaccine.  A range of vaccines will be used to achieve this.  These will used for particular groups in society or according to availability.  Individuals will choose a range of locations to achieve this goal. | **Goal 2**:  Australia has established a goal to vaccinate all Australians with a COVID-19 vaccine with the following dates:  Phase 1a – priority groups - March, 2021  Phase 1b – by end April, 2021.  Phase 2a – by end June, 2021.  Phase 2b – by end July, 2021.  Phase 3 - all Australians – by early November, 2021.  Vaccines to be used include AstraZeneca and Pfizer. |

1. Define a goal. 1 mark

*Marking guide:*

*use key identifying features such as an objective in a time period- 1 mark*

Sample answer:

A business goal is an objective that a business aims to achieve over a set period of time. It represents future aspirations.

1. Select and recommend the most appropriate goal from the data above. 3 marks

*Marking guide:*

*Select – 1 mark*

*Recommend – 2 marks (link to features of goal glossary and elements of goal-setting. Eg. clarity, challenge, feedback, complexity, commitment) using evidence.*

Sample answer:

The most appropriate option is goal 2. This is because it includes **clarity** with specific, measurable steps that need to be taken (eg. Phase 1a of priority groups by March 2021) and a timeframe for each step. This will also help Australia be **committed** to the goal as it understands the successful steps needed for completion of this goal.

**Question 6** (8 marks)



Weekend visitation at Emporium Melbourne, March 2021

<https://www.theage.com.au/business/companies/signs-of-life-are-emerging-from-city-retail-train-wreck-20210326-p57e93.html?btis>

1. A popular choice of location is a shopping centre. Discuss the factors that would affect the choice of this location. 4 marks

*Marking guide:*

*Pros of specific factors – 2 marks*

*Cons of specific factors – 2 marks*

Sample answer:

A positive for a business of choosing to locate their business in a shopping centre is that there is high proximity to target customers (ie. Those with relevant ages, incomes and interest in the product). Another positive is access to complementary businesses where a customer may purchase more than 1 item to benefit another (eg. a new bed and a complementary sheet set from a bedlinen store)

However, a negative of this location choice is the high store rent costs.

Another negative is the high cost of labour to staff this store instead of a mobile van businesses.

[proximity to suppliers, foot traffic, amount of competition]

1. Many businesses located in a shopping centre are public listed companies. Describe a public listed company as a type of business structure. 2 marks

*Marking guide:*

*2 or 3 features – 2 marks*

*TIP: include clear features eg. LOOP ideas*

Sample answer:

A public listed company is owned by unlimited number of public shareholders. These owners receive profits as a dividend payment to reward investment. This business structure has limited liability meaning that the owners are not personally responsible for the business debts.

1. Explain **one** benefit for a business of establish as a public listed company. 2 marks

*Marking guide:*

*Identify one benefit – 1 mark*

*Explain one benefit – 1 mark*

Sample answer:

One benefit is the ability to raise large capital funds for expansion. This is due to the business selling shares to members of the general public on the Australian Securities’ Exchange (ASX)

**Question 7** (6 marks)

Business resources include natural, capital and labour resources. Describe each of these resources, using a business example to illustrate your answer.

*Marking guide:*

*Explanation of each factor in theory – 1 mark*

*Example for each factor – 1 mark*

* Natural

Sample answer:

These are raw materials that have economic value eg. timber, fruit and vegetables. For example, Cadbury chocolate uses cocoa beans from a tree.

* Capital

Sample answer:

These are human-made items used in the process of production. For example, Cadbury chocolate uses machinery and equipment to mix its chocolate ingredients.

* Labour

Sample answer:

This is the human physical and mental effort required to create products or services. Eg. a waite for a restaurant using physical effort to sell meals.

**Question 8** (2 marks)

For **one** of the resources described in question 7, explain **one** factor that would affect its choice.

*Marking guide:*

*Clear identification of one factor – 1 mark*

*Explanation of one factor – 1 mark*

Sample answer:

For a capital resource, a business would want quality machinery or equipment. This would mean that these items are of a high standard so that they do not easily break down resulting in replacement or repair.

**SECTION B: CASE STUDY** (15 marks)

Instructions for Section B

Use the case study provided to answer the questions in this section. Answers must apply to the case study. Answer **all** questions in the spaces provided.

**Case study – Plastic and fantastic**

Steph Gabriel is a Queensland scientist who became an entrepreneur creating her sustainable swimwear start-up ‘Ocean Zen’. She has developed an innovative product – swimwear made from recycled plastic bottles and fishing nets = S

Her slogan is ‘saving the ocean – one bikini at a time.’

S = She was motivated to meet a social need by reducing the amount of rubbish clogging the sea. The key chapter was her year working with the Southern Atlantic stingrays in the Cayman Islands. Her mermaid-like role was to dive and lure the stingrays to the surface so that tourists could take photographs. The experience deepened her love of the sea and created anxiety about the amount of rubbish she saw in it – creating a longing to be a voice for sustainability.

W = Every year around 640,000 tonnes of ‘ghost fishing gear’ enter our ocean and become adrift = cost of collecting and recycling plastic fishing nets.

These can stay in the ocean for up to 600 years and are the silent killers of our marine life. Whales, seals, sharks, dolphins, turtles and so many more precious marine species are subject to suffocation and slow, painful deaths.

Steph has received many awards for her design = S including the ‘Ethical and Sustainability’ award at the Sunshine Coast Business Awards. Although a smaller brand than others, ‘Ocean Zen’ uses Instagram to share the story and receive free marketing. Her social media following boasts 19,000 followers on Instagram and 4,000 on Facebook = S or O Her social media tip is to embrace passionate authenticity so that people can connect to her story. As a self-funded brand, Steph is the only full-time employee = W limited funds for expansion as only owner / employee

but she uses contractors in design, marketing and public relations.

Steph’s entrepreneurial tip is to have a vision. Instead of just packing bikinis every day, Gabriel pursues business concept development to have a strategic goal.

<https://oceanzenbikini.com/pages/sustainable>

**Question 1** (1 mark)

Explain **one** way that societal attitudes could influence the start-up of ‘Ocean Zen’.

*Marking guide:*

*Use key terms to explain HOW this concept influences start-up of business – 1 mark*

Sample answer:

Societal attitudes are the positive or negative beliefs towards a business. This influences ‘Ocean Zen’ as customers have a positive view of sustainable products such as their swimwear.

**Question 2** (4 marks)

Propose **two** contributions that ‘Ocean Zen’ could make to improve the economic wellbeing of the Australian nation.

*Marking guide:*

*Identify and explain each contribution – 2 marks each*

*TIP: CSR is NOT an economic contribution*

Sample answer:

One contribution is employment. As ‘Ocean Zen’ expands, it could employ more individuals. These individuals improve economic wellbeing because they an earn an income which they then use to buy goods to support other businesses in the economy.

Another contribution is taxation revenue. Employees pay tax on wages earnt which provides government funds. These funds are used to build services such as roads, schools and public transport to improve economic wellbeing.

**Question 3** (4 marks)

1. Describe corporate social responsibility. 2 marks

*Marking guide:*

*Use key terms of ethical decisions, positive impact on environment and community.*

Sample answer:

This is where a business commits to decision-making that considers the economic, community and environmental consequences of its activities to benefit many stakeholders now and in the future.

1. Discuss how this corporate social responsibility issue would be considered by ‘Ocean Zen’ when planning this business venture. 2 marks

*Marking guide:*

*Pro of this decision – 1 mark*

*Con of this decision – 1 mark*

Sample answer:

A positive of this business making swimwear from recycled plastic bottles in that it reduces landfill rubbish in the ocean, thus appealing to environmental customer values to increase sales.

A negative of this decision is that it would be expensive for the business to develop a fabric from this material due to the research and development required to produce a usable fabric from this waste.

**Question 4** (6 marks)

Apply the SWOT analysis planning tool to Ocean Zen’s decision-making. In your answer, reference **one** source of finance that could be used by Ocean Zen during the start-up process.

*Marking guide:*

*SWOT analysis – 4 marks*

*Outline one source of finance – 2 marks*

Sample answer:

Strength – reducing landfill waste in ocean when making swimwear

Weakness – one owner = limited funds for business expansion (product range or number of stores or online presence)

Opportunity – possibility to further reduce waste with product expansion given scale of waste in oceans OR further use of social media

Threat – poor summer weather OR competitors copying idea at a lower price OR with beter product features.