

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

**HIGHER SCHOOL CERTIFICATE EXAMINATION**

**1999**

# **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 Internet has provided opportunities for businesses to expand their markets and to access an ever-increasing base of information about their external business environment. At the same time, such new technologies are costly and expose businesses and societies to external threats.

- (a) Outline the roles that information technologies can play in improving the productivity and profitability of a business.
- (b) Explain the contributions that information technologies can make to the efficient management of business information.
- (c) Evaluate the impact on the labour market of the increasing use by business of information technologies.

OR

**QUESTION 2** (25 marks)

- (a) Outline the role of innovation in the growth and development of technology used by business.
- (b) Explain the relationship between investment in technology and business productivity and profitability.
- (c) Refer to TWO businesses you have studied. Evaluate the impact of technological change on these businesses and analyse management's response to technological change.

**FINANCIAL MARKETS**

EITHER

**QUESTION 3** (25 marks)

Johnson Engineering is a successful large manufacturing business in a very competitive market. Its success relies heavily upon established links with a small number of suppliers. In recent years it has paid impressive dividends to its shareholders. It has also accumulated a significant amount of undistributed profits. Management is considering the options available for the future application of these excess funds. Management has concerns about the net present value of long-term capital investments.

You are the financial manager for Johnson Engineering. You are asked by the Board of Directors to prepare a report outlining the investment options for these excess funds. Your report should include:

- a description of a range of investment options;
- a comparison of these investment options;
- an evaluation of the techniques that could be used to assess capital expenditure decisions.

OR

**QUESTION 4** (25 marks)

- (a) Describe the role of the institutions below in the Australian financial markets.
- Australian Stock Exchange
  - Australian Securities and Investment Commission  
(formerly Australian Securities Commission)
  - Reserve Bank of Australia
  - Department of Treasury
- (b) Explain how the Australian Stock Exchange and the Australian Securities and Investment Commission influence a company when it incorporates publicly.
- (c) Evaluate the alternatives that listed companies have for raising additional funds.

**HUMAN RESOURCE MANAGEMENT**

EITHER

**QUESTION 5** (25 marks)

Using case studies to illustrate your answer:

- (a) describe the components and effects of motivation in the workplace;
- (b) compare the effectiveness of a range of monetary and non-monetary motivators that are used by human resource managers;
- (c) evaluate the impact of different theories of motivation on the management strategies related to job satisfaction, employee performance and business profitability.

OR

**QUESTION 6** (25 marks)

Well-trained and highly-skilled employees contribute to business profitability. The process of replacing such employees is both expensive and time consuming.

You are the human resource manager in a large business employing highly skilled technicians. Prepare a report that:

- outlines the laws affecting human resource acquisition and development;
- compares the costs and benefits of training your own staff with the alternative of employing trained and experienced staff from outside your business;
- describes the management practices that you would employ to maximise the value of dollars spent on training and development.

**PRODUCTION MANAGEMENT**

EITHER

**QUESTION 7** (25 marks)

Many companies are aiming to reduce the time between product design and production because of the advantages of being first in the marketplace with a new or improved product. Maintaining product quality is equally essential for long-term success.

- (a) Outline the aspects that need to be considered in product design.
- (b) Examine the issues that need to be considered in planning for production.
- (c) Explain why quality assurance is important and assess the methods of achieving and maintaining quality control.

OR

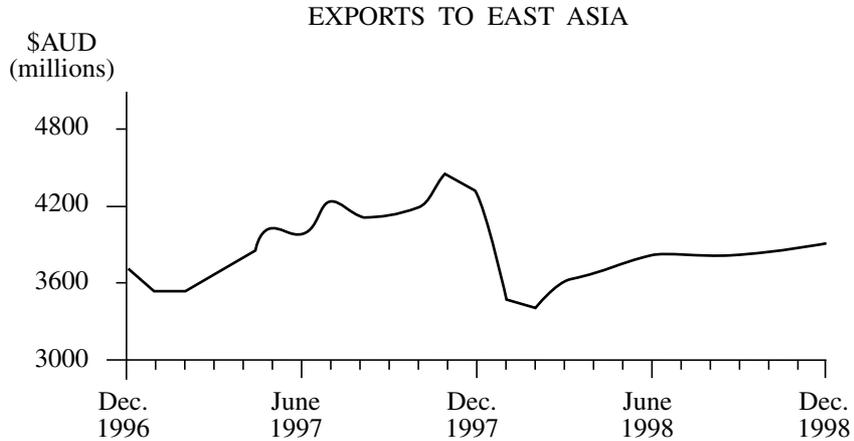
**QUESTION 8** (25 marks)

Chocolate Factory Ltd currently makes 500 tonnes of chocolate a year. It has identified a new market niche for animal-shaped milk chocolates for children. However, the manufacture of these chocolates requires a significant change in its production process.

- (a) Identify issues to be considered in planning for production if Chocolate Factory Ltd were to upgrade its process.
- (b) Describe the alternatives available to Chocolate Factory Ltd for supplying these animal-shaped milk chocolates to the market. Analyse the impact of these alternatives on the internal and external stakeholders.
- (c) With reference to a manufacturing business you have studied, describe the changing nature of its production process.

**INTERNATIONAL BUSINESS**

EITHER

**QUESTION 9** (25 marks)

- (a) Outline the changing direction and composition of Australia's trade in the 1990s.
- (b) Identify and explain financial influences that have affected the direction and composition of Australia's trade in the 1990s.
- (c) Explain influences, other than financial, on Australia's trade with East Asian countries in the 1990s.

OR

**QUESTION 10** (25 marks)

- (a) Discuss why it is increasingly important for Australian business to expand internationally.
- (b) With reference to a business you have studied:
  - (i) discuss the expansion strategy adopted to enter a major Pacific market; and
  - (ii) evaluate the risks of expanding internationally.

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