



YEAR 12 Trial Exam Paper

2022

BUSINESS MANAGEMENT

Written examination

Sample responses

This book presents:

- high-level sample responses
- mark allocations
- tips.

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SECTION A

Question 1a.

Sample response

Acton Ltd is a public listed company. Public listed companies:

- have an unlimited number of shareholders
- have limited liability
- are listed on the Australian Securities Exchange (ASX).

Mark allocation: 2 marks

- 1 mark for identifying Acton Ltd as a public listed company
- 1 mark for outlining any one feature (this can be from the list above or be another relevant feature)



Tip

- *Identify and outline, as task words, require nothing more than a statement or a term. No elaboration is needed.*

Question 1b.

Sample response

Adam's interest as an operations manager is to ensure that business operations are conducted efficiently to provide a quality product or service for a reasonable price, allowing the business to generate a profit. Adam has decided that allowing employees to work from home is no longer in line with this interest. Adam's decision to disallow remote working may conflict with the interests of employees, who have become accustomed to working from home and may prefer to continue to do so in order to maintain a better work-life balance.

Mark allocation: 2 marks

- 1 mark for outlining Adam's interests in the business
- 1 mark for outlining how Adam's interests may conflict with those of employees

Question 1c.**Sample response**

Corporate culture is the shared values, beliefs and ideals of all members of a business. It represents what the business sets as the standard for itself and its employees. It is often projected to outsiders through official documentation such as mission and vision statements, codes of conduct and policies.

Corporate culture can be developed through the establishment of rituals that involve bringing the members of the business together. This can involve social gatherings, celebrations, or team-building exercises or development sessions. Given that employees have been working remotely for some time, it is important to rebuild a sense of camaraderie. This may have been lost, and so some formal or informal gatherings may help employees reconnect.

Mark allocation: 4 marks

- 2 marks for explaining corporate culture. The explanation must refer to ‘shared’ values, beliefs etc.
- 1 mark for describing a strategy for developing or restoring corporate culture
- 1 mark for describing how that strategy will have the impact the manager desires

Note: Students are not required to suggest or promote another management style – to do this would likely see the final mark not be awarded.

**Tips**

- *The question does not expect you to define real and/or official corporate culture.*
- *A key element of the question is restoring the culture of the business and so you must refer to this in some way. You must use the material provided in the scenario.*

Question 2a.**Sample response**

Businesses that have an objective of making a profit may like to focus on employees' drive to acquire.

The drive to acquire suggests that people can be motivated by their desire to gain material possessions or achieve high status, whether in the form of a promotion or increased responsibilities. Employees could be set targets to achieve in relation to their production or sales and receive bonuses, an increase in pay or some other form of recognition if they achieve those targets. The achievement of such targets would also benefit the business in terms of generating more profit.

The drive to bond could also be utilised through encouraging employees to engage in social interactions with each other in the workplace. This approach would help to foster a sense of belonging among employees and help them to feel connected to the business. This could be achieved by organising social events such as regular morning teas, allocating staff into teams, or arranging team-building activities to enable employees to connect with each other and management, and develop positive workplace relations. This approach could improve the productivity of employees as they would have a sense of camaraderie. This productivity could result in improved performance and profits.

Mark allocation: 4 marks

Mark globally using the following guide:

- 2 marks for each principle described (up to 4 marks)
 - 1 mark for describing the principle
 - 1 mark for describing how the principle can be linked to the achievement of an objective

Note: Other principles – the drive to learn and the drive to defend – could be used. Other business objectives – to increase market share, to fulfil a market need, to fulfil a social need and to meet shareholder expectations – could also be used.

**Tips**

- *You should ensure that you focus on the drives and how they can be used rather than on providing a detailed description of the theory and/or a definition of a business objective.*
- *You must identify a specific business objective and link both principles to the same objective.*

Question 2b.**Sample response**

A driving force that has impacted Coles supermarkets is the reduction in costs. For example, Coles are beginning to completely automate their warehouse operations at major depots in an attempt to reduce costs. This includes robots doing most of the warehouse duties that were previously performed by humans. This will reduce labour costs in the long term as fewer employees may be needed (which will improve profits), and dispatch and delivery times will decrease.

However, with any change there will be restraining forces to consider. These will be the factors that work against the change and provide resistance to it. In reference to Coles, as they attempt to automate their warehouse facilities, employees may act as a restraining force. Employees will be affected by such a business change and will fear job losses and hence a change in their financial position. Redeployment of some employees may also disrupt workplace routines and cause fear, leading to further resistance. Employees may seek support from unions, which may also act as a restraining force as they can create publicity around the issue and help it to gather momentum.

Note: Students may provide a variety of contemporary case studies.

Mark allocation: 6 marks

- 2 marks for demonstrating a clear understanding of the driving forces selected – in this sample response, forces such as the ‘pursuit of profit’ and ‘reduction of costs’ are provided

Note: Other driving forces include managers, employees, competitors, legislation, societal attitudes, globalisation, technology, innovation and any other appropriate force.

- 1 mark for linking the driving forces to a contemporary business example
- 2 marks for demonstrating a clear understanding of the restraining forces selected – in this sample response one such force is ‘employees’

Note: Other restraining forces include managers, time, organisational inertia, legislation and financial considerations.

- 1 mark for linking the restraining force to a contemporary business example

**Tip**

- *Contemporary business case studies are examples from businesses where the change was initiated within the last four years – in this case, since 2018. If you respond using older examples or hypothetical businesses, you may only gain a maximum of 2 marks.*

Question 3

Sample response

Human resource managers will need to monitor the performance of employees to ensure they are working at their best and contributing to the achievement of business objectives. One such approach for this is to implement performance management strategies such as Management by Objectives. This is a process by which management and employees agree on a set of goals for each employee, with these individual goals all contributing to the objectives of the business as a whole. Included in the process is the means of measuring progress towards the achievement of these goals, as well as periodic reviews of the employee's progress towards achieving their goals. Each employee should be aware of the objectives of the business, as well as of their progress and their own responsibilities in achieving those objectives.

The role of the human resource manager in this process is to clearly outline the performance management strategy. Informing employees about how they can assist in achieving the business objectives should be the starting point. The human resource manager requires communication and negotiation skills in order to consult with employees to establish goals, timelines and progress points during the management period.

The role of the employee is to listen to the proposal, offer suggestions that will benefit them as well as the business and recognise that this system will ultimately benefit both parties. They should be prepared to undergo training to improve their skills and accept advice for improvement. They should also complete the relevant steps in the performance management process, aiming to achieve the goals set.

Human resource managers and employees also play a role in the termination of employees. Termination is when the employment relationship between the business and the employee ends. This can be voluntary or involuntary. Voluntary termination is when the employee ends the relationship through retirement or resignation. During these forms of termination, employees can assist the business by participating in an exit interview. An exit interview will allow the human resource manager to sit with the departing employee and discuss reasons why the employee is leaving, gain an insight into what the employee believes the business could improve upon in its management of employees and receive general feedback on the operations of the business.

The human resource manager will also need to ensure that an employee who is leaving the business is provided with their relevant entitlements. These are usually pay and leave – accumulated during the employee's period of employment – that have yet to be paid or accessed. Wages owing for work completed up to the employee's last day of employment must be paid and any accrued long service or annual leave, if applicable, must also be paid to the employee.

The business, through the human resource manager, may also offer transition services to the departing employee. These services are designed to assist the employee's adjustment from working in the business to not working in the business. Depending on the type of termination involved, this may include resume writing assistance, interview training and the provision of a reference or counselling for staff who may be struggling with their termination, often due to redundancy.

Mark allocation: 10 marks

Mark range	Descriptor: typical performance in each range
9–10 marks Very high	• Very high-level and detailed explanation of the roles of two participants in the workplace • Roles of the selected participants clearly linked to the performance management and termination of employees • High-level description of a performance management strategy • High-level description of entitlement and transition issues that occur during termination
7–8 marks High	• High-level and detailed explanation of the roles of two participants in the workplace • Roles of the selected participants linked to the performance management and termination of employees • Appropriate description of a performance management strategy • Appropriate description of entitlement and transition issues that occur during termination
5–6 marks Medium	• Limited explanation of the roles of two participants in the workplace OR detailed analysis of the role of one participant in the workplace • Roles of the selected participants somewhat linked to the performance management and termination of employees • Limited description of a performance management strategy • Limited description of entitlement and transition issues that occur during termination
3–4 marks Low	• Poor explanation of the roles of two participants in the workplace • Roles of the selected participants contains a limited link to the performance management and termination of employees • Limited description of a performance management strategy • Limited description of entitlement and transition issues that occur during termination
1–2 Very low	• Very poor explanation of the roles of two participants in the workplace • Roles of the selected participants not linked to the performance management and termination of employees • Very poor description of a performance management strategy • Very poor description of entitlement and transition issues that occur during termination
0	• No attempt at a response OR • Response does not relate to any elements of the question

**Tip**

- *The 10-mark question often involves multiple concepts from across the course. If you spend your time defining the key terms, you will not adequately address the question and may score poorly. You must focus on the task words used and address their requirements.*

Question 4a.**Sample response**

Operations is the area of the business responsible for establishing the processes that transform the inputs of the business into the outputs, which are then sold to customers. Operations assist in the achievement of business objectives by providing a quality product, minimising costs and providing value for money. This should allow the business to generate a profit which is a key business objective. The operations area contributes to these factors as operations involves a quality management system and a materials management system, and utilises technology to minimise costs and reduce waste. This allows the business to satisfy customers by providing value for money, increasing sales and profits.

Mark allocation: 2 marks

- 1 mark for describing the relationship
- 1 mark for providing a link to at least one business objective

Note: Students should refer to reducing waste, improving quality, managing materials so as to reduce costs, or improving technology use. Students must then link their response to supplying a product that meets customer needs and/or provides value for money in order to achieve a business objective. A response that only defines business objectives and operations without linking the two concepts, or provides a weak relationship, is worth 1 mark.

**Tip**

- *You must focus on the relationship – not on providing two definitions.*

Question 4b.**Sample response**

Total Quality Management is an operations management strategy area designed to improve the efficiency of the operations system of a business. Total Quality Management is a holistic, business-wide approach to the management of quality where all members of the business commit to achieving excellence in every aspect of business operations. As such, this system requires continuous improvement and employee commitment to ensure that the quality of the product or service is at the highest standard.

The aim of Total Quality Management is to create a defect-free process – all waste and inefficiency in operations is eliminated, and ‘perfection’ is achieved in every single part of the operations system. This means that all inputs are used to their best advantage so the costs of providing the service are lowered. The time spent by financial services personnel is not wasted as customer enquiries are directed to the appropriate person and the financial advice is appropriate to the customer. The completion and submission of tax returns for clients is timely, and investment advice is current and appropriate for each individual client. This improvement in the quality of the service will reduce the number of customer complaints. Fewer complaints should see sales figures improve and an increase in the profit made by the business.

Mark allocation: 3 marks

- 2 marks for a description of a quality management strategy
- 1 mark for linking the quality management strategy to an improvement in effectiveness (the increase in profit made by the business)

Note: Students may also refer to Quality Control or Quality Assurance in their response.

**Tips**

- *You need to focus on drawing from the material in the scenario. You must refer to one specific business objective rather than make a vague reference to objectives. Possible objectives that could be discussed from this customer complaints-based scenario include reducing complaints or increasing sales and profits.*
- *You are not being asked to provide a definition of a quality management strategy and/or evaluate its effectiveness, and you will not receive marks for doing so.*

Question 4c.**Sample response**

First stakeholder: The first stakeholder to be affected is likely to be employees. The move back to working on-site will require an adjustment as employees may have developed patterns and routines and these will be disrupted. This may require employees to source childcare facilities, and to arrange transportation requirements and other aspects of their workday. It may also mean they have to bring equipment from home to work and vice versa, an issue that may not have existed prior to lockdowns. This may cause some resentment in the initial stages. In addition, the compulsory training sessions may cause disruptions to established routines and employees may feel they do not require these sessions. Again this could be a cause of resentment among employees and lead to a decline in morale.

Second stakeholder: A second stakeholder affected by these changes will be customers. Customers may benefit from the ability to meet with staff face-to-face now that employees are in the office. This could reduce the number of issues that may have led to the rise in complaints. In addition, if employees are still working remotely three days per week, the compulsory training sessions may improve the skills of employees, further reducing the issues that saw complaints rise. Customers are likely to be supportive of the changes as they will benefit from them.

Mark allocation: 6 marks

- 3 marks for the analysis of the effects on each stakeholder selected (up to 6 marks)
 - 2 marks for describing how the changes may impact each stakeholder
 - 1 mark for the specific link to the events at the business

Note: Students may select other stakeholders such as managers, competitors and the community.

**Tip**

- *When asked to refer to a specific concept such as stakeholders, it is important that you read the scenario and identify the most appropriate stakeholders to be analysed.*

Question 4d.**Sample response**

Porter's differentiation strategy suggests that businesses can gain a competitive advantage over their rivals by differentiating their good or service from others in the market. Differentiation can be achieved through the use of brand names, a different or unique mode of delivery, advertising or a number of other factors to establish differences between substitutable products. For example, in terms of the mode of delivery, the website of the business could be developed to provide accurate and up-to-date information to assist customers with enquiries. In a differentiation strategy a business will make its product different, unique or superior in some way to gain a competitive edge and allow the business to market itself as a leader or innovator in that industry. A business that is able to provide a service with a distinctive attribute will be able to charge a premium price for its product because it will usually be able to pass costs on to its customers.

Mark allocation: 3 marks

- 1 mark for describing differentiation – for example, unique product, unique features such as extended warranties etc.
- 1 mark for explaining how differentiation can be achieved – for example, advertising, brand names etc.
- 1 mark for explaining how a competitive advantage results from the strategy

**Tip**

- *Avoid defining competitive advantage or referring to the second of Porter's strategies. Focus on the question asked.*

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Question 5a.**Sample response**

A proactive approach to change refers to a situation in which a change is planned and occurs before a business is affected by pressures in its environment. A proactive approach is more effective in managing change as it allows the business to gain a competitive advantage because it is not affected negatively by the change in the environment.

A reactive approach, on the other hand, is where change is unplanned and occurs after the business has been affected by the pressures from its environment. It is less successful in managing change for the business, as the business has already been affected by the change, potentially causing a loss in productivity or sales resulting from failure to recognise that the change was imminent.

The key difference is when the change occurs – with a proactive approach the change occurs before pressures have impacted the business, while with a reactive approach the change occurs after the business has been affected.

Mark allocation: 3 marks

- 1 mark for a description of a proactive approach to change
- 1 mark for a description of a reactive approach to change
- 1 mark for a clear distinction between the two approaches

**Tip**

- *Questions with the task word 'distinguish' require you to explain or describe the two concepts and then provide a clear difference.*
- *Your responses should also include a 'comparison' word or phrase such as 'whereas' or 'on the other hand'.*

Question 5b.**Sample response**

The Force Field Analysis theory is a means of evaluating what a business needs to do to change after considering a range of factors.

In a business facing change, management needs to determine if the change is necessary and/or if fully implementing the change is likely to succeed.

The first step in the analysis is to identify the forces driving the change and those restraining the change. Once identified, each force is given a weighting according to its importance or influence in affecting the change. These forces and their weightings are totalled to assist management in identifying the important driving forces that need to be promoted and the key restraining forces that need to be overcome or minimised. This process allows management to implement strategies that can target the forces in the manner described. This is often in the form of an action plan that includes a timeline for implementation and assigns responsibility to various people for managing the change.

However, the weightings assigned to each force can be subjective, and if incorrect or inappropriate weightings are provided, the business may focus its attention on the wrong area and so the change may not be implemented successfully. Given that the weightings determine the strategy and the action plan going forward, an inappropriate weighting can set the business back.

A further point to consider is that sometimes change is forced upon the business by stakeholders or legislation, and so the time taken to conduct a force field analysis may be a waste as the change will be occurring while the analysis is completed, further limiting the success of the change.

However, the overall benefit of conducting a force field analysis is the structure it provides, allowing for careful consideration of the factors and issues surrounding the change. This should lead to a more successful implementation of the change.

Mark allocation: 5 marks

Mark range	Descriptor: typical performance in each range
5 marks Very high	• Very high-level and detailed description of the Force Field Analysis theory • Strengths of using this analysis provided • Weaknesses of using this analysis provided • A conclusion provided regarding the overall use of the Force Field Analysis theory
4 marks High	• High-level and detailed description of the Force Field Analysis theory • Strengths of using this analysis provided • Weaknesses of using this analysis provided • No conclusion provided or a poor conclusion provided regarding the overall use of the Force Field Analysis theory
3 marks Medium	• A valid but limited description of the Force Field Analysis theory • Strengths of using this analysis provided OR weaknesses of using this analysis provided • No conclusion provided or a poor conclusion provided
2 marks Low	• A poor description of the Force Field Analysis theory • Strengths of using this analysis provided OR weaknesses of using this analysis provided • No conclusion provided
1 mark Very low	• Poor description of the Force Field Analysis theory • One of: ➤ Strengths of using this analysis provided OR ➤ Weaknesses of using this analysis provided OR ➤ Conclusion provided
0	• No attempt at a response OR • Response does not relate to any elements of the question

**Tip**

- *Students often limit themselves to referring to the identification and weighting of the forces when explaining the Force Field Analysis theory. However, this is not the full extent of the analysis and you must go further to be awarded full marks.*

SECTION B – Case study

Question 1

Sample response

The number of workplace accidents refers to the number of any unplanned events that result in personal injury or property damage at the workplace and that are reported to management. Sutton Constructions experienced rising rates of workplace accidents.

Mark allocation: 2 marks

- 1 mark for ‘number of unplanned events’ and ‘personal injury or property damage’
- 1 mark for the link to Sutton Constructions



Tip

- *Definitions require two distinct points and, as this question is in Section B, it also requires a link to the scenario.*

Question 2

Sample response

Effectiveness in the context of this business relates to how well the business is able to achieve its objectives. The case study identifies making a profit as an objective, and so the introduction of computer-aided manufacturing should assist in that aim.

Computer-aided manufacturing refers to the use of software and machinery that allow computers to direct and control the manufacturing process. Computer-aided manufacturing involves automated machinery being programmed by an operator and then performing the instructions with speed and precision. If Sutton Constructions implements this strategy then they will be able to produce house frames in a more timely manner with few or no defective frames. This should reduce waste, increase production and improve quality. Computer-aided manufacturing also reduces the need for labour in what might be the most dangerous part of the operations system. If the number of workplace accidents can be reduced through the use of computers or robotics, then the reduced impact of these accidents in terms of time lost, money and injuries will result in lower costs and increased profits.

Mark allocation: 4 marks

Mark globally using the following guide:

- 2 marks for analysing computer-aided manufacturing
- 1 mark for linking computer-aided manufacturing to improving effectiveness
- 1 mark for a link to Sutton Constructions

Question 3

Sample response

An operations system is the coordinated area of management responsible for the strategies that are used to create, operate and control the transformation of inputs from a variety of resources into outputs, or goods and services, to satisfy the demands of customers.

The three elements of an operations system are inputs, processes and outputs.

Inputs refer to the resources that are used to produce the business goods or services. They can include things such as natural resources, physical resources, human resources, information, time and financial resources. In terms of Sutton Constructions, the inputs include the wood they use to build houses, the labourers who do the building and the machinery or equipment they use. In a service business such as a hospital, the inputs are similar in that there are physical resources such as the beds, equipment and the building itself, as well as labour resources such as the doctors and nurses who work there. However, a service business does not make use of natural resources (such as raw materials or components), which are used by Sutton Constructions.

Processes are the value-adding steps that transform the inputs into outputs. At Sutton Constructions the processes are assembling the frame, laying tiles on the roof, plastering walls, and other jobs associated with building houses. In a hospital, processes involve examining patients, running tests, performing surgeries and administering medications. Both types of processes make use of the inputs provided. However, Sutton Constructions' processes involve little or no customer interaction, whereas in the case of a hospital the patient must be present for the process to occur.

At Sutton Constructions the output – the finished product ready for sale – is a completed house or building, which is a tangible item. In a hospital the output – a treated patient – is intangible.

Mark allocation: 6 marks

- 1 mark for each element of an operations system related to a service business (up to 3 marks)
- 1 mark for each element of an operations system specifically related to Sutton Constructions (up to 3 marks)



Tip

- *To be prepared for any type of question in this area, you should prepare an example of the operations system of both a service and a manufacturing business.*

Question 4

Sample response

A low-risk strategy that could be used by Sutton Constructions to reduce resistance to change from employees is communication. Communication can be used to inform employees clearly and openly about the introduction of computer-aided manufacturing. As the introduction of this technology may cause some concern over job security for employees, James can be proactive and inform employees of the impact on their position within the business.

Open and honest communication can ease concerns or allow employees to be aware of what is occurring and when to prepare for the change, and possibly encourage them to be more supportive.

Mark allocation: 3 marks

- 1 mark for the low-risk strategy proposed
- 1 mark for the justification as to how employee resistance may be overcome
- 1 mark for the link to Sutton Constructions



Tip

- *The Study Design provides a number of low-risk strategies. You are better served by reading the scenario carefully and selecting the most appropriate strategy based on the material provided.*

Question 5

Sample response

The first step in the Three Step Change Model is to unfreeze. This is where all existing policies and practices are put on the table to be reviewed. Practices such as the use of technology and the type and frequency of training can be examined to determine if improvements can be made or gaps filled to reduce the number of workplace accidents. James can communicate the need for the introduction of computer-aided manufacturing to encourage employees and other stakeholders to contribute their thoughts and embrace the change.

The second step is to actually make the change. In this phase Sutton Constructions purchases and implements the new computer-aided manufacturing technology. Relevant employees are trained in its operation and other employees may be redeployed into other areas of the business.

Mark allocation: 4 marks

- 1 mark for describing one step in the Three Step Change Model (Lewin) (up to 2 marks)
- 1 mark for linking a step to Sutton Constructions (up to 2 marks)



Tip

- *As with all questions in Section B, you must link this response to the case study. Simply describing the selected steps in general is not sufficient.*

Question 6

Sample response

One appropriate strategy that could be implemented is an increase in staff training. The number of workplace accidents has increased, which suggests current employees are taking shortcuts and/or new employees are not being trained correctly. An increased investment in training could resolve some of the issues, and the business would not need to invest in technology. Training would improve skills and techniques and provide a safer workplace.

Sometimes accidents occur because employees become lazy in their work or demotivated. Sutton Constructions could seek to improve the motivation of their employees, for example, by providing celebrations for safety milestones, such as 50 days without an accident, or bonuses to employees who reach a milestone without an accident. This strategy can focus employees' attention on the task at hand and result in more motivated staff who operate machinery and equipment more appropriately and safely, reducing workplace accidents.

Note: The Study Design provides a number of management strategies that can be used to respond to data from key performance indicators. These include:

- staff training
- staff motivation
- change in management styles or management skills
- increased investment in technology
- improving quality in production
- cost cutting
- initiating lean production techniques
- redeployment of resources (natural, labour and capital).

Mark allocation: 6 marks

- 3 marks for each analysis of a management strategy that could be implemented to respond to the increase in the number of workplace accidents (up to 6 marks)
 - 2 marks for the description of the selected strategy
 - 1 mark for the specific link to Sutton Constructions and the increase in the number of workplace accidents



Tips

- *As with all questions where strategies can be drawn from a varied list, you must select the most appropriate strategy for the scenario. In this case, a strategy such as a change in management style or skills may not be appropriate.*
- *It is also important to recognise the constraint in the question – you should not select increased investment in technology as one of your management strategies.*

END OF SAMPLE RESPONSES