



St Leonard's College
Melbourne

VCE Unit 2 Business Management EXAMINATION

Semester 2 2020
Question and Answer Booklet

STUDENT NAME: _____

TEACHER(S): Mrs Julie Emerson-Drake Mr Stephen 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 space provided.
Do not write in pencil.

STRUCTURE OF BOOKLET / MARKING SCHEME

Number of questions	Number of questions to be answered	Total marks
SECTION A	2	28
SECTION B	2	22
TOTAL	4	50

SECTION A

Instructions for Section A

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

Question 1 (14 marks)

Mark and Patricia Smith have recently established Marmaduke's cafe as a private company in the Victorian regional town of Fish Creek. It services a population of just over 800 people as well as tourists. The owners work in the cafe themselves and employ two staff members on a casual basis.

Mark and Patricia purchase their coffee beans from suppliers in Melbourne who import their coffee beans from Brazil (the world's largest coffee producer). Mark is wanting to expand their range of coffee to include blends from Australian growers and local roasters, however, Patricia believes exclusively serving Brazilian coffee is their point of difference in Fish Creek.

- a. Describe one legal requirement, other than in relation to staffing, that Mark and Patricia would have had to consider when establishing Marmaduke's. 2 marks

- b. Outline two factors that Mark and Patricia would need to take into account when choosing appropriate suppliers. 4 marks

- c. During the planning phase of Marmaduke's, Mark and Patricia's friend, Adam, provided them with the following piece of advice:

'There is no need to set up a separate bank account for Marmaduke's business transactions. Save yourself the cost of additional bank fees and the confusion of having two bank accounts and just use your personal bank account.'

Do you agree with Adam's advice? Justify your answer.

2 marks

- d. Recommend one policy Marmaduke should have in place to establish business routines.

2 marks

- e. Discuss Patricia's preferred choice to only use coffee beans sourced from overseas suppliers.
4 marks

Question 2 (14 marks)

Canadian, Ashley Williams, would like to establish an online business selling blankets. She has identified that Australian homes are not known for their indoor heating systems and believes that there is a 'gap in the market' for this product due to many people now working from home. She knows that staff are one of the business's greatest assets so this will be an important consideration for her. She would like to recruit staff who are knowledgeable about the different types of blankets and their benefits – for example, cotton or wool or polyester fleece.

She would also like her small number of staff to have excellent customer service skills to achieve high levels of customer satisfaction when purchasing online goods. This could include helping customers with merchandising tips so that they are comfortable showcasing their homes in the era of Zoom meetings or suggesting the best materials for people with pets or children

Adapted from <https://www.theage.com.au/lifestyle/fashion/winter-wrap-a-blanket-is-the-only-accessory-you-need-right-now-20200605-p55024.html?btis>

a. Define recruitment.

1 mark

b. Analyse why recruitment is important for a business.

2 marks

- c. Explain how using a job specification could help Ashley Williams meet the needs of her customers. 2 marks

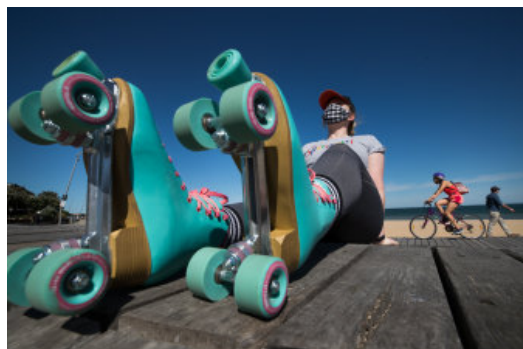
- d. Describe one cost and one benefit for this business of using psychological testing as a selection method . 2 marks

- [illegible]

SECTION B – Case study

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.



Jessica Maddock wears her skates at St Kilda beach.

No, you haven't been transported back to the 1970s. The year 2020 has seen sales of roller skates soar as people look for fresh ways to stay active without breaking COVID-19 restrictions. The trend has been powered by social media apps such as TikTok and Instagram, where roller skating videos are hugely popular, drawing millions of views. One skating shop has described the demand for products in recent months as 'absolutely mad', with skates in pastel colours being the big sellers among those looking to lace up and hit the pavement.

Flight attendant Jessica Maddock said she took up skating after a visit to the 'Church of 8 Wheels' roller rink in San Francisco. "The introduction of heavy restrictions on outdoor recreation due to the COVID-19 pandemic had only increased the appeal" she said. "When we went into lockdown, I thought what a great activity to keep fit. Me and everyone else," the 31 year old said. "We're kind of restricted, I guess, it's great to get out and do more than go for a walk. I definitely try and get out a few times in a week if I can, it's a good challenge."

At "Bladeworx" in Braeside, which has sold skating equipment since 1993, owner Bill Fortune has been battling to keep up with the boom in demand. As soon as new stock comes in from his supplier, it's straight out the door. "It's been mad, absolutely mad," he said. 'It's huge, the spike in demand for roller skates has been breathtaking."

Mr Fortune said sales had started taking off at the beginning of the first lockdown and had not slowed down. It has changed his business. Before the coronavirus pandemic, 90 per cent of sales at Bladeworx came from inline skates or roller blades. Since then, roller skates had accounted for 80 per cent.

"It's like Christmas from a demand point of view, perhaps even better, there's that kind of desperation among customers, they want their order ASAP." With the sun coming out and Melbourne hopefully ending its long lockdown in the coming months, there could be even more roller skaters on the streets over summer.

<https://www.theage.com.au/national/victoria/insta-and-iso-driving-absolutely-mad-roller-skating-revival-20200907-p55t8j.htm>

Question 1 (4 marks)

With reference to two market segments, justify a target market for rollerblades.

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Question 2 (4 marks)

Describe two primary market research methods that would benefit “Bladeworx” in determining the types of rollerblades required to meet customer needs.

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Question 3 (3 marks)

Explain the relationship between marketing and the achievement of one business objective for 'Bladeworx'.

Question 4 (2 marks)

Explain how 'Bladeworx' could use a customer loyalty program to establish a customer base.

Question 5 (6 marks)

All products progress through the product lifecycle. Using examples from the 7Ps model of marketing, propose what will be happening as rollerblades progress through each of the following stages in the product lifecycle:

- Growth
- Maturity

[illegible]

Question 6 (3 marks)

a. Define public relations.

1 mark

b. Describe how publicity could be used by 'Bladeworx' as a method to meet its public relations' objectives.

2 marks

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