

**VCE Unit 2** **Business Management**

**2019**

**Question and Answer Booklet**

**STUDENT NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**TEACHER(S):** Mrs Julie Emerson-Drake Mr Stephen Harris

**TIME ALLOWED: Reading time**  **minutes**

**Writing time**  **minutes**

**INSTRUCTIONS**

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| **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**

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| Number of questions | Number of questions to be answered | Total marks |
| SECTION A  SECTION B  TOTAL | 2  5   7 | 36  19   55 |

**SECTION A**

**Instructions for Section A**

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

**Question 1** (16 marks)  
Alexander is planning to open a café in a local shopping strip. He hopes to offer breakfast, lunch, snacks and drinks. He would like to call his business ‘Sandy’s Place.’ He would like some advice on how to use public relations.

1. Advise Alexander on two legal requirements of which he needs to be aware.

2 marks

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1. Explain why Alexander should set up a business bank account that is separate from his personal bank account.

2 marks

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1. Outline two factors that Alexander could consider when choosing a supplier. Explain why each of these factors is important for Alexander’s business. 4 marks

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1. Define public relations

1 mark

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1. Explain one way that ‘Sandy’s Place’ could use public relations to develop its image. 2 marks

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1. Alexander would like to choose suppliers that value the principles of corporate social responsibility. Using an example of corporate social responsibility, describe one advantage and one disadvantage of making decisions that consider these values. 5 marks

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**Question 2** (20 marks)

Adam is a qualified yoga and Pilates’ teacher. He is about to open his own teaching studio in a wealthy area of Melbourne. He would like to name his business ‘Mindfulness, Yoga and Pilates’ In his first year, Adam hopes to attract enough clients to offer daytime and evening classes three days a week. Adam would like his clients to enrol in full-term courses.

1. Define marketing, explaining how it could be used to help Adam establish a customer base and achieve one business objective. 3 marks

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1. Describe two market research methods that Adam could use before establishing his new business. 4 marks

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1. Using market segmentation, propose a target market for ‘Mindfulness, Yoga and Pilates’.

3 marks

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1. Suggest an appropriate price strategy for one possible service at ‘Mindfulness, Yoga and Pilates’. 2 marks

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1. Describe two promotional strategies, suggesting how Adam could use one strategy to attract and retain regular customers. 5 marks

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1. Describe and justify at what stage in the product lifecycle ‘Mindfulness, Yoga and Pilates’ services would be. Excluding price and promotion, suggest one 7P strategy that would be useful for this business at this stage. 3 marks

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**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.

**Case study – ‘Exam Success’**

Philippa is the owner and manager of ‘Exam Success’ – a Melbourne-based business that creates learning and revision materials for Victorian VCE students. It also provides tutoring services. It is almost the end of the school year so Philippa is aiming to finalise her staffing needs for the following academic year.

Philippa would like to employ two new staff members who are Business Management specialists. They will be required to tutor students, help students with goal-setting timelines and create lesson plans for teaching and revision activities. They could also be required to assess student work. The successful candidates must have a relevant university degree with a teaching qualification. Prior to teaching, they must also obtain permission to teach children with either a ‘Victorian Institute of Teaching’ registration or a ‘Working with Children Check’. Ideally, the candidates would have prior experience teaching in a secondary school environment.

Philippa is considering her employment arrangement options of full-time, part-time, contractual and casual. She would like her staff to be motivated and productive and meet the scheduling needs of the business.

**Question 1** (2 marks)

Explain why new staff are important for business success.

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**Question 2** (4 marks)

Distinguish between a job description and a job specification. Propose information that would be in each of a job description and a job specification for a vacant position at ‘Exam Success’.

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**Question 3** (3 marks)

Explain why ‘Exam Success’ would use external recruitment for these roles.

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**Question 4** (4 marks)

Once Philippa has completed her recruitment, she needs to select the candidate. Describe an appropriate selection method that Philippa could use to select the best candidate. Explain one advantage and one disadvantage of this chosen method.

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**Question 5** (6 marks)

Propose two employment arrangements for ‘Exam Success’ and justify their use. Suggest the best option for ‘Exam Success’ to meet the needs of either the employer or the employee.

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**Extra space for responses**

**Clearly number all responses in this space.**

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