



**HIGHER SCHOOL CERTIFICATE EXAMINATION**

**1996**

# **BUSINESS STUDIES**

**3 UNIT (ADDITIONAL)**

*Time allowed—One hour and a half  
(Plus 5 minutes' reading time)*

**DIRECTIONS TO CANDIDATES**

- Board-approved calculators may be used.
- Attempt TWO questions, each from a different option.
- All questions are of equal value.
- Answer each question in a *separate* Writing Booklet.
- You may ask for extra Writing Booklets if you need them.

**BUSINESS AND TECHNOLOGY***EITHER***QUESTION 1.** (25 marks)

Australian banks are increasing their technology spending as they prepare for a new era of electronic banking. Technology leadership will decide industry winners.

- (a) Discuss the role of technology in organisational performance.
- (b) Explain why some industries have adopted the use of computer technology more rapidly than others.
- (c) Analyse and evaluate the evolving nature of technology in industries such as banking, as outlined above.

*OR***QUESTION 2.** (25 marks)

Antonio Vivaldi runs a manufacturing business which also wholesales and retails its products. Marco, Antonio's son, is not happy with the business's performance, as he feels it is no longer competitive.

Marco has approached you as a business consultant to help convince his father to improve the business through the application of technology.

Marco particularly wants you to show Antonio how other businesses have responded to technological change.

Write a report to Antonio:

- (a) outlining the application of automated technology to business;
- (b) explaining how investment in technology can lead to improvement in the organisational performance of his business;
- (c) analysing the effects of the costs of technological change on the internal business environment.

**FINANCIAL MARKETS***EITHER***QUESTION 3.** (25 marks)

You are employed as a financial analyst in a suburban investment firm. A client has drawn your attention to the following newspaper article.

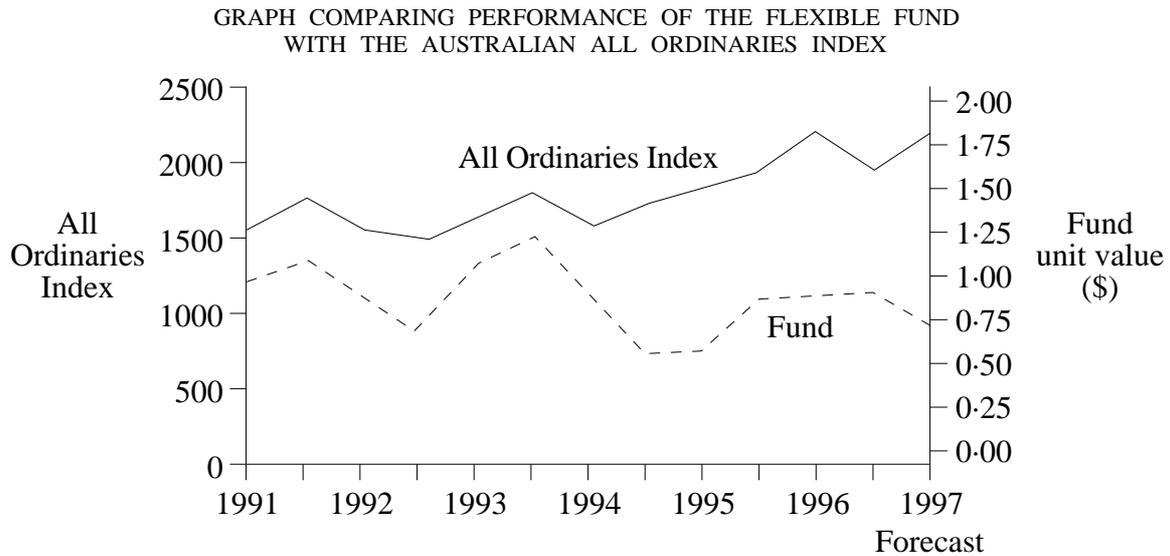
**TRUST IN CASH MAKES PROFIT**

Cash is still king for many investors, despite interest rates halving in the past six years. And the wonder funds of the late 80s, cash management trusts (CMTs), are again in favour.

The client usually invests in the following types of securities:

- listed and unlisted shares;
  - long-term and short-term loans;
  - secured and unsecured debt.
- (a) Prepare a report for the client, explaining:
- (i) the role and characteristics of the different types of securities;
  - (ii) why the securities have different risks.
- (b) Discuss why investors would prefer to invest in cash when interest rates are falling.

*OR*

**QUESTION 4.** (25 marks)

Your parents recently retired, receiving \$300 000, and are seeking your advice. They are interested in investing in the Flexible Fund. This fund aims at consistently outperforming the Australian All Ordinaries Index. It also aims to provide a high-growth return.

FLEXIBLE FUND ASSET MIX

|                           |     |
|---------------------------|-----|
| Australian shares         | 67% |
| International shares      | 30% |
| Short-term fixed interest | 3%  |

- (a) The Flexible Fund has not met its objectives. Give possible reasons for this.
- (b) Explain the importance of matching investors' objectives with those of an investment fund.
- (c) Analyse how risk and return should be taken into account, and whether the Flexible Fund would provide a suitable investment for recent retirees.

**HUMAN RESOURCES MANAGEMENT***EITHER***QUESTION 5.** (25 marks)

**CUSTOMER SERVICE LTD**  
**Installers Wanted**

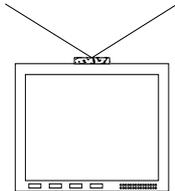
*A challenging career in the pay television industry awaits the right people.*

People who:

- have previous experience in customer service, both internal and external;
- are physically fit;
- are able to work solo or as part of a team;
- maintain high standards of customer service and work quality;
- are able to promote products and services on site.

You must hold a current light-truck driver's licence, and be willing to develop skills through training courses.

Apply to: Gabriel Felkai  
Phone: (xx) xxxx



The advertisement above is an important part of the recruitment and selection process of a business.

- (a) Outline the human resource management procedures which should have been undertaken before this advertisement was placed.
- (b) Refer to a business you have studied.
- (i) Identify the characteristics of an effective induction program.
  - (ii) Evaluate the methods firms may adopt to ensure the retention of their fully-trained staff.

*OR*

**QUESTION 6.** (25 marks)

The managers of Ruby Supermarkets Ltd have experienced difficulty in finding full-time check-out operators. To overcome this problem, they are considering two alternative strategies:

- reorganise their human resources
- computerise their stock system and introduce electronic scanners.

If they adopt the second strategy, there will be retrenchment of staff in both check-out and stock management areas.

- (a) Explain how Ruby Supermarkets may overcome its staffing problem through better human resource management.
- (b) Analyse the different methods Ruby Supermarkets may use to downsize its workforce and comply with current legislation.
- (c) Evaluate the impact on training programs of adopting the second strategy.

**PRODUCTION MANAGEMENT***EITHER***QUESTION 7.** (25 marks)

Production management is the organisation of all the factors involved in the production process.

Refer to at least ONE manufacturing business you have studied.

- (a) Outline the stages in producing a product.
- (b) Explain the role of planning in the production process.
- (c) Evaluate the impact of social issues on manufacturers.

*OR***QUESTION 8.** (25 marks)

Slash Printing is a manufacturer of screen-printed products. The products range from complex 'one-off' items such as signs or banners, to large runs of 'T-shirts' produced in batches of up to 500 units. Leo Tan, the owner of Slash Printing, has recently invested heavily in computerised design equipment and production machinery. As a result, he employs fewer screen printers and more computer operators.

- (a) Describe the types of production processes that operate at Slash Printing.
- (b) Discuss the role of the production manager in implementing a strategic plan for Slash Printing.
- (c) Outline methods of achieving and maintaining quality control in this business.
- (d) Analyse the impact of the changes to Slash Printing on its workforce.

**INTERNATIONAL BUSINESS***EITHER***QUESTION 9.** (25 marks)

Governments continue to stress the importance of business exploiting the benefits of participation in the international economy. Yet, many businesses are choosing to reduce domestic production and establish plants offshore.

PHILIP HOLT, Chief Executive, *Australian Business Limited*, 1996

- Identify and explain the various methods of expansion into international markets.
- Outline the reasons for relocating production outside national boundaries.
- Analyse how specific economic, financial, cultural, legal, and business practices of international markets affect business success when expanding internationally.

*OR***QUESTION 10.** (25 marks)

The owner of an Australian fresh-food business saw the Asian growth forecasts as shown in the table below. She is now considering expanding the business by exporting produce into the Pacific Rim markets.

| <b>ASIAN GROWTH FORECASTS</b> |             |             |             |
|-------------------------------|-------------|-------------|-------------|
| % CHANGE OF GDP PER YEAR      |             |             |             |
|                               | <i>1997</i> | <i>1998</i> | <i>1999</i> |
| China                         | 10.0        | 9.0         | 8.5         |
| Korea                         | 9.4         | 7.5         | 7.0         |
| Hong Kong                     | 7.7         | 6.8         | 6.5         |
| Taiwan                        | 6.4         | 6.5         | 6.5         |
| Malaysia                      | 9.0         | 8.0         | 7.5         |
| Vietnam                       | 9.0         | 8.8         | 7.5         |
| Thailand                      | 8.6         | 8.5         | 7.5         |
| Singapore                     | 8.0         | 7.2         | 7.0         |
| Philippines                   | 5.5         | 6.0         | 7.0         |
| Sri Lanka                     | 5.5         | 7.4         | 7.1         |
| Pakistan                      | 4.7         | 6.0         | 7.0         |
| India                         | 3.9         | 5.0         | 5.0         |
| Bangladesh                    | 3.9         | 5.0         | 5.0         |
| Overall average               | 8.0         | 7.4         | 7.1         |

Write a report for the owner:

- outlining the advantages of international expansion into these markets;
- discussing the role of government agencies and international agreements in assisting the expansion of this business;
- analysing the potential effects of financial and cultural influences on this business in its expansion into the Pacific Rim market.