



B O A R D O F S T U D I E S
NEW SOUTH WALES

HIGHER SCHOOL CERTIFICATE EXAMINATION

1998

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)

The evolution of the electronic office in Australia is having widespread effects on the way people in firms conduct business.

- (a) Outline and discuss the benefits of the electronic office in the internal business environment.
- (b) Identify the social, personal and business issues arising from the electronic office.
- (c) Appraise the application of technology to various aspects of a business you have studied.

OR

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

Two ferry companies compete for commuter passenger traffic in a large commercial harbour. Both have recently purchased expensive boats called 'Venturers', that have very low running costs. Their biggest operating cost is now labour, as each boat requires a captain, a ticket collector and a deck-hand. Now a new boat, the 'Harbourcat', has been developed which has automatic ticket machines and a computerised docking mechanism enabling a safe and effective one-person operation.

- (a) Discuss the relationship between the recent investment in 'Venturers' and the performance of the ferry companies? How will the development of the 'Harbourcat' affect the likely future performance of the companies?
- (b) Examine the benefits and costs the ferry companies would have to consider when deciding whether to purchase Harbourcats. How would this decision be different if the two companies were merged?

FINANCIAL MARKETS

EITHER

QUESTION 3. (25 marks)**NEWSFLASH**

The Australian stockmarket fell yesterday as investors deserted investments in the region, fearing another sell-off in Asian currencies. International traders did not want to buy Australian dollars after further turmoil in the region.

- (a) Explain the role of financial markets in the business environment.
- (b) Describe the activities of a major participant in financial markets. How has its role changed in recent times?
- (c) With reference to the above information and recent examples, discuss the impact of overseas events on Australian financial markets.

OR

QUESTION 4. (25 marks)**CAPITAL INVESTMENT BOOM COMING – but when?**

The historically low interest rates of the late 1990s should be a trigger for an acceleration of capital investment by businesses. Analysts are questioning whether this will become a reality or whether low interest rates will simply divert dollars into other investments.

- (a) Consider the basic criteria used by businesses in making investment decisions.
- (b) Examine the characteristics of TWO equity and TWO debt instruments traded in financial markets.
- (c) With reference to the above information, why might businesses be delaying capital investment?

HUMAN RESOURCE MANAGEMENT

EITHER

QUESTION 5. (25 marks)

Martin Ltd has a reputation for industrial unrest. Stoppages are frequent and workers are often late or absent. Management has only ever responded by periodically dismissing difficult employees, but the situation has not improved.

You are the new Human Resource Manager of Martin Ltd and are asked to write a report to improve the situation. Your report is to include:

- (a) an evaluation of the effectiveness of the current human resource management;
- (b) a package of measures to resolve differences between management and workers, with particular reference to grievance procedures and management training;
- (c) a motivation program, with justification for your choice of techniques.

OR

QUESTION 6. (25 marks)

Poor recruitment processes have been blamed for the increasing number of graduate trainees leaving their employer within one year of recruitment.

- (a) Outline the recruitment and selection processes. How might these processes be better applied to prevent the above situation occurring?
- (b) Identify the characteristics of an effective induction process.
- (c) With reference to a Case Study, explain the role of the Human Resource Manager in managing change in the workplace.

PRODUCTION MANAGEMENT

EITHER

QUESTION 7. (25 marks)**BALMAIN JETTIES**

Balmain Jetties specialises in the production of small jetties and wharves in Sydney Harbour. It uses the only crane-carrying barge on the Harbour, built at great expense thirty years ago. A new company, Riverside Constructions, has started making jetties and wharves using multiskilled, outsourced tradespersons and lower quality materials. By working at low tide they avoid the need for a specialised barge. Riverside's rates are considerably lower but, according to Balmain Jetties, their work suffers from faults that will not be obvious for many years to come.

- (a) Identify the production issues raised by these two different operations.
- (b) Discuss the social issues involved in the above situation.
- (c) What factors should Balmain Jetties consider with regard to replacing their barge, or changing their production procedures?

OR

QUESTION 8. (25 marks)

If Australian production is to succeed in the twenty-first century it must be innovative and quality conscious.

- (a) Outline the processes and procedures involved in designing a product, and how quality assurance should be applied.
- (b) For a business you have studied:
 - (i) Discuss its production management in terms of organising, leading and controlling.
 - (ii) With reference to the above statement, evaluate the chances of success of this business in the twenty-first century.

INTERNATIONAL BUSINESS

EITHER

QUESTION 9. (25 marks)

The Asian economic crisis of 1997–1998 has been characterised by depreciating currency values and hurried political decision-making. For Australian businesses either exporting into east-Asian markets or operating in east-Asian economies, the current crisis has increased the financial and other risk factors associated with their international ventures.

Using the above information as a guide, answer the following questions.

- (a) Outline the exchange rate risks faced by businesses when operating in overseas markets. How might these risks be overcome?
- (b) Identify the features of east-Asian markets that have influenced Australian businesses.
- (c) Discuss the possible changes that may occur in the composition, importance and direction of Australian trade as a result of the Asian economic crisis.

OR

QUESTION 10. (25 marks)

In developing a new product or service today it is no longer efficient to simply look at the Australian market. Management should at least see the region as their potential market, and probably the entire world.

- (a) Explain the relationship that exists between a strategic plan of a business and its expansion into new markets.
- (b) Discuss the financial and other attractions that expansion or relocation into overseas markets presents to Australian businesses.
- (c) Evaluate the methods of expansion, used by a business you have studied, to penetrate foreign markets and to improve international competitiveness.

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