

Trial Examination 2023

HSC Year 12 Business Studies

General Instructions

- Reading time – 5 minutes
- Working time – 3 hours
- Write using black pen
- Draw diagrams using pencil
- Calculators approved by NESA may be used

Total Marks: 100

Section I – 20 marks (pages 2–6)

- Attempt Questions 1–20
- Allow about 35 minutes for this section

Section II – 40 marks (pages 7–18)

- Attempt Questions 21–24
- Allow about 1 hour and 15 minutes for this section

Section III – 20 marks (page 19)

- Attempt Question 25
- Allow about 35 minutes for this section

Section IV – 20 marks (page 20)

- Attempt either Question 26 or Question 27
- Allow about 35 minutes for this section

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SECTION I

20 marks

Attempt Questions 1–20

Allow about 35 minutes for this section

Use the multiple-choice answer sheet for Questions 1–20.

- 1 Accountants can differentiate themselves from their competitors by
 - A. increasing the tangibility of the goods they offer.
 - B. highlighting the quality of the goods they offer.
 - C. highlighting their certifications and years of experience in the industry.
 - D. increasing the degree of customisation they offer.

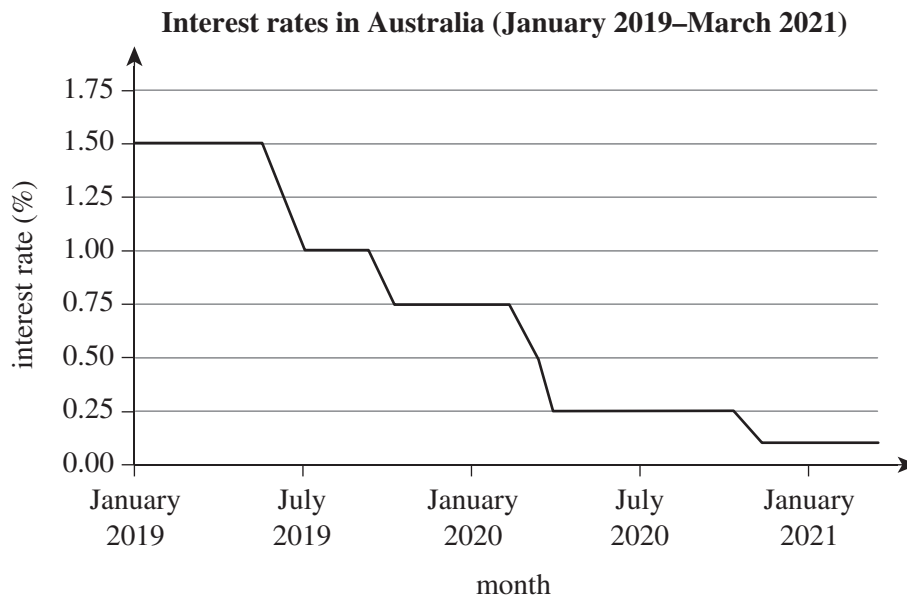
- 2 Which of the following is NOT an example of environmental sustainability?
 - A. outsourcing
 - B. recycling
 - C. minimising carbon footprint
 - D. reducing wastage

- 3 Which of the following is an ethical concern for a company that sells e-cigarettes and other nicotine-based products?
 - A. truth, accuracy and good taste in advertising
 - B. products that may damage health
 - C. sugging
 - D. breaking consumer laws

- 4 Which of the following is a strategy that can be used to reduce the risk of a loss resulting from financial transactions?
 - A. hedging
 - B. derivatives
 - C. commercial bill
 - D. debentures

- 5 The aim of cost leadership is to
 - A. be the cheapest provider in the market.
 - B. undercut competing businesses at all costs.
 - C. lower costs in all areas of a business.
 - D. sacrifice the quality of goods to lower selling prices.

- 6 Which of the following statements about the national minimum wage rate is correct?
- Part-time and casual employees have the same national minimum wage rate.
 - Casual employees have a higher national minimum wage rate than full-and part-time employees.
 - Part-time employees have a higher national minimum wage rate than casual and full-time employees.
 - Part-time and casual employees do not have a fixed national minimum wage rate, as the national minimum wage rate only applies to full-time employees.
- 7 The graph shows interest rates in Australia from January 2019 to March 2021.



Source: Reserve Bank of Australia (2022). Adapted from *Cash Rate Target*. 'Graph of the Cash Rate Target'. Accessed October 2022. <https://www.rba.gov.au/statistics/cash-rate/>. Licensed under CC by 4.0, <https://creativecommons.org/licenses/by/4.0/legalcode>

- Which of the following was the most likely impact of the falling interest rates for a small business?
- decreased spending on stock
 - increased staff wages
 - increased borrowing
 - decreased amount of loans taken
- 8 Compliance costs are expenses related to meeting
- the demands of economic conditions.
 - social responsibilities.
 - quality expectations.
 - legal regulations.
- 9 In which market would a flour manufacturer sell its product?
- resource market
 - industrial market
 - intermediate market
 - mass market

- 10** Which of the following businesses demonstrates corporate social responsibility (CSR) in their management of human resources?
- A. a business outsourcing its operations to a developing country where minimum wage rates are low, but the business creates job opportunities
 - B. a business exceeding the law's requirements for managing waste products and recycling
 - C. a business offering flexible working arrangements to employees who are parents or guardians of a child under the age of 18
 - D. a business behaving ethically toward its employees and attempting to improve their quality of life
- 11** A company has decided to reduce overheads in their operations as a result of the increasing participation of overseas sellers in the Australian market.
Which two factors would most likely have influenced the business's operations?
- A. globalisation and legal regulations
 - B. cost-based competition and globalisation
 - C. cost-based competition and quality expectations
 - D. quality expectations and globalisation
- 12** A manufacturing business is conducting a SWOT analysis for a new product.
Which of the following would be categorised as a threat?
- A. increased prices of inputs due to shortages that result from the COVID-19 pandemic
 - B. an upswing in the economic cycle
 - C. a lack of experts who specialise in manufacturing the new product within the business
 - D. a delayed investigation into the legal regulations surrounding the new product
- 13** Which of the following is NOT covered by the National Employment Standards (NES)?
- A. long service leave
 - B. voluntary emergency activities leave
 - C. jury service leave
 - D. paid parental leave
- 14** A skateboard manufacturer has been criticised on social media and in online reviews for designing flimsy skateboards that break within a month.
Which of the following is a cause of concern for the skateboard manufacturer?
- A. sugging
 - B. deceptive and misleading advertising
 - C. engaging in fair competition
 - D. implied conditions

- 15** Company Y is considering the buyout of a rival business.
Which of the following would NOT concern company Y when evaluating the financial reports of the rival business?
- A. the rival company failing to normalise one-off sales of big assets
 - B. research and development expenses being recorded as an asset on the balance sheet
 - C. the time remaining before long-term liabilities become due
 - D. asset value being recorded at historical cost, despite appreciation in value
- 16** John regularly works on Monday, Tuesday and Wednesday each week, and he receives both annual and personal leave.
What type of contract does John most likely have?
- A. apprenticeship
 - B. casual
 - C. part-time
 - D. contractor
- 17** A manufacturer of dishwashing liquid has created a new advertisement for its product, which emphasises that it is tried and tested and has been used by Australians for 20 years.
In which stage of the product life cycle is this product?
- A. introduction
 - B. growth
 - C. maturity
 - D. post-maturity (decline)
- 18** The chief financial officer of a business presents the information in the table to the board of directors.

	2022	2023
<i>Current ratio (current assets ÷ current liabilities)</i>	0.75 : 1	1.3 : 1
<i>Debt to equity ratio (total liabilities ÷ total equity)</i>	0.9 : 1	1.4 : 1

A comparative ratio analysis for the business is performed.

What would the analysis show?

- A. increased liquidity and reduced solvency
- B. increased liquidity and increased gearing
- C. reduced liquidity and increased solvency
- D. reduced liquidity and reduced gearing

- 19** Which of the following is an example of a stakeholder's role in the human resource management process?
- A. a government organisation approving an enterprise agreement
 - B. an employer association organising strikes and industrial action
 - C. a union giving advice to the Australian Government on which laws should be passed
 - D. society being impacted by the industrial waste of a business's operations
- 20** Which of the following is included on a balance sheet?
- A. research and development
 - B. expenses
 - C. goodwill
 - D. sales

HSC Year 12 Business Studies

Section II Answer Booklet

40 marks

Attempt Questions 21–24

Allow about 1 hour and 15 minutes for this section

Instructions

- Answer the questions in the spaces provided. These spaces provide guidance for the expected length of response.
 - Extra writing space is provided at the back of this booklet. If you use this space, clearly indicate which question you are answering.
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Please turn over

Question 21 (10 marks)

Logan runs a small accounting firm in metropolitan Sydney. The growth of the firm is starting to slow down. Logan is looking to reduce the costs of operations and increase awareness of the business.

- (a) Outline the interdependence between operations and marketing in Logan’s business. **2**

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- (b) Explain how technology influences the day-to-day operations of Logan’s business. **4**

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Question 21 continues on page 9

Question 21 (continued)

- (c) Describe the role of transformed resources such as information and customers in a business. **4**
Refer to both Logan’s business and another service-based business in your response.

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End of Question 21

Question 22 (10 marks)

- (a) Explain how the production approach can be effective when marketing a particular product. **3**
Support your answer with an example of ONE relevant product.

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- (b) Contrast the use of skimming and penetration as pricing strategies. Support your answer **3**
with descriptions of when each strategy is most appropriate to use.

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Question 22 continues on page 11

Question 22 (continued)

- (c) Explain the difference between the marketing strategies of process and physical evidence. **4**
Support your answer with relevant examples.

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End of Question 22

Question 23 (10 marks)

The balance sheet shows the financial summary of a landscaping business. In the 2022–2023 financial year, the business’s net profit was \$7000 and revenue was \$20 000.

Balance Sheet		
As at year ending 30 June 2023		
<i>Current Assets</i>	\$	\$
Cash	10 000	
Accounts receivable	15 000	
Inventories	5000	30 000
Non-Current Assets		
Property, Plant and Equipment		25 000
Total Assets		55 000
Current Liabilities		
Accounts payable		10 000
Non-Current Liabilities		
Loan		30 000
Owner’s Equity		
Capital	30 000	
Retained Net Profit	10 000	40 000
Total Liabilities and Owners Equity		80 000

- (a) Calculate and interpret this business’s return on equity ratio (net profit ÷ total equity). **2**

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Question 23 continues on page 13

Question 23 (continued)

- (b) Calculate the accounts receivable turnover ratio (sales ÷ accounts receivable) and deduce how long it takes for debts to be repaid. **4**

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- (c) A competing business has a revenue of \$500 000. **4**
If the competing business has an expense ratio (total expenses ÷ sales) of 40% and a gross profit ratio (gross profit ÷ sales) of 60%, what is the business's net profit ratio (net profit ÷ sales)?

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End of Question 23

Question 24 (10 marks)

- (a) Describe the influence of equal employment opportunity (EEO) on human resource management. **2**

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- (b) Discuss corporate culture as an indicator of the effectiveness of human resource management. **4**

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Question 24 continues on page 15

Question 24 (continued)

- (c) Compare negotiation and mediation as resolution strategies for workplace disputes. **4**

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End of Question 24

SECTION III**20 marks****Attempt Question 25****Allow about 35 minutes for this section**

Answer the question in the Sections III and IV Writing Booklet. Extra writing booklets are available.

Your answer will be assessed on how well you:

- demonstrate knowledge and understanding relevant to the question
- apply the hypothetical business situation
- communicate using relevant terminology and concepts
- present a sustained, logical and cohesive response in the form of a business report

Question 25 (20 marks)

TempRent is an online car rental service based in Sydney. It offers a platform where owners of sports and luxury cars can rent their cars to people who are looking to rent such cars for a short period. TempRent makes a profit by charging a 15% commission for every car rented.

TempRent is looking to expand their operations to other major cities in Australia. The business's shareholders have expressed the following concerns regarding the expansion.

- The shareholders want to know how the expansion will be financed because they do not want to become minor shareholders if funds are obtained through private equity.
- The shareholders are worried about relative obscurity in the national market.
- The shareholders want to know the impact of the expansion on the business's cash flow in the initial stages of the expansion as costs will be high and new income will be low.

You have been hired as a business consultant to write a report for the shareholders of TempRent.

In your report:

- outline a suitable source of funding to finance the expansion
- propose and justify TWO promotion strategies that will help the business gain recognition and market share in the national market
- assess the impact of the expansion on cash flow and working capital and how this could be managed.

Please turn over

SECTION IV

20 marks

Attempt either Question 26 or 27

Allow about 35 minutes for this section

Answer the questions in the Sections III and IV Writing Booklet. Extra writing booklets are available.

Your answer will be assessed on how well you:

- demonstrate knowledge and understanding relevant to the question
- apply relevant business case study/studies and contemporary business issues
- communicate using relevant business terminology and concepts
- present a sustained, logical and cohesive response

Question 26 (20 marks)

Explain how operations strategies are used in the processes of operations management.

OR

Question 27 (20 marks)

Explain how human resource strategies are used in the processes of human resource management.

End of paper

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HSC Year 12 Business Studies

DIRECTIONS:

Write your name in the space provided.

Write your student number in the boxes provided below. Then, in the columns of digits below each box, fill in the oval which has the same number as you have written in the box. Fill in **one** oval only in each column.

Read each question and its suggested answers. Select the alternative A, B, C, or D that best answers the question. Fill in the response oval completely, using blue or black pen. Mark only **one** oval per question.

A B C D

If you think you have made a mistake, put a cross through the incorrect answer and fill in the new answer.

A B C D

If you change your mind and have crossed out what you consider to be the correct answer, then indicate this by writing the word *correct* and draw an arrow as follows.

A B C D
correct
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STUDENT NAME: _____

STUDENT NUMBER:

①	①	①	①	①	①	①	①	①
②	②	②	②	②	②	②	②	②
③	③	③	③	③	③	③	③	③
④	④	④	④	④	④	④	④	④
⑤	⑤	⑤	⑤	⑤	⑤	⑤	⑤	⑤
⑥	⑥	⑥	⑥	⑥	⑥	⑥	⑥	⑥
⑦	⑦	⑦	⑦	⑦	⑦	⑦	⑦	⑦
⑧	⑧	⑧	⑧	⑧	⑧	⑧	⑧	⑧
⑨	⑨	⑨	⑨	⑨	⑨	⑨	⑨	⑨
⑩	⑩	⑩	⑩	⑩	⑩	⑩	⑩	⑩

SECTION I MULTIPLE-CHOICE ANSWER SHEET

1. A B C D
2. A B C D
3. A B C D
4. A B C D
5. A B C D
6. A B C D
7. A B C D
8. A B C D
9. A B C D
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11. A B C D
12. A B C D
13. A B C D
14. A B C D
15. A B C D
16. A B C D
17. A B C D
18. A B C D
19. A B C D
20. A B C D

**STUDENTS SHOULD NOW CONTINUE
WITH SECTIONS II-IV**



Trial Examination 2023

HSC Year 12 Business Studies

Sections III and IV Writing Booklet

Instructions

- Answer BOTH sections
- Answer Question 25 from Section III on pages 2–8
- If you need more space to answer Question 25, ask for an extra writing booklet
- Answer either Question 26 or Question 27 from Section IV on pages 10–16
- Write the question number for Section IV in the space provided on page 10
- If you need more space for Section IV, ask for an extra writing booklet
- Write using a black pen

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End of Section III

Turn over for Section IV

A large rectangular area containing 25 horizontal lines for writing, intended for the student's response to the examination questions.

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