

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

**2021**

**Question and Answer Booklet**

**STUDENT NAME:**

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**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 | 5  4   10 | 30  20   50 |

**SECTION A**

**Instructions**

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

**Question 1** (1 mark)

Identify **one** legal requirement for setting up a business in Victoria.

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**Question 2** (3 marks)

Explain **one** reason for establishing policies and procedures when starting a business.

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**Question 3** (2 marks)

Justify why financial record-keeping is important when establishing a business.

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**Question 4** (14 marks)

Dimitri and Sophia have decided to set up an online store that sells high-quality pre-owned designer clothes. They have decided to name it Preloved Designer Fashion. Their website will be structured to sell to Australian customers only and they will not ship products to other countries.

Dimitri and Sophia want to market the business as socially responsible by operating in the fashion industry in a sustainable way. They also want to give potential customers the opportunity to buy pre-owned designer clothes at an affordable price. The business will be targeted at environmentally conscious youth aged between 15 and 30 who are internet savvy.

**a.** Describe **one** possible technological issue associated with the decision to establish Preloved Designer Fashion as an online store. 2 marks

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**b.** Preloved Designer Fashion would like to expand globally. It has found a retailer in Singapore to sell its products to test the level of customer demand before establishing an online store to service south east Asia.

Evaluate Dimitri and Sophia’s decision to choose an overseas retailer to expand its business to Singapore. 5 marks

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# c. Describe two external operating environment factors that could affect the establishment of a customer base at Preloved Designer Fashion. 4 marks

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**d.** Dimitri and Sophia have decided to conduct market research to identify the types of designer labels their target market would be most interested in purchasing.

Distinguish between primary and secondary research and recommend the most suitable method of data collection for Dimitri and Sophia.

3 marks

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**Question 5** (10 marks)

Joel has a cafe called Joel’s Central in Melbourne’s CBD. He realised that because of restrictions and lockdowns imposed by the Victorian Government in 2020 and 2021 to slow the spread of COVID-19, many employees now work from home and would like freshly made, packaged lunch and dinner boxes delivered to their homes on a daily basis. The volume of cafe sales declined markedly as most offices in the CBD have low occupancy rates. Joel decided to transform the cafe into an online meal order and delivery business. The new business has been operating for a month.

**a.** Using different market segments describe the likely target market for Joel’s Central.

4 marks

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**b.** Joel is considering employing staff at his café on a part-time or casual basis.

Compare these employment arrangements. 4 marks

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**c.** Explain how the performance of Joel’s staff relates to the achievement of the business objectives of Joel’s Central. 2 marks

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**Section B**

**Instructions**

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.

The Egg Pod is a product manufactured by Emson that was introduced this year, which allows customers to make hard-boiled eggs easily using a microwave. After the egg has been microwaved, the user shakes the Pod and the eggs are peeled in the sealed container through friction. So peeled hard-boiled eggs are produced using a microwave. The Egg Pod results in perfectly cooked hard-boiled eggs every time.

The Egg Pod is sold by Global Shop Direct, an online shopping store, and is also available from other outlets such as Australia Post and e-Bay. Global Shop Direct illustrates the process of using the Egg Pod from start to finish using a series of photos. The product is also advertised on free-to-air television (Channels 7, 9 and 10) and Foxtel.

It is priced at $39.95 plus shipping on Global Shop Direct and the Australia Post website, although it sells for as low as $25 on eBay. Product reviews vary and range from very satisfied to leaking Egg Pods in the microwave. However, on Product Review, the Egg Pod has a rating of 4.3. and most reviews state that the product works well.

YouTube videos on how to boil eggs in an Egg Pod are available, and have had many views. This product aims for a target market of young busy workers and parents who are seeking convenience in their lives, but can be used by anyone seeking an easy way to cook hard-boiled eggs.

As one of the sellers of the Egg Pod, Global Shop Direct has an easy-to-use method of purchasing the product and offers discounts if more than one is purchased. Similar to the Australia Post and eBay websites, the buyer selects the number of Egg Pods and their preferred payment option, and then clicks on ‘Add to cart’ followed by ‘Checkout’. Customers can pay using their credit card or a buy-now-pay-later option such as PayPal or Afterpay. The transaction is secure as it is protected by Norton software.

Global Shop Direct offers a live chat service, the ability to order by phone in addition to online, and has a customer service team to answer queries or take orders. It also offers a 30-day money-back guarantee. If for any reason a customer is not satisfied with the Egg Pod, they can return it and receive a refund of any payments made (excluding postage and handling), providing they do so within 30 days of receiving the product.

**Source:**

*Egg Pod*, Global Shop Direct, <https://www.globalshop.com.au/products/egg-pod?utm_source=redirect&emson_usa=inclover_marketing&utm_medium=emson_usa>

**Question 1** (2 marks)

Describe the stage in the product life cycle that the Egg Pod is at.

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**Question 2** (4 marks)

Product, physical evidence and people are three of the 7Ps of marketing.

Explain how **two** of the other 7Ps of marketing have been used by the makers of the Egg Pod to market the product.

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**Question 3** (4 marks)

As new technology is developed and improved, such as mobile apps and cloud technology, and consumer trends change, such as a consumer preference for online shopping, online businesses must keep up-to-date with changing technology so that they remain competitive.

Propose **two** ways technology could affect the staffing needs of Global Shop Direct.

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**Question 4** (10 marks)

Global Shop Direct needs to create a new type of online customer service position that combines sales work with solving customers’ problems in relation to using products. The first step for the human resources manager is to undertake a job analysis and create a job design for the new type of customer service position.

**a.** Distinguish between a job analysis and a job design. 2 marks

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**b.** The human resources manager at Global Shop Direct has the choice of using existing staff from other non-customer service functions and relocating them or recruiting new customer service staff from outside the business.

Distinguish between internal recruitment and external recruitment and justify which method should be used. Use an example of this method in your answer. 4 marks

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**c.** Discuss the suitability of **one** selection method the human resources manager at Global Shop Direct could use to choose staff for the new positions. 4 marks

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**Extra space for responses**

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