



# Apex Exam Guide

## **Business**

Year 12 QCE

Queensland Curriculum

2025 Edition

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# Apex Exam Guide

## Business

### Year 12 QCE

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#### Books available in this series

Mathematics	Sciences	English
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#### Acknowledgements

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<b>Notes</b>	<ul style="list-style-type: none"><li>• Stimulus materials from the stimulus book have been included in the relevant questions.</li></ul>
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**2023  
Paper 1  
Section 1  
Question 3**

**Transf. of a  
business**

Read Case study 1 (Stimulus 1–11) in the stimulus book. Describe how one internal operating factor could be influenced by the business transformation. Refer to one relevant stimulus from the case study in your response. [3 marks]

**Stimulus 1**

Phone conversation between a real estate agent and The Hotel Company's general manager

**Real estate agent**

An oyster farm in your area has just come onto the market. It is definitely worth an inspection as the owners are desperate to sell. The business hasn't been performing well for some time and is in need of repairs.

**General manager**

Thanks for letting me know. Can you send me some information?

**Real estate agent**

Yes, I'll send you the link to the ad. It's called The Oyster Farm Company. Here are the key points:

Huge opportunity to buy a wholesale oyster farming business in South East Queensland. It is a renovator's delight and has enormous potential!

The sale includes:

- 9 licensed aquaculture areas for farming oysters
- 17 hectares comprising an operations base, marine lease, land and infrastructure
- well-established business operating for over 50 years.

**Stimulus 2**

Excerpt from The Hotel Company's five-year strategic plan

<b>Market share</b>	<b>Tourism</b>	<b>Operations</b>	<b>Diversification</b>	<b>Sustainability</b>
Increase market share by 5% within next five years to be competitive in the tourism industry.	Become a destination point of interest for both domestic and international tourists.	Adopt operational efficiencies to ensure optimal business performance.	Diversify the business portfolio to remain competitive.	Prioritise sustainable business operations.

### Stimulus 3

Emails between The Hotel Company's general manager and finance manager

✉ **Potential purchase of an oyster farm** — ↗ ✕

**To** Finance manager

---

**Subject** Potential purchase of an oyster farm

---

Good morning

The Oyster Farm Company adjacent to our hotel is now on the market for \$100 000 and I have reviewed the initial information supplied by the seller. It is clear sales in this business have been steadily declining over the past few years.

Our hotel's guest numbers and revenue have been lower than usual. After a very unsteady few years, I am hopeful that guests will start to return to our hotel. This might be a great opportunity to increase guest numbers by attracting different customers seeking a unique aquaculture experience.

Can you please review the information and provide your advice?

Thank you  
General manager

✉ **RE: Potential purchase of an oyster farm** — ↗ ✕

**To** General manager

---

**Subject** RE: Potential purchase of an oyster farm

---

Good afternoon

Thank you for your email regarding your interest in purchasing The Oyster Farm Company. I understand your goal in purchasing this farm would be to diversify our business portfolio and have sustainable financial viability. I have reviewed the information supplied and believe the key points are:

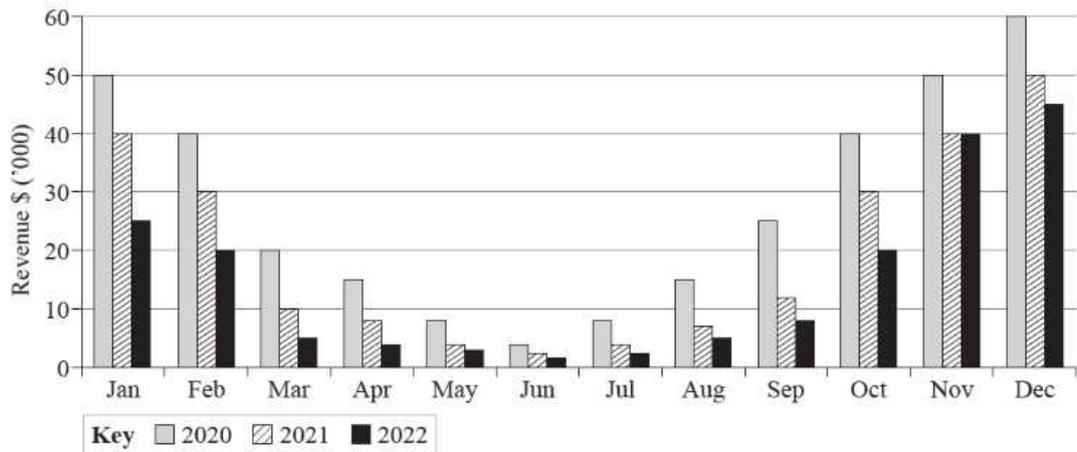
- revenue has declined steadily for three years
- revenue generated from September to February is highest as this is the peak oyster production time
- local wholesale customers have reduced over the last three years. I note that some of these wholesale customers have closed due to a lack of tourists in the area
- operating costs of the business are comparable (\$30 000 per annum) to an oyster farm in another state.

While we have sufficient funds to make the purchase, my advice is that you negotiate the sale price.

Regards  
Finance manager

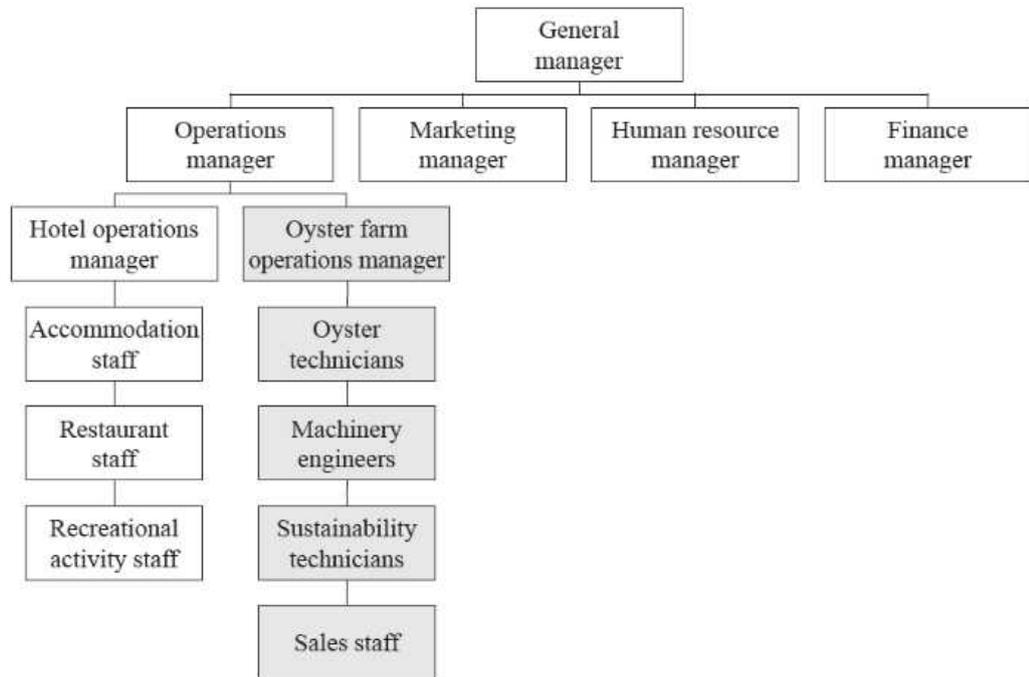
**Stimulus 4**

Wholesale revenue for The Oyster Farm Company



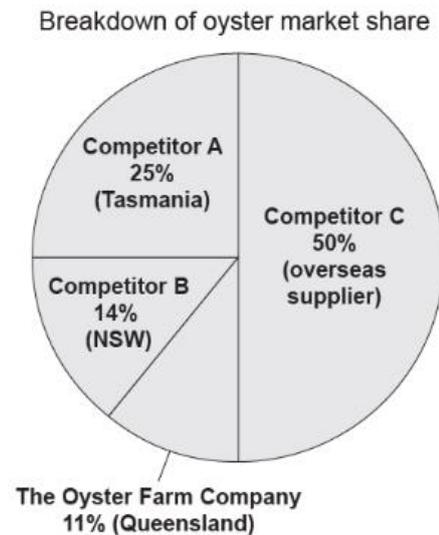
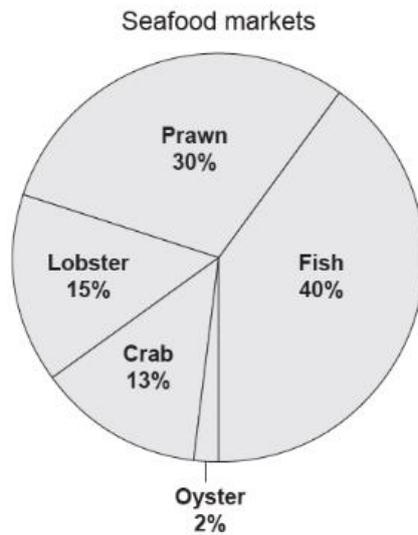
**Stimulus 5**

Revised organisational chart for The Hotel Company incorporating The Oyster Farm Company



### Stimulus 6

Data regarding seafood markets in Australia



### Stimulus 7

Newspaper article about Australia's seafood market

## The tide is rising on seafood

Retail consumers' demand for Australian seafood has risen 36% over the past five years due to international supply chain difficulties and inflated shipping costs. This is combined with more Australians preferring to buy Australian-grown products. Retail consumers are also prioritising gourmet seafood and premium dining experiences that incorporate education and sustainability. Businesses have adapted operations to appeal to farm gate tourists, allowing the public to buy seafood direct from trawlers or seafood farms.

One of the fastest growing and most profitable seafood items today is the oyster. Oysters are a type of seafood found in many of the world's oceans and usually take 24 to 30 months to be ready to harvest. Oysters are so versatile they can be eaten raw from the shell or cooked, and have become one of the most popular menu items in restaurants. Suppliers in Queensland are struggling to meet the increasing demand for oysters. Perhaps the tide (and profit) is rising for this delicious shellfish. ■

### Stimulus 8

The Hotel Company's general manager notified all staff of the possible purchase and asked for feedback. A summary of staff questions and suggestions was compiled

Could the oyster farm business expand its operations into an overseas market?

Could we sell the oysters to both retail and wholesale markets?

Will we be using the oysters in our hotel restaurant?

Open a farm gate where customers buy directly from our oyster farm.

Do we now need to upgrade the equipment in the hotel and the oyster farm?

How do we make sure our oysters are always fresh?

Start up an oyster cooking school in our restaurant using oysters from our oyster farm.

Is the upgrade to eco-friendly machinery affordable?

Do staff need to know how to work in the hotel and the oyster farm?

## Stimulus 9

Queensland tourism industry report



Five years ago

**1 in 11**

**Queensland jobs was tourism-based**

After a significant decrease since then, tourism jobs in Queensland are climbing



**96%**

of tourist farms and restaurants have welcomed

**new customers in the past year**

**79%**

of domestic tourism businesses have experienced an increase in customers in the past two years



**25%**

of international tourists identify Queensland's **gourmet produce and dining** as a highlight of their visit



Severe weather events have cost

**\$2.3 billion**

in lost income and damage to Queensland tourism businesses

**20%**

**increase in investment to revitalise tourism business operations**

### Stimulus 10

Magazine articles on business innovations

## The way of the **FUTURE**

**It is time to change our way of thinking. A business model could include more than one focus and expand its operations to include a product and a service.**

This has been the case recently when a local dairy business decided to open its doors to allow people to experience life on a working dairy farm. The business has built self-contained cottages on the farm to accommodate guests. They are then involved in the day-to-day running of the business, including milking the cows at 4 am. The idea has proven so successful that the business is taking bookings 12 months in advance.

## Don't be shellfish!

Reducing waste  
a key feature of  
modern restaurants

This image has not been published for copyright reasons.

Coffee grounds are turned into fertiliser and cosmetics, plastic lids are transformed into park benches and prosthetic limbs. Now shellfish are being used to regenerate endangered reefs.

Coral reefs are underwater structures that provide protection for marine plants and animals. Although crucial

to our tropical ecosystem and tourism industry, Australia's coral reefs are vulnerable to damage from extreme weather events, climate change and human pollution. Because of this, coral reefs are often rebuilt from materials other than coral in order to regrow and stabilise damaged environments.

Queensland scientists have found discarded oyster shells can be used to create 'oyster shell reefs', restoring structures for marine plants and animals.

The most recent trials have been impressive, with a notable increase in fish populations within oyster shell reefs.

### Stimulus 11

Excerpt from transcript of interview on local radio in regional Queensland

*Q: So, you're a second-generation oyster farmer. What are some of the biggest challenges you experience working in the industry?*

*A: One of the most difficult parts is that the laws and regulations around aquaculture change regularly with little or no notice. It then takes a long time to process and approve any new licences. And the fines if we make any mistakes are huge.*

Otherwise, environmental protection agencies are always reviewing what we do, not to mention the pressure we receive from different lobby groups. There's also increasing competition from overseas farms and increasing operational costs in aquaculture.

*Q: Does oyster farming have significant environmental impacts?*

*A: Well, any form of marine farming can negatively impact natural ecosystems, but this greatly depends on the species, location and size of the operation. In terms of oyster farming, during the early stages of its life cycle, an oyster spat or larva can take away nutrients from other marine species.*

*Q: What is the most rewarding aspect of being an oyster farmer?*

*A: It's a passive income. The oysters don't need a lot of tending to. It can also be very profitable if the farm is big enough to sell in large quantities. And it's pretty stable in terms of environmental fluctuations; all the extreme weather events we've experienced in Queensland haven't impacted the production rate of oysters.*




Question 3

Read Case study 1 (Stimulus 1–12) in the stimulus book. Identify and describe one macro environmental factor that could influence the need for change at the vet clinic. Refer to one stimulus from the case study in your response. [4 marks]

**Stimulus 1**

**Business profile**

The business is a small vet clinic operating in a regional city. The business has operated for 25 years. It has two full-time veterinarians, four full-time vet nurses and two administration staff that service a small but fast-growing community. Staff are paid above award wages, and have all worked at the clinic for more than 10 years.

Current products and services include health checks, vaccinations, emergency medical care and selling animal care products. The business has received multiple awards from the local council and business associations for outstanding contributions to the community.

The business has recently been purchased by Charlie, a newly qualified vet from Brisbane. Charlie is planning to extend the clinic beyond its traditional services and transform the business.

**Stimulus 2**

**Extract of new 1-year strategic plan written by the new owner, Charlie**

**Vision:** Highly qualified staff who provide compassion, care and commitment to our clients' animals' holistic healthcare needs.

**Goal:** To expand the clinic's services, thereby increasing profitability and growth by 10%.

**Actions:**

- Create a comprehensive performance management plan for the clinic.
- Investigate offering alternative services — including animal acupuncture, hydrotherapy, puppy training and behavioural therapy.
- Review current clinic location to assess suitability for expansion needs.
- Audit current staff's skills and experience, and upskill all staff.
- Increase market share.

**Stimulus 3**

**Cost of training courses to upskill staff**

Course name	Cost	Course details
Animal Dietary Services	\$14 750	2 years part-time
Animal Behaviour Therapy	\$16 950	2 years part-time
Acupuncture and Herbal Therapies for Animals	\$9500	1 year part-time
Veterinary Nursing	\$5500	6 months part-time

#### Stimulus 4

##### Extract of financial report for the business

Year	The business		Direct competitor comparison	
	Revenue \$	Net profit \$	Revenue \$	Net profit \$
2016–17	1 020 002	235 001	1 177 332	266 701
2017–18	980 212	220 212	1 223 333	288 659
2018–19	999 221	214 023	1 432 265	301 108
2019–20	929 221	202 923	1 546 432	317 566
2020–21	772 564	156 656	1 675 504	342 256

#### Stimulus 5

##### Online customer reviews for the existing vet business



**October**

I always feel great when I walk into this vet clinic. It's a calm and relaxing place with amazing staff. The vets really know their stuff and my cat is always well cared for by the nurses.

*Thank you for the feedback. We love to hear from our clients! Vet Team.*

.....



**One month ago**

I'm new to the area and I guess I expected a little bit more! I'll make the drive to another vet next time. This place only offers basic services. My dog needs extra care and attention; she needs therapy. I don't know why this place has been given a 5-star rating!! Won't be going back!

*Thank you for taking the time to provide feedback. Vet Team.*

.....



**Two months ago**

I need a one-stop vet shop that offers more services. Time to update your business!

*Thanks for taking the time to provide feedback. We would love to hear your ideas to improve our business. Vet Team.*

.....



**Six months ago**

I have recently moved and it is such a relief to find a vet that offers conventional medicine to animals! Thanks.

*Thank you for the feedback. We always recommend bringing your animals in for a checkup. Vet Team.*

.....



**One year ago**

Thank you for the great service. I love the range of animal care products you sell too. I'll be back for sure.

*Thank you for taking the time to provide feedback. Vet Team.*

### Stimulus 6

#### Email from new owner to vet clinic staff

 <b>Send</b>	<b>To</b> All staff
	<b>Cc</b>
<b>Subject</b> Meeting	

I am here and ready to 'go go go' in my new business. I am changing the business name to include 'Go 2', because I want the name to reflect my new business model, which is to be the go-to place for a greater range of animal health services, including holistic care.

My accountant tells me the business has not shown any financial growth in years. There is an immediate need for change and all employees must be on board.

I will be selecting two of you to complete extensive training in additional animal care services, including hydrotherapy, acupuncture and behavioural therapy. The business currently refers these services to other businesses, when we can provide them ourselves. This is not negotiable. Training will start in two weeks.

I will also be reducing shifts and reconsidering the number of staff employed.

I am scheduling a meeting one hour before the clinic opens on Monday. Attendance is compulsory.

**Charlie**

### Stimulus 7

#### Online chat between staff members after receiving the email (Stimulus 6)

Nurse 1 We have all worked together for a long time and our clinic works so well. Why do we need to change anything?

Admin 1 Why aren't we all being offered training?

Vet Our current equipment needs replacing, let alone getting new equipment to offer new services

Admin 2 Our customers are loyal and have been with us for years. Will they like the changes?

Nurse 2 We don't have the facilities to offer any new services

Admin 1 I checked our appointments ... we are booked out for the next 3 months

Vet Our current services are high quality and we have a great reputation

Nurse 1 I don't want to do the training. I hope Charlie doesn't pick me

Nurse 2 If we stop referring customers to other providers, how is it going to affect our business?

Admin 1 With all these changes, I hope I don't lose my job

### Stimulus 8

#### Magazine article

## Complementary therapies for pets

Industry data shows that over the past two years, household pet ownership has increased from 42% to 68%. With this increase, there has been a higher demand for complementary therapies for four-legged family members, as veterinarians expand the range of services they offer to include more non-medicinal therapies.

Businesses providing behavioural therapy for anxious and lonely pets, or acupuncture and hydrotherapy to improve joint health and mobility, have been inundated with people wanting to minimise the use of drugs as treatment for their furry friends.

While these therapies may be expensive, they are alleviating worry for animal owners.

Mary, owner of two dogs, said, 'When I returned to the office after working from home for so long, my dogs were crying all day and digging holes in the garden. Behavioural therapy sessions have really improved their ability to handle the separation.'

Of course, as with all complementary therapies, results may vary between our furry friends.

### Stimulus 9

#### Veterinary services trends over the past five years

Behavioural therapy

**16%**  increase

Acupuncture therapy

**4%**  increase

Animal counselling

**12%**  increase

Clipping and grooming

**11%**  decrease

Pet kennelling/boarding

**37%**  decrease

Pet herbal medicine

**7%**  increase

Hydrotherapy

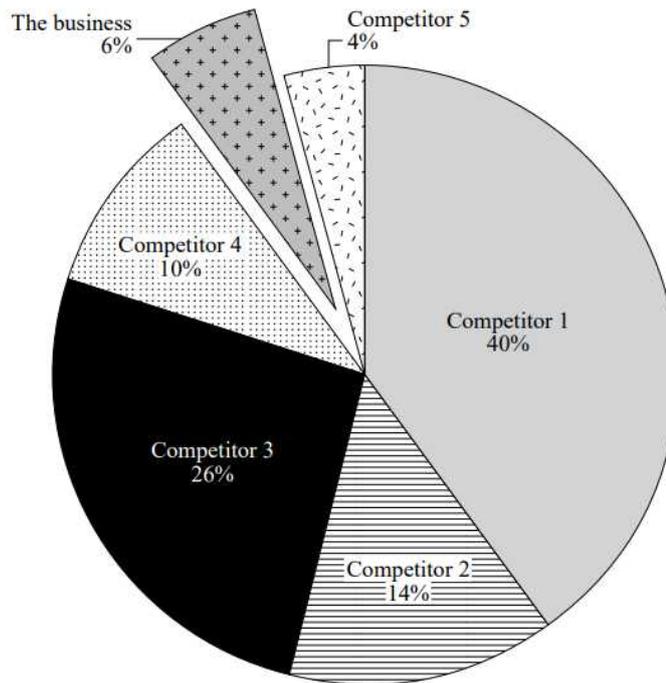
**15%**  increase

Hip and knee surgery

**13%**  decrease

### Stimulus 10

#### Current market share of vet clinics in the regional city



### Stimulus 11

#### Newspaper article

## A win for the animals!

It has been a long time coming, but Queensland's largest animal welfare group, in conjunction with the veterinary association, has recently achieved success in achieving legislative change. This is a win for all pet owners to ensure the care their animals receive when visiting their trusted vet is compliant with health, safety and wellbeing standards.

The animal welfare group was worried about the growing number of complementary animal therapy services being provided by vets and vet nurses. A spokesperson said, 'We love that the profile of animal wellness is expanding and increasing but we are concerned that many vet nurses aren't presently qualified to perform these services'.

The 1985 legislation allowed veterinary surgeons to deliver therapeutic support to animals; however, qualified veterinary nurses have been unable to provide these treatments. The recent legislative change sees the mandating of veterinary nursing qualifications to include sufficient training in order to perform these services.









**2021  
Paper 1  
Section 1  
Question 3-4**

**Transf. of a  
business**

Question 3

Use Case study 1 (Stimulus 1–3 in the stimulus book) to identify and explain one circumstance in which a consultant and/or professional service could assist this surfboard business. [3 marks]

**Stimulus 1**

**Excerpt from company annual report (September 2021)**

We are a small-scale manufacturer of short and long surfboards. We are based in Queensland and currently serve 6% of the market for custom surfboards in Queensland and northern New South Wales.

The company has built its reputation by focusing on high-quality inputs and handcrafted board shaping and finishing. All our staff are surfers and most have been with us since we started 15 years ago. Where possible, we source our foam, wood, fibreglass and resin from local or Australian sources. Every year, we commission an emerging local artist to develop designs that will feature on our boards for the following year.

In anticipation of listing as a public company on the Australian Securities Exchange by 2026, we are considering trialling offshore manufacturing in Thailand to take advantage of advanced robotic technologies and computer-aided design (CAD) and manufacturing in our basic shortboard model.

We hope this approach will deliver high production volumes and enable us to offer a lower price to attract first-time surfers to our boards. This approach will also increase our ability to compete with other offshore manufacturers who have lower labour, transportation and input costs.

**Stimulus 2**

**Australian Government trade report (September 2021)**

Recent data shows that the value of surfboard exports has risen from \$9.2 million in 2013–14 to \$24.3 million in 2020–21. The main export markets are New Zealand, the United States, Hong Kong and Singapore.

Stimulus 3

Media article headlines (January–September 2021)

**FINALLY!** Lower Australian dollar helping local manufacturers



High-quality craftsmanship boosts domestic small-scale manufacturing

Consumer spending on recreational activities is **ON THE RISE** *Special report*

**SPOT THE DIFFERENCE**

Made overseas

\$400



Made in Australia

\$900



Fashion and celebrities driving surfboard and surfwear sales

**‘Cheap overseas boards are taking over the market.’**



**JONO SMITH**  
Gold Coast surfing celebrity





Question 2

Use Case study 1 (Stimulus 1–9 in the stimulus book) to explain two objectives that could be included in a strategic plan for Herbs & Spices Inc. to realise Elkie’s vision for change. [6 marks]

**Stimulus 1**

**Business overview**

Herbs & Spices Inc. is a Queensland family-owned business that started in 1980. The business grows and packages fresh herbs, buying seeds, fertilisers and pesticides from local suppliers. The market for Herbs & Spices Inc. includes a mix of wholesalers and supermarkets, predominantly in Queensland.

In 2017, a modernised packaging plant was installed, enabling Herbs & Spices Inc. to meet their customers’ orders in a more timely manner. Employees were concerned that their jobs would be cut because of the mechanised system. The family has worked hard to ensure that no jobs were lost due to the modernisation of the packaging process. The owners, Joe and Diane Green, believe that the new packaging process is all that is needed to move the business forward.

**Stimulus 2**

**Email from Elkie Green to her parents (owners of Herbs & Spices Inc.)**

 **Future business direction ideas**

September 2020

Hi Mum and Dad,

Since I finished my business degree two years ago, I’ve been working hard, learning about your business and the industry. I am grateful that you want me to become Managing Director when you retire next year.

As future Managing Director, I want to:

- transition our business to an eco-friendly business
- move our business forward by expanding our market
- increase the revenue and profits for our business.

To achieve this, I think we should reduce our focus on soil-grown herbs and move to a hydroponic growing system. From my research, hydroponics is more efficient and sustainable. Hydroponic plants grow 25–30% faster than soil-grown plants, which means we could increase our production.

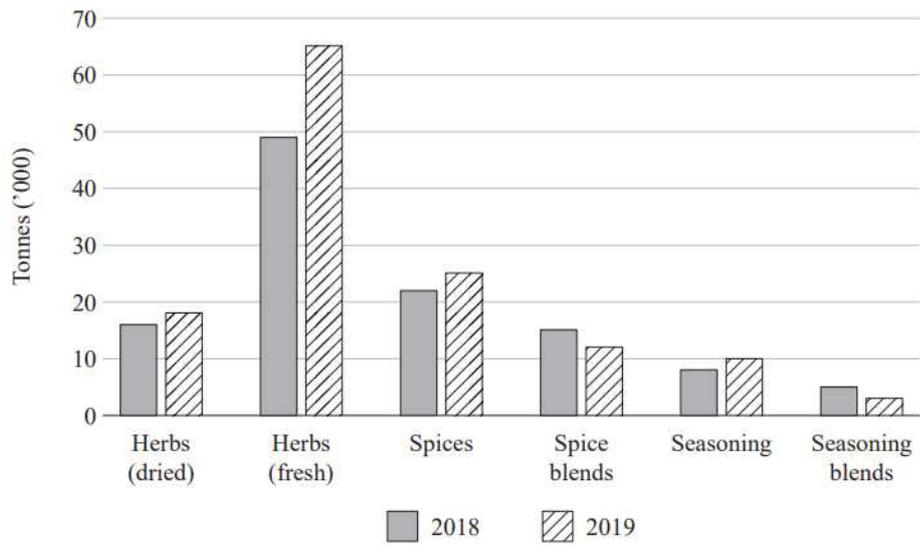
I also surveyed our major customers and suppliers, and all of our employees. What I found is that while loyalty to Herbs & Spices Inc. is high among our employees, it is low for our suppliers and our customers. Overall, our customers are mostly satisfied with us but want fewer seasonal fluctuations in the supply of herbs.

I know you don’t think we need any more change right now but I think this will be best for our business and your retirement fund!

Love you,  
Elkie

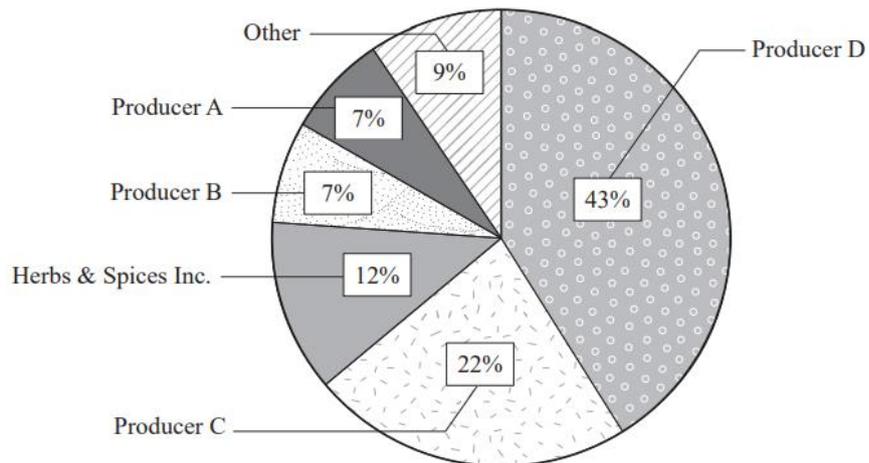
### Stimulus 3

Herb, spice and seasoning industry sales in Queensland (2018–2019)



### Stimulus 4

Herb, spice and seasoning producers in Queensland (by sales volume, 2019)



## Stimulus 5

Blog: 'Herb Blog'



www.herblog.blog/

# Herb Blog

APRIL 2020

Queensland Harvest reports that consumers and food manufacturers are turning to herbs as an alternative to salt, additives and sugar. In a bid to create healthier products, there is growing use and consumption of herbs. Sales of fresh herbs are increasing significantly and demand is strong year-round. Herbs are being used in cooking and drinks such as smoothies and teas.

Not only do herbs enhance the taste and appearance of food, they have health benefits too. According to Healthy Vege Eaters, consuming herbs can support healthy lifestyles and assist with health issues. Herbs are packed with nutrients to boost overall health.

**Stimulus 6**

Magazine article: 'The new trend in growing herbs is hydroponics'

## The new trend in growing herbs is **HYDROPONICS**

**A faster growing system for plants without the use of soil, hydroponics is particularly healthy as all the nutrients remain intact.**

Using the hydroponic method of growing is more profitable as it enables large amounts of crops to be grown in a small area. Hydroponics is one of the easiest methods for growing herbs. Additionally, the system is environmentally friendly and sustainable. The reservoir tank for growing the plants reduces water consumption and retains the nutrients in the system, eliminating the need to use fertilisers.

```

    graph TD
      1((1 Reservoir tank)) --> 2((2 Growing trays))
      2 --> 3((3 Recycling system))
      3 --> 4((4 Plants are harvested))
      4 --> 1
    
```

**Differences between soil-grown and hydroponic systems for growing herbs**

Soil-grown system	Hydroponic system
Labour-intensive system	System requires limited intervention
Slow growth rate of herbs	Growth rate is greatly increased from soil-grown (approximately 30% higher) and consumes less water, energy and natural resources for the same output
Expensive to maintain watering and fertilising requirements	Initial expense of nutrients is relatively minor and the system is cost-efficient to operate
Employment of significant number of people to plant seeds, maintain plants during growing and harvest plants	Employment of limited number of people to plant seeds and harvest plants
At risk from weather patterns, pests and pesticides	Protected from weather patterns, pests and pesticides
	Reduces land usage significantly

**Growers** MAGAZINE JULY 2020

Stimulus 7

Factsheet: 'Queensland's water resources'

# Queensland's water resources



Queensland's accessible water storage capacity is almost

**101 000**  
gigalitres

In 2019–2020, water storage was around 80% full at 81 000 gigalitres.

In 2019, the gross value of Queensland's agricultural production was \$65 billion and more than

**\$45 billion**

of this was irrigated products.

Total water use on Queensland farms has increased by

**15%**  
between 2017 and 2019

From 2017 to 2019, water usage to support agricultural production increased by

**45%**

Climate change and changes in weather patterns have caused reductions in water availability, resulting in

reduced  
**agricultural productivity**

The government plans to

fast-track  
**water infrastructure**

due to rising water consumption in the farming industry.

## Stimulus 8

### Email from a hydroponics equipment supplier

✉ Re: Hydroponic system set-up cost

September 2020

Hi Elkie,

Thank you for your enquiry about the costs to establish a hydroponic system to grow herbs.

Based on the estimates you provided, I can confirm that the initial set-up costs are \$50 000. This will include all the necessary equipment to convert your current operations. You will also need to factor in training for your staff. I would be prepared to offer this at a discounted rate of \$2000 in total.

All staff will need to be trained in how to use a nutrient-dependent growing system. This is not easy and is completely different from your current operations. Once your staff are trained, there should be no need for any further training. You will also notice a reduction in daily tasks and maintenance under the hydroponic system. It looks after itself! I would suggest that you also purchase the hydroponic converter and train at least one person in how to manage this. This is a crucial step in maintaining your system.

The ongoing costs for a hydroponic system are minimal compared to a soil-grown system. You will no longer need to budget for irrigation or fertilisers for your crops. The only ongoing cost for the hydroponic system is the nutrients. With the size of your farm, this could be an enormous cost benefit.

You will notice a difference when it comes time to harvest your herbs. As the system is in a confined space, the labour intensity of harvesting compared to a soil-grown system is reduced dramatically. Harvesting time is halved. The benefits of a hydroponic system are endless.

I look forward to hearing from you soon.

Regards,  
John

**Stimulus 9**

**Blog: 'Traditional farming for the future'**



**Traditional farming for the future**

by Annie Rambler

Soilless farming methods such as hydroponics, aeroponics (growing plants in an air or mist environment without the use of soil or an aggregate medium) and aquaponics (a combination of growing fish and other aquatic animals, and hydroponics) are not the way of the future. Here at Rambler Farming we think that traditional methods of farming play an essential role in the future of food production and in local communities. We firmly believe that to achieve equitable and sustainable food systems, new technologies are not the answer. We are not convinced that growing food without the use of soil will work.

Here are some factors we need to consider:

- Hydroponics uses LED technology to create a growing environment inside. What are the greenhouse gas emissions going to be? We must reduce our carbon footprint, not increase it.
- Traditional farming methods are passed down through generations and play a significant role in communities. Could you imagine the effect on rice growers? Rice growing has been around for centuries. It is a technique that requires soil and sun to produce crops.

How could large-scale hydroponics operations work? The cost to establish operations to replace traditional farming methods would be significant.

What's next — cattle-ponics?

Let's keep the conversation going! Use #FarmingFamiliesForOurFuture to let us know your thoughts.

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**2023  
Paper 1  
Section 2  
Question 4**

**Transf. of a  
business**

Instructions

- Respond in 400–600 words.
- This section has one question and is worth 25 marks.

Using Case study 1 (Stimulus 1–11), prepare a business report on the incorporation of The Oyster Farm Company into The Hotel Company to present to the general manager.

Include a SWOT analysis of the incorporation, identify two relationships, patterns or trends and interpret their effect on the business situation to draw conclusions about the implications for change.

Use two business criteria to evaluate one operational strategy to propose a recommendation about the transformation.

**Stimulus 1**

Phone conversation between a real estate agent and The Hotel Company’s general manager

**Real estate agent**

An oyster farm in your area has just come onto the market. It is definitely worth an inspection as the owners are desperate to sell. The business hasn’t been performing well for some time and is in need of repairs.

**General manager**

Thanks for letting me know. Can you send me some information?

**Real estate agent**

Yes, I’ll send you the link to the ad. It’s called The Oyster Farm Company. Here are the key points:

Huge opportunity to buy a wholesale oyster farming business in South East Queensland. It is a renovator’s delight and has enormous potential!

The sale includes:

- 9 licensed aquaculture areas for farming oysters
- 17 hectares comprising an operations base, marine lease, land and infrastructure
- well-established business operating for over 50 years.

**Stimulus 2**

Excerpt from The Hotel Company’s five-year strategic plan

Market share	Tourism	Operations	Diversification	Sustainability
Increase market share by 5% within next five years to be competitive in the tourism industry.	Become a destination point of interest for both domestic and international tourists.	Adopt operational efficiencies to ensure optimal business performance.	Diversify the business portfolio to remain competitive.	Prioritise sustainable business operations.

### Stimulus 3

Emails between The Hotel Company's general manager and finance manager

✉ **Potential purchase of an oyster farm** — ↗ ✕

**To** Finance manager

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**Subject** Potential purchase of an oyster farm

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Good morning

The Oyster Farm Company adjacent to our hotel is now on the market for \$100 000 and I have reviewed the initial information supplied by the seller. It is clear sales in this business have been steadily declining over the past few years.

Our hotel's guest numbers and revenue have been lower than usual. After a very unsteady few years, I am hopeful that guests will start to return to our hotel. This might be a great opportunity to increase guest numbers by attracting different customers seeking a unique aquaculture experience.

Can you please review the information and provide your advice?

Thank you  
General manager

✉ **RE: Potential purchase of an oyster farm** — ↗ ✕

**To** General manager

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**Subject** RE: Potential purchase of an oyster farm

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Good afternoon

Thank you for your email regarding your interest in purchasing The Oyster Farm Company. I understand your goal in purchasing this farm would be to diversify our business portfolio and have sustainable financial viability. I have reviewed the information supplied and believe the key points are:

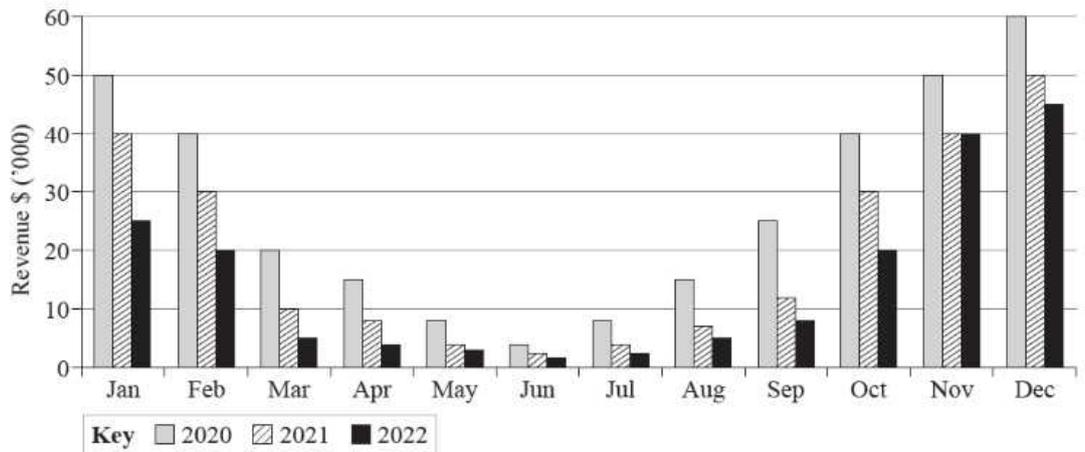
- revenue has declined steadily for three years
- revenue generated from September to February is highest as this is the peak oyster production time
- local wholesale customers have reduced over the last three years. I note that some of these wholesale customers have closed due to a lack of tourists in the area
- operating costs of the business are comparable (\$30 000 per annum) to an oyster farm in another state.

While we have sufficient funds to make the purchase, my advice is that you negotiate the sale price.

Regards  
Finance manager

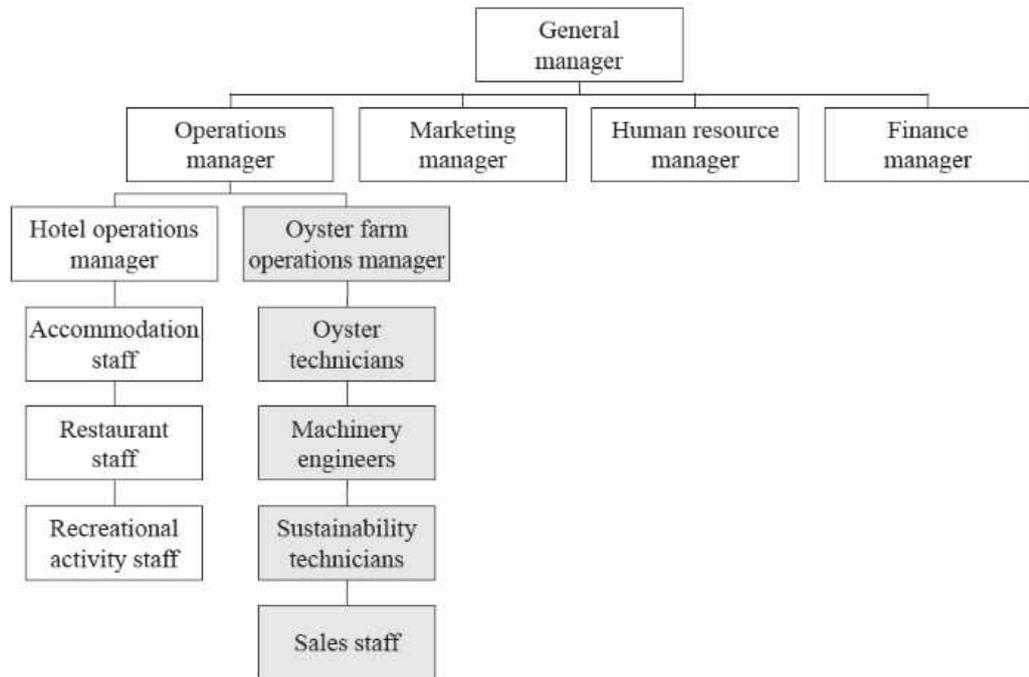
**Stimulus 4**

Wholesale revenue for The Oyster Farm Company



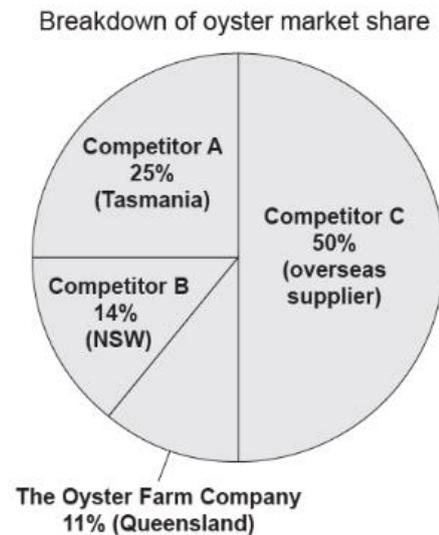
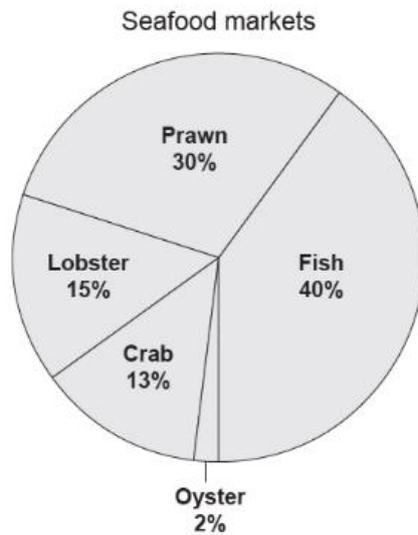
**Stimulus 5**

Revised organisational chart for The Hotel Company incorporating The Oyster Farm Company



### Stimulus 6

Data regarding seafood markets in Australia



### Stimulus 7

Newspaper article about Australia's seafood market

## The tide is rising on seafood

Retail consumers' demand for Australian seafood has risen 36% over the past five years due to international supply chain difficulties and inflated shipping costs. This is combined with more Australians preferring to buy Australian-grown products. Retail consumers are also prioritising gourmet seafood and premium dining experiences that incorporate education and sustainability. Businesses have adapted operations to appeal to farm gate tourists, allowing the public to buy seafood direct from trawlers or seafood farms.

One of the fastest growing and most profitable seafood items today is the oyster. Oysters are a type of seafood found in many of the world's oceans and usually take 24 to 30 months to be ready to harvest. Oysters are so versatile they can be eaten raw from the shell or cooked, and have become one of the most popular menu items in restaurants. Suppliers in Queensland are struggling to meet the increasing demand for oysters. Perhaps the tide (and profit) is rising for this delicious shellfish. ■

### Stimulus 8

The Hotel Company's general manager notified all staff of the possible purchase and asked for feedback. A summary of staff questions and suggestions was compiled

Could the oyster farm business expand its operations into an overseas market?

Could we sell the oysters to both retail and wholesale markets?

Will we be using the oysters in our hotel restaurant?

Open a farm gate where customers buy directly from our oyster farm.

Do we now need to upgrade the equipment in the hotel and the oyster farm?

How do we make sure our oysters are always fresh?

Start up an oyster cooking school in our restaurant using oysters from our oyster farm.

Is the upgrade to eco-friendly machinery affordable?

Do staff need to know how to work in the hotel and the oyster farm?

## Stimulus 9

Queensland tourism industry report



Five years ago

**1 in 11**

**Queensland jobs was tourism-based**

After a significant decrease since then, tourism jobs in Queensland are climbing



**96%**

of tourist farms and restaurants have welcomed

**new customers in the past year**

**79%**

of domestic tourism businesses have experienced an increase in customers in the past two years



**25%**

of international tourists identify Queensland's **gourmet produce and dining** as a highlight of their visit



Severe weather events have cost

**\$2.3 billion**

in lost income and damage to Queensland tourism businesses

**20%**

**increase in investment to revitalise tourism business operations**

### Stimulus 10

Magazine articles on business innovations

## The way of the **FUTURE**

**It is time to change our way of thinking. A business model could include more than one focus and expand its operations to include a product and a service.**

This has been the case recently when a local dairy business decided to open its doors to allow people to experience life on a working dairy farm. The business has built self-contained cottages on the farm to accommodate guests. They are then involved in the day-to-day running of the business, including milking the cows at 4 am. The idea has proven so successful that the business is taking bookings 12 months in advance.

## Don't be shellfish!

Reducing waste  
a key feature of  
modern restaurants

This image has not been published for copyright reasons.

Coffee grounds are turned into fertiliser and cosmetics, plastic lids are transformed into park benches and prosthetic limbs. Now shellfish are being used to regenerate endangered reefs.

Coral reefs are underwater structures that provide protection for marine plants and animals. Although crucial

to our tropical ecosystem and tourism industry, Australia's coral reefs are vulnerable to damage from extreme weather events, climate change and human pollution. Because of this, coral reefs are often rebuilt from materials other than coral in order to regrow and stabilise damaged environments.

Queensland scientists have found discarded oyster shells can be used to create 'oyster shell reefs', restoring structures for marine plants and animals.

The most recent trials have been impressive, with a notable increase in fish populations within oyster shell reefs.

### Stimulus 11

Excerpt from transcript of interview on local radio in regional Queensland

*Q: So, you're a second-generation oyster farmer. What are some of the biggest challenges you experience working in the industry?*

**A:** One of the most difficult parts is that the laws and regulations around aquaculture change regularly with little or no notice. It then takes a long time to process and approve any new licences. And the fines if we make any mistakes are huge.

Otherwise, environmental protection agencies are always reviewing what we do, not to mention the pressure we receive from different lobby groups. There's also increasing competition from overseas farms and increasing operational costs in aquaculture.

*Q: Does oyster farming have significant environmental impacts?*

**A:** Well, any form of marine farming can negatively impact natural ecosystems, but this greatly depends on the species, location and size of the operation. In terms of oyster farming, during the early stages of its life cycle, an oyster spat or larva can take away nutrients from other marine species.

*Q: What is the most rewarding aspect of being an oyster farmer?*

**A:** It's a passive income. The oysters don't need a lot of tending to. It can also be very profitable if the farm is big enough to sell in large quantities. And it's pretty stable in terms of environmental fluctuations; all the extreme weather events we've experienced in Queensland haven't impacted the production rate of oysters.











2022  
Paper 1  
Section 2  
Question 5

Transf. of a  
business

Instructions

- This section has one question and is worth 19 marks.
- Respond in 400-600 words.

Using Case study 1, select data and information to analyse the pressures for and against change in the business. Identify two relationships, patterns or trends in the analysis, interpret their effect on the business situation and draw conclusions about the implications for change. Present your findings as a business report to the owner. [19 marks]

**Stimulus 1**

**Business profile**

The business is a small vet clinic operating in a regional city. The business has operated for 25 years. It has two full-time veterinarians, four full-time vet nurses and two administration staff that service a small but fast-growing community. Staff are paid above award wages, and have all worked at the clinic for more than 10 years.

Current products and services include health checks, vaccinations, emergency medical care and selling animal care products. The business has received multiple awards from the local council and business associations for outstanding contributions to the community.

The business has recently been purchased by Charlie, a newly qualified vet from Brisbane. Charlie is planning to extend the clinic beyond its traditional services and transform the business.

**Stimulus 2**

**Extract of new 1-year strategic plan written by the new owner, Charlie**

**Vision:** Highly qualified staff who provide compassion, care and commitment to our clients' animals' holistic healthcare needs.

**Goal:** To expand the clinic's services, thereby increasing profitability and growth by 10%.

**Actions:**

- Create a comprehensive performance management plan for the clinic.
- Investigate offering alternative services — including animal acupuncture, hydrotherapy, puppy training and behavioural therapy.
- Review current clinic location to assess suitability for expansion needs.
- Audit current staff's skills and experience, and upskill all staff.
- Increase market share.

**Stimulus 3**

**Cost of training courses to upskill staff**

Course name	Cost	Course details
Animal Dietary Services	\$14 750	2 years part-time
Animal Behaviour Therapy	\$16 950	2 years part-time
Acupuncture and Herbal Therapies for Animals	\$9500	1 year part-time
Veterinary Nursing	\$5500	6 months part-time

#### Stimulus 4

##### Extract of financial report for the business

Year	The business		Direct competitor comparison	
	Revenue \$	Net profit \$	Revenue \$	Net profit \$
2016–17	1 020 002	235 001	1 177 332	266 701
2017–18	980 212	220 212	1 223 333	288 659
2018–19	999 221	214 023	1 432 265	301 108
2019–20	929 221	202 923	1 546 432	317 566
2020–21	772 564	156 656	1 675 504	342 256

#### Stimulus 5

##### Online customer reviews for the existing vet business



##### October

I always feel great when I walk into this vet clinic. It's a calm and relaxing place with amazing staff. The vets really know their stuff and my cat is always well cared for by the nurses.

*Thank you for the feedback. We love to hear from our clients! Vet Team.*

.....



##### One month ago

I'm new to the area and I guess I expected a little bit more! I'll make the drive to another vet next time. This place only offers basic services. My dog needs extra care and attention; she needs therapy. I don't know why this place has been given a 5-star rating!! Won't be going back!

*Thank you for taking the time to provide feedback. Vet Team.*

.....



##### Two months ago

I need a one-stop vet shop that offers more services. Time to update your business!

*Thanks for taking the time to provide feedback. We would love to hear your ideas to improve our business. Vet Team.*

.....



##### Six months ago

I have recently moved and it is such a relief to find a vet that offers conventional medicine to animals! Thanks.

*Thank you for the feedback. We always recommend bringing your animals in for a checkup. Vet Team.*

.....



##### One year ago

Thank you for the great service. I love the range of animal care products you sell too. I'll be back for sure.

*Thank you for taking the time to provide feedback. Vet Team.*

### Stimulus 6

#### Email from new owner to vet clinic staff

 <b>Send</b>	<b>To</b> All staff
	<b>Cc</b>
<b>Subject</b> Meeting	

I am here and ready to 'go go go' in my new business. I am changing the business name to include 'Go 2', because I want the name to reflect my new business model, which is to be the go-to place for a greater range of animal health services, including holistic care.

My accountant tells me the business has not shown any financial growth in years. There is an immediate need for change and all employees must be on board.

I will be selecting two of you to complete extensive training in additional animal care services, including hydrotherapy, acupuncture and behavioural therapy. The business currently refers these services to other businesses, when we can provide them ourselves. This is not negotiable. Training will start in two weeks.

I will also be reducing shifts and reconsidering the number of staff employed.

I am scheduling a meeting one hour before the clinic opens on Monday. Attendance is compulsory.

**Charlie**

### Stimulus 7

#### Online chat between staff members after receiving the email (Stimulus 6)

Nurse 1 We have all worked together for a long time and our clinic works so well. Why do we need to change anything?

Admin 1 Why aren't we all being offered training?

Vet Our current equipment needs replacing, let alone getting new equipment to offer new services

Admin 2 Our customers are loyal and have been with us for years. Will they like the changes?

Nurse 2 We don't have the facilities to offer any new services

Admin 1 I checked our appointments ... we are booked out for the next 3 months

Vet Our current services are high quality and we have a great reputation

Nurse 1 I don't want to do the training. I hope Charlie doesn't pick me

Nurse 2 If we stop referring customers to other providers, how is it going to affect our business?

Admin 1 With all these changes, I hope I don't lose my job

### Stimulus 8

#### Magazine article

## Complementary therapies for pets

Industry data shows that over the past two years, household pet ownership has increased from 42% to 68%. With this increase, there has been a higher demand for complementary therapies for four-legged family members, as veterinarians expand the range of services they offer to include more non-medicinal therapies.

Businesses providing behavioural therapy for anxious and lonely pets, or acupuncture and hydrotherapy to improve joint health and mobility, have been inundated with people wanting to minimise the use of drugs as treatment for their furry friends.

While these therapies may be expensive, they are alleviating worry for animal owners.

Mary, owner of two dogs, said, 'When I returned to the office after working from home for so long, my dogs were crying all day and digging holes in the garden. Behavioural therapy sessions have really improved their ability to handle the separation.'

Of course, as with all complementary therapies, results may vary between our furry friends.

### Stimulus 9

#### Veterinary services trends over the past five years

Behavioural therapy

**16%**  increase

Acupuncture therapy

**4%**  increase

Animal counselling

**12%**  increase

Clipping and grooming

**11%**  decrease

Pet kennelling/boarding

**37%**  decrease

Pet herbal medicine

**7%**  increase

Hydrotherapy

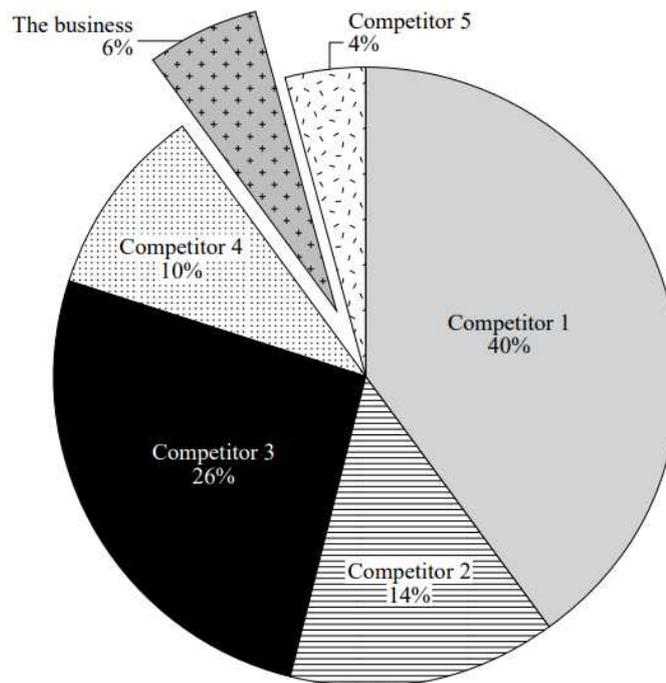
**15%**  increase

Hip and knee surgery

**13%**  decrease

### Stimulus 10

#### Current market share of vet clinics in the regional city



### Stimulus 11

#### Newspaper article

## A win for the animals!

It has been a long time coming, but Queensland's largest animal welfare group, in conjunction with the veterinary association, has recently achieved success in achieving legislative change. This is a win for all pet owners to ensure the care their animals receive when visiting their trusted vet is compliant with health, safety and wellbeing standards.

The animal welfare group was worried about the growing number of complementary animal therapy services being provided by vets and vet nurses. A spokesperson said, 'We love that the profile of animal wellness is expanding and increasing but we are concerned that many vet nurses aren't presently qualified to perform these services'.

The 1985 legislation allowed veterinary surgeons to deliver therapeutic support to animals; however, qualified veterinary nurses have been unable to provide these treatments. The recent legislative change sees the mandating of veterinary nursing qualifications to include sufficient training in order to perform these services.






<p><b>2021 Paper 1 Section 2 Question 5</b></p> <p><b>Transf. of a business</b></p>	<p><b>Instructions</b></p> <ul style="list-style-type: none"> <li>• Respond in 400–600 words.</li> <li>• This section has one question and is worth 20 marks.</li> </ul> <hr/> <p>Use Case study 2 (Stimulus 4–10 in the stimulus book) to analyse the business situation using a SWOT analysis. Interpret trends in the analysis to determine implications for the business transformation, then evaluate marketing strategies used in the transformation to propose recommendations for future success. Present your findings as a business report to the owner. [20 marks]</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p><b>Stimulus 4</b></p> <p><b>Profile in a local business magazine (October 2021)</b></p> <p>Last year, Francis, a fifth-generation butcher, decided to rebrand his family business to incorporate vegetarian and vegan products. The business has been operating in an outer suburb of Brisbane for the past 75 years — for many years it has been the only standalone butcher in a 10 km radius. There are two major supermarkets in the adjacent suburb. The local area now includes many young singles and couples, with rising vegetarianism evident through the establishment of numerous local vegetarian restaurants.</p> <p>Francis’s decision to change the focus of the business and diversify his product range from purely meat-based products to include vegan and vegetarian products has proved to be a challenge. Francis wanted to ensure the long-term sustainability of the business by introducing a range of innovative meat substitutes (known as ‘vege-meat’). He decided to phase out all meat-based products gradually while expanding the new vege-meat range. But sales are not rising as quickly as he had planned.</p> <p>Francis is promoting his new business focus through social media. His idea is to encourage meat-eaters to include meat-free products in their diets, particularly in his target market of people aged 25 to 45. He has also included a ‘review’ section on his business website where customers identify how they found out about his business and rate his products. From this data, Francis has found that social media is the main source of new customers, followed by word of mouth, with his website providing only a small number of new customers.</p> <p>The most popular product in the new vege-meat range is the spicy vegetarian burger patties. Customers have told Francis that they are easy to cook and taste good.</p> </div>
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### Stimulus 5

Excerpt from email from Francis to his father, the previous owner of the business (October 2021)

✉ RE: Suggestions for the business

Thanks, Dad. While I respect your suggestions, I can't afford to hire anyone right now to help with the business and consultants are just out to profit themselves. I admit it has been a challenge to get everything done myself, but I feel I have no other choice. It doesn't help that our existing customers keep moving away! The Luxtons are the latest in a long list to retire to the coast.

I want to try new things too. We've offered the same chops and sausages for so long that I'm starting to get bored. I've really enjoyed experimenting both on the product side and in how we reach our customers. It's funny to think that before last year I'd never eaten tofu, and now I make my own. I'm confident that things will pick up and this new focus will pay off soon.

### Stimulus 6

News article

## DAILY NEWS

### The steady rise of vegetarianism in Australia

Many Australians today are aware of the health benefits of a vegetarian diet. In fact, there has been significant growth in the number of people now looking for alternatives to meat products in their diets. As a consequence, companies are expanding their consumer appeal by staying away from animal ingredients wherever possible. The rise in demand for vegan and vegetarian products indicates current market trends.

An international panel of health experts recommends eating a variety of foods originating mainly from plants, rather than animals. Between 2012 and 2019, the number of Australian adults whose diet was all or almost all vegetarian rose from 9.7% of the population to 12.1%, findings from research reveals. Together with research that suggests a vegan diet can reduce greenhouse gases, it is unlikely this trend will reverse. ■

### Stimulus 7

Excerpt from Roy Morgan Research media release

Norman Morris, Industry Communications Director, Roy Morgan Research, says:

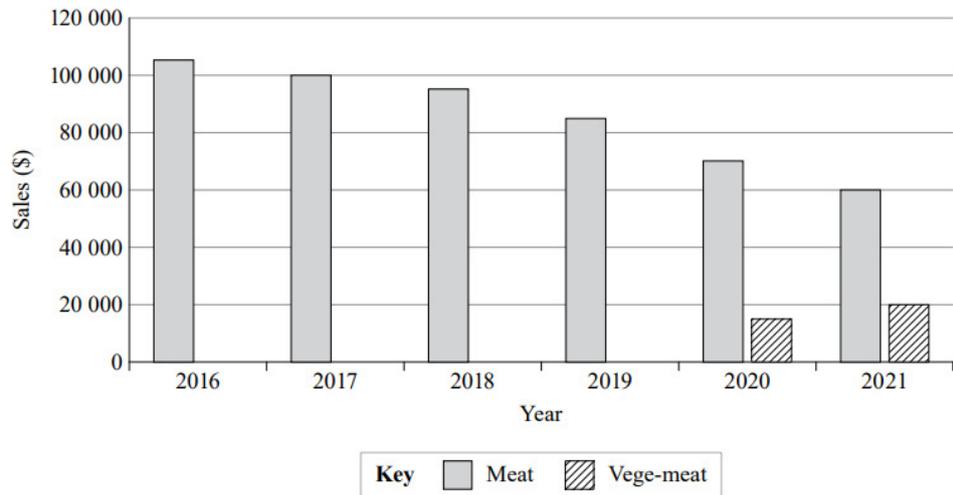
Whether people are embracing a less meat-heavy diet for health, environmental or animal-welfare reasons, the fact remains that this trend looks set to continue. Not only has there been an increase in near or total vegetarianism across Australia, but almost 9.9 million Aussie adults (53.4%) agree that they're 'eating less red meat these days'.

If they have not already, supermarkets and eateries would be wise to revisit their vegetarian-friendly options to ensure they are catering adequately for this growing — and potentially lucrative — consumer segment.

Of course, to do this successfully, an in-depth understanding of the segment is crucial ... For example, Australians whose diet is largely or completely vegetarian are 20% more likely than average to spend more than \$40 per week on fruit and vegetables, 93% more likely to buy organic food whenever they can, and 14% more likely to try new types of food.

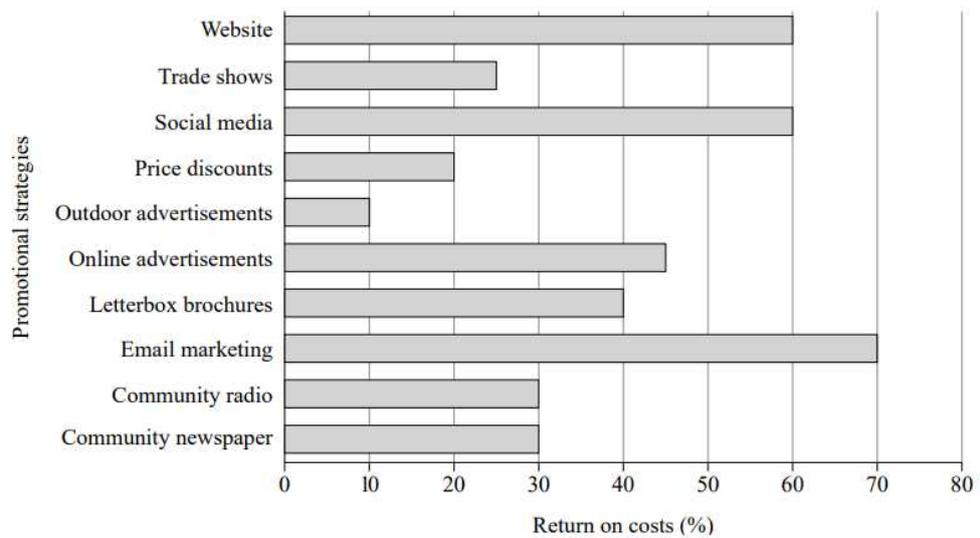
**Stimulus 8**

**Annual retail sales for the vegetarian butcher business**



**Stimulus 9**

**Return on costs for promotional strategies used by small businesses**









Instruction

- This section has one question and is worth 24 marks.

Analyse the power interests of stakeholders in Case study 1 and evaluate the proposed switch to hydroponic operations. Present your findings in a business report to the owners, using evidence from the case study.

**Stimulus 1**

**Business overview**

Herbs & Spices Inc. is a Queensland family-owned business that started in 1980. The business grows and packages fresh herbs, buying seeds, fertilisers and pesticides from local suppliers. The market for Herbs & Spices Inc. includes a mix of wholesalers and supermarkets, predominantly in Queensland.

In 2017, a modernised packaging plant was installed, enabling Herbs & Spices Inc. to meet their customers' orders in a more timely manner. Employees were concerned that their jobs would be cut because of the mechanised system. The family has worked hard to ensure that no jobs were lost due to the modernisation of the packaging process. The owners, Joe and Diane Green, believe that the new packaging process is all that is needed to move the business forward.

**Stimulus 2**

**Email from Elkie Green to her parents (owners of Herbs & Spices Inc.)**

 **Future business direction ideas**

September 2020

Hi Mum and Dad,

Since I finished my business degree two years ago, I've been working hard, learning about your business and the industry. I am grateful that you want me to become Managing Director when you retire next year.

As future Managing Director, I want to:

- transition our business to an eco-friendly business
- move our business forward by expanding our market
- increase the revenue and profits for our business.

To achieve this, I think we should reduce our focus on soil-grown herbs and move to a hydroponic growing system. From my research, hydroponics is more efficient and sustainable. Hydroponic plants grow 25–30% faster than soil-grown plants, which means we could increase our production.

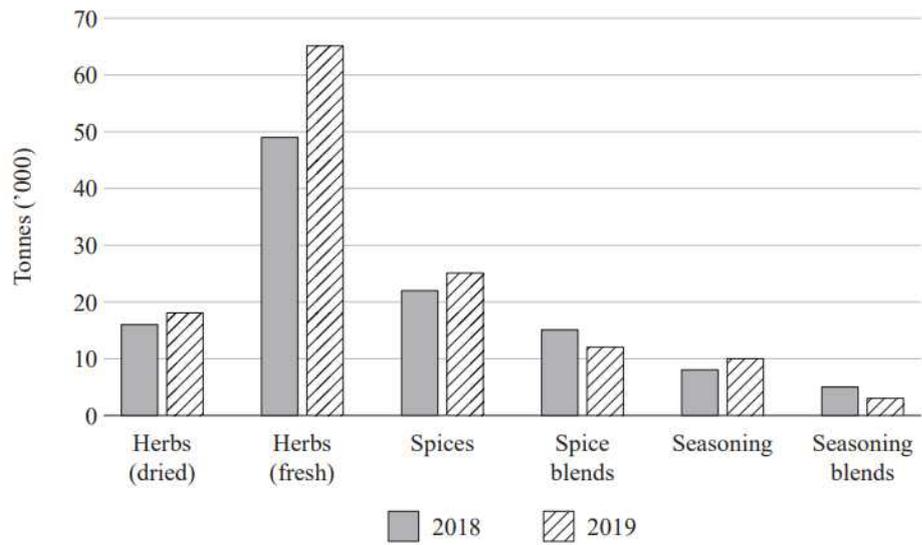
I also surveyed our major customers and suppliers, and all of our employees. What I found is that while loyalty to Herbs & Spices Inc. is high among our employees, it is low for our suppliers and our customers. Overall, our customers are mostly satisfied with us but want fewer seasonal fluctuations in the supply of herbs.

I know you don't think we need any more change right now but I think this will be best for our business and your retirement fund!

Love you,  
Elkie

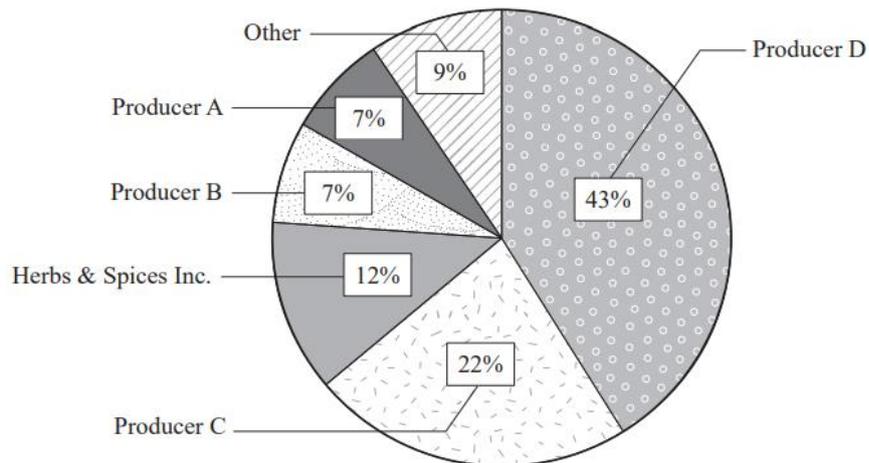
### Stimulus 3

Herb, spice and seasoning industry sales in Queensland (2018–2019)



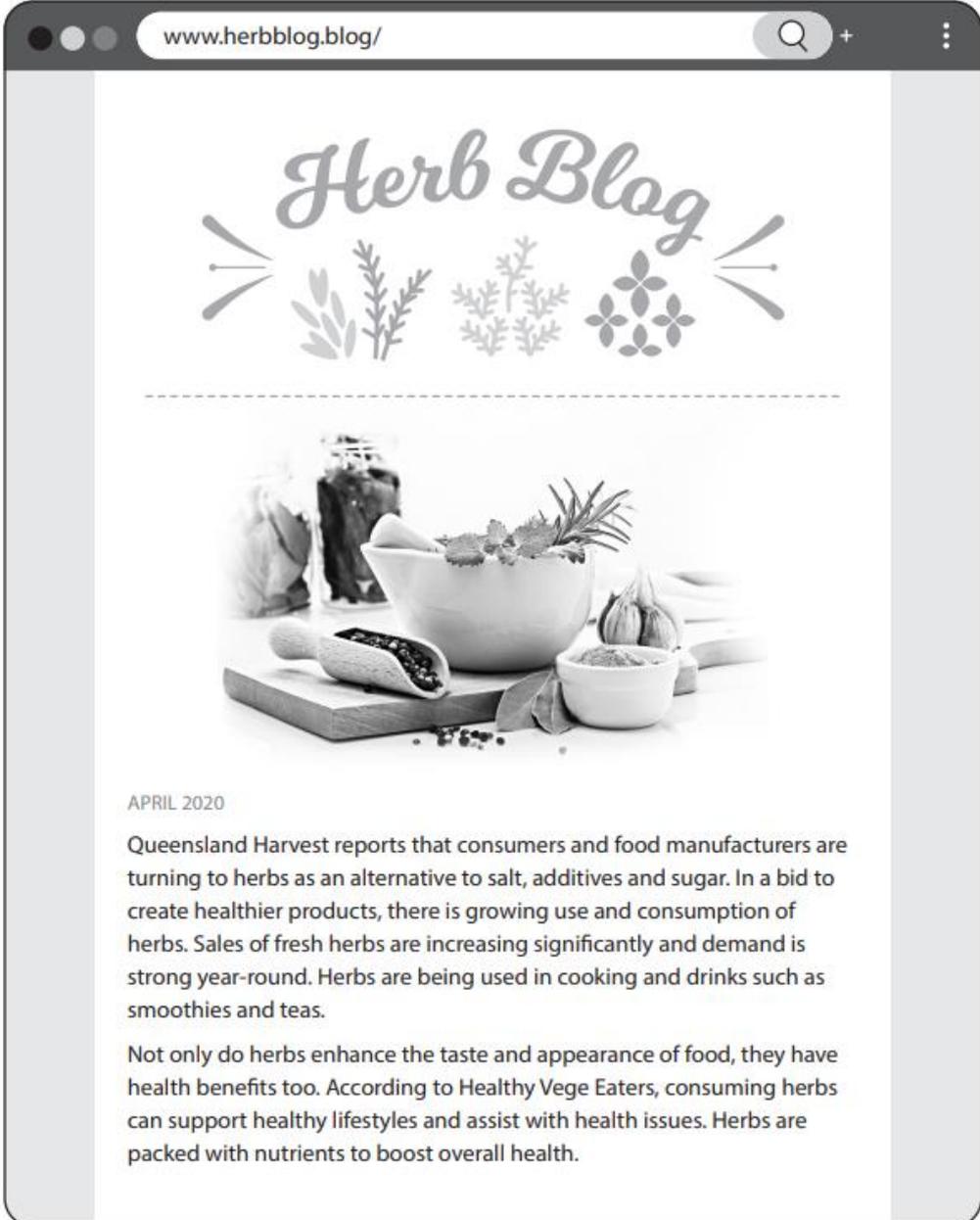
### Stimulus 4

Herb, spice and seasoning producers in Queensland (by sales volume, 2019)



## Stimulus 5

Blog: 'Herb Blog'



www.herblog.blog/

# Herb Blog

APRIL 2020

Queensland Harvest reports that consumers and food manufacturers are turning to herbs as an alternative to salt, additives and sugar. In a bid to create healthier products, there is growing use and consumption of herbs. Sales of fresh herbs are increasing significantly and demand is strong year-round. Herbs are being used in cooking and drinks such as smoothies and teas.

Not only do herbs enhance the taste and appearance of food, they have health benefits too. According to Healthy Vege Eaters, consuming herbs can support healthy lifestyles and assist with health issues. Herbs are packed with nutrients to boost overall health.

**Stimulus 6**

Magazine article: 'The new trend in growing herbs is hydroponics'

## The new trend in growing herbs is **HYDROPONICS**

**A faster growing system for plants without the use of soil, hydroponics is particularly healthy as all the nutrients remain intact.**

Using the hydroponic method of growing is more profitable as it enables large amounts of crops to be grown in a small area. Hydroponics is one of the easiest methods for growing herbs. Additionally, the system is environmentally friendly and sustainable. The reservoir tank for growing the plants reduces water consumption and retains the nutrients in the system, eliminating the need to use fertilisers.

```

    graph TD
      1((1 Reservoir tank)) --> 2((2 Growing trays))
      2 --> 3((3 Recycling system))
      3 --> 4((4 Plants are harvested))
      4 --> 1
    
```

**Differences between soil-grown and hydroponic systems for growing herbs**

Soil-grown system	Hydroponic system
Labour-intensive system	System requires limited intervention
Slow growth rate of herbs	Growth rate is greatly increased from soil-grown (approximately 30% higher) and consumes less water, energy and natural resources for the same output
Expensive to maintain watering and fertilising requirements	Initial expense of nutrients is relatively minor and the system is cost-efficient to operate
Employment of significant number of people to plant seeds, maintain plants during growing and harvest plants	Employment of limited number of people to plant seeds and harvest plants
At risk from weather patterns, pests and pesticides	Protected from weather patterns, pests and pesticides
	Reduces land usage significantly

**Growers** MAGAZINE JULY 2020

Stimulus 7

Factsheet: 'Queensland's water resources'

# Queensland's water resources



Queensland's accessible water storage capacity is almost

**101 000**  
gigalitres

In 2019–2020, water storage was around 80% full at 81 000 gigalitres.

In 2019, the gross value of Queensland's agricultural production was \$65 billion and more than

**\$45 billion**

of this was irrigated products.

Total water use on Queensland farms has increased by

**15%**  
between 2017 and 2019

From 2017 to 2019, water usage to support agricultural production increased by

**45%**

Climate change and changes in weather patterns have caused reductions in water availability, resulting in

reduced  
**agricultural productivity**

The government plans to

fast-track  
**water infrastructure**

due to rising water consumption in the farming industry.

## Stimulus 8

### Email from a hydroponics equipment supplier

✉ Re: Hydroponic system set-up cost

September 2020

Hi Elkie,

Thank you for your enquiry about the costs to establish a hydroponic system to grow herbs.

Based on the estimates you provided, I can confirm that the initial set-up costs are \$50 000. This will include all the necessary equipment to convert your current operations. You will also need to factor in training for your staff. I would be prepared to offer this at a discounted rate of \$2000 in total.

All staff will need to be trained in how to use a nutrient-dependent growing system. This is not easy and is completely different from your current operations. Once your staff are trained, there should be no need for any further training. You will also notice a reduction in daily tasks and maintenance under the hydroponic system. It looks after itself! I would suggest that you also purchase the hydroponic converter and train at least one person in how to manage this. This is a crucial step in maintaining your system.

The ongoing costs for a hydroponic system are minimal compared to a soil-grown system. You will no longer need to budget for irrigation or fertilisers for your crops. The only ongoing cost for the hydroponic system is the nutrients. With the size of your farm, this could be an enormous cost benefit.

You will notice a difference when it comes time to harvest your herbs. As the system is in a confined space, the labour intensity of harvesting compared to a soil-grown system is reduced dramatically. Harvesting time is halved. The benefits of a hydroponic system are endless.

I look forward to hearing from you soon.

Regards,  
John

**Stimulus 9**

**Blog: 'Traditional farming for the future'**



**Traditional farming for the future**

by Annie Rambler

Soilless farming methods such as hydroponics, aeroponics (growing plants in an air or mist environment without the use of soil or an aggregate medium) and aquaponics (a combination of growing fish and other aquatic animals, and hydroponics) are not the way of the future. Here at Rambler Farming we think that traditional methods of farming play an essential role in the future of food production and in local communities. We firmly believe that to achieve equitable and sustainable food systems, new technologies are not the answer. We are not convinced that growing food without the use of soil will work.

Here are some factors we need to consider:

- Hydroponics uses LED technology to create a growing environment inside. What are the greenhouse gas emissions going to be? We must reduce our carbon footprint, not increase it.
- Traditional farming methods are passed down through generations and play a significant role in communities. Could you imagine the effect on rice growers? Rice growing has been around for centuries. It is a technique that requires soil and sun to produce crops.

How could large-scale hydroponics operations work? The cost to establish operations to replace traditional farming methods would be significant.

What's next — cattle-ponics?

Let's keep the conversation going! Use #FarmingFamiliesForOurFuture to let us know your thoughts.

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**Marking Guide – Paper 1 Section 1**

<p><b>2023 Paper 1 Section 1 Question 1</b></p> <p><b>Transf. of a business</b></p>	<p>Identify and explain the final stage in Lewin’s change management model. Use an example to explain one risk for a business if an element of this stage is not implemented. [3 marks]</p>	
	<table border="1"> <tr> <td> <p><b>The response</b></p> <p>[3 marks]</p> <ul style="list-style-type: none"> <li>identifies the final stage of Lewin’s change management model (refreeze) [1 mark]</li> <li>explains the final stage of Lewin’s change management model [1 mark]</li> <li>uses a relevant example to explain a risk for a business [1 mark]</li> </ul> </td> </tr> <tr> <td> <p><b>Sample response</b></p> <p>The final stage in Lewin’s change management model is refreeze. In this stage, the change is solidified and becomes a part of normal business operations. The ‘refreezing’ stage is crucial to ensuring the change is successful. The goal at this stage is to ensure that the people involved implement the change without resistance and that the change is normalised within the business.</p> <p>A risk for a business if this stage is not implemented is that the previous behaviour could continue, and the change will not happen. For example, the business may need to modify the organisational structure to align with the change and to reinforce the new ways of working. If this is not done, it could jeopardise the change from being adopted.</p> </td> </tr> </table>	<p><b>The response</b></p> <p>[3 marks]</p> <ul style="list-style-type: none"> <li>identifies the final stage of Lewin’s change management model (refreeze) [1 mark]</li> <li>explains the final stage of Lewin’s change management model [1 mark]</li> <li>uses a relevant example to explain a risk for a business [1 mark]</li> </ul>
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<p><b>2023 Paper 1 Section 1 Question 2</b></p> <p><b>Transf. of a business</b></p>	<p>Identify and explain one management strategy that a business manager can use to overcome resistance to change. Use an example to explain how the identified strategy could overcome resistance to change when transforming a business. [4 marks]</p>	
	<table border="1"> <tr> <td> <p><b>The response</b></p> <ul style="list-style-type: none"> <li>identifies a relevant management strategy that a business manager can use to overcome resistance to change [1 mark]</li> <li>explains the identified management strategy [1 mark]</li> <li>explains how the identified management strategy may be used to overcome resistance to change when transforming a business [1 mark]</li> <li>uses a relevant example [1 mark]</li> </ul> </td> </tr> <tr> <td> <p><b>Sample response</b></p> <p>Management can use participation as a low-risk strategy when implementing change. Although challenging and time consuming for a manager to implement, participation is highly effective when implementing change. This is because existing stakeholders can directly contribute ideas and raise potential problems or fears experienced at various levels of an organisation. It also reduces resistance to change and minimises staff turnover, because it enhances organisational culture and increases the likelihood that the change will be successful, minimising resistance and implementation problems.</p> <p>An example of using participation as a management strategy during transformation would be to include staff in decision-making throughout the process of change. Including a staff representative would provide staff with an ear and a voice throughout the process. Creating a regular column in the staff newsletter to inform of progress and seek feedback enables staff to participate in change by contributing their ideas, and expressing their concerns or fears, improving the likelihood of successful transformation. It also builds an environment that values and recognises employees’ contributions. This would reduce the level of staff turnover when implementing the change.</p> </td> </tr> </table>	<p><b>The response</b></p> <ul style="list-style-type: none"> <li>identifies a relevant management strategy that a business manager can use to overcome resistance to change [1 mark]</li> <li>explains the identified management strategy [1 mark]</li> <li>explains how the identified management strategy may be used to overcome resistance to change when transforming a business [1 mark]</li> <li>uses a relevant example [1 mark]</li> </ul>
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<p><b>2023 Paper 1 Section 1 Question 3</b></p> <p><b>Transf. of a business</b></p>	<p>Read Case study 1 (Stimulus 1–11) in the stimulus book. Describe how one internal operating factor could be influenced by the business transformation. Refer to one relevant stimulus from the case study in your response. [3 marks]</p>	
	<table border="1"> <tr> <td> <p><b>The response</b></p> <ul style="list-style-type: none"> <li>identifies one relevant internal operating factor [1 mark]</li> <li>describes how the identified internal operating factor could be influenced by the business transformation [1 mark]</li> <li>refers to one relevant stimulus from the case study [1 mark]</li> </ul> </td> </tr> <tr> <td> <p><b>Sample response</b></p> <p>An internal operating factor that would be influenced by the business transformation is the organisational structure.</p> <p>The internal organisational structure of the existing business (The Hotel Company) would need to change to incorporate the new operation’s processes. The Hotel Company general manager and operations manager will have increased responsibility for overseeing the operations of The Oyster Farm Company. Adding the new business to the organisational structure will require adding new positions, such as oyster technicians, machinery engineers, sustainability technicians and sales staff (Stimulus 5). These new positions are required to operate the farm components of the business.</p> </td> </tr> </table>	<p><b>The response</b></p> <ul style="list-style-type: none"> <li>identifies one relevant internal operating factor [1 mark]</li> <li>describes how the identified internal operating factor could be influenced by the business transformation [1 mark]</li> <li>refers to one relevant stimulus from the case study [1 mark]</li> </ul>
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<b>2022</b> <b>Paper 1</b> <b>Section 1</b> <b>Question 1</b>  <b>Transf. of a business</b>	Identify and explain a possible performance management outcome when transforming a business. Include an explanation of the role of performance management in your response. [3 marks]	
	<b>Sample Response</b>	<b>The response</b>
	Performance management reviews the overall performance of a business and its human resources requirements to ascertain how goals can be better reached. A possible outcome from the performance management review is redundancy. Redundancy is determined during a performance management review process where a position within an organisation may no longer be required as a result of business transformation.	<ul style="list-style-type: none"> <li>• identifies a possible performance management outcome when transforming a business [1 mark]</li> <li>• explains the possible outcome [1 mark]</li> <li>• explains the role of performance management [1 mark]</li> </ul>

<b>2022</b> <b>Paper 1</b> <b>Section 1</b> <b>Question 2</b>  <b>Transf. of a business</b>	Identify one step from Kotter’s change management model and explain how it influences corporate culture during transformation. Provide one example in your response. [4 marks]	
	<b>Sample Response</b>	<b>The response</b>
	Kotter’s eight-step change model places emphasis on involvement and acceptance of the change to ensure success. Corporate culture, as a driver of change, can impact on the success of transformation as it refers to the values or beliefs of a business. Forming a powerful coalition of key leaders will ensure that corporate culture is positive throughout the change. This is because corporate culture is driven by the leaders in a business, and it is the leaders that will ensure the change is implemented.	<ul style="list-style-type: none"> <li>• identifies a relevant step from Kotter’s change management model [1 mark]</li> <li>• explains in-depth how the step influences corporate culture during transformation [1 mark]</li> <li>• provides a relevant example [1 mark]</li> <li>• links identified relevant step to the relevant example [1 mark]</li> </ul>

<b>2022</b> <b>Paper 1</b> <b>Section 1</b> <b>Question 3</b>  <b>Transf. of a business</b>	Read Case study 1 (Stimulus 1–12) in the stimulus book. Identify and describe one macro environmental factor that could influence the need for change at the vet clinic. Refer to one stimulus from the case study in your response. [4 marks]	
	<b>Sample Response</b>	<b>The response</b>
	A macro external environmental factor that influenced change at the vet clinic is the legal environment. The legal environment relates to the laws that state how a business must operate. Stimulus 11 refers to the lobbying influence of welfare groups and veterinary associations in achieving legislative change, which resulted in updates to legislation. These updates mandate that vet nurses must have necessary training to perform complementary therapies. Therefore, the business needs to change to abide by the new laws.	<ul style="list-style-type: none"> <li>• identifies a macro environmental factor [1 mark]</li> <li>• describes the macro environmental factor [1 mark]</li> <li>• describes how it could influence the need for change in the business [1 mark]</li> <li>• links the macro environmental factor to the case study [1 mark]</li> </ul>

<b>2022</b> <b>Paper 1</b> <b>Section 1</b> <b>Question 4</b>  <b>Transf. of a business</b>	Referring to evidence in Case study 1, use two business criteria to evaluate one human resource strategy that would transform the business. Make a decision and propose one recommendation for successful transformation of the business. [9 marks]		
	<b>The response for one business</b>	<b>The response, for a second business criterion</b>	<b>The response</b>
	[3 marks] • demonstrates effective use of a relevant business criterion to evaluate the human resource strategy • uses relevant stimulus to evaluate using a business criterion	[3 marks] • demonstrates effective use of a second relevant business criterion to evaluate the human resource strategy • uses relevant stimulus to evaluate using another business criterion	[3 marks] • identifies a relevant human resource strategy from the stimulus • provides a justified decision for the business transformation • makes an appropriate recommendation
	[2 marks] • demonstrates use of a business criterion to evaluate the human resource strategy • refers to a stimulus to evaluate	[2 marks] • demonstrates use of another business criterion to evaluate the human resource strategy • refers to a stimulus to evaluate	[2 marks] • identifies a human resource strategy • provides a decision for the business transformation • makes a recommendation
	[1 mark] • states a business criterion	[1 mark] • states a second business criterion	[1 mark] • states a strategy • states a recommendation
[0 marks] • does not satisfy any of the descriptors above.	[0 marks] • does not satisfy any of the descriptors above.	[0 marks] • does not satisfy any of the descriptors above	

**2021  
Paper 1  
Section 1  
Question 1**

**Transf. of a  
business**

Identify two different management styles and explain how each style can act as an internal driver of change. [4 marks]

Sample Response	The response	Notes
<p>Management Style 1</p> <ul style="list-style-type: none"> <li>• identifies a relevant management style [1 mark]</li> <li>• provides an in-depth explanation of how the identified management style acts as an internal driver of change [1 mark]</li> </ul>	<p>Management Style 2</p> <ul style="list-style-type: none"> <li>• identifies a second relevant management style [1 mark]</li> <li>• provides an in-depth explanation of how the identified management style acts as an internal driver of change [1 mark]</li> </ul>	<p>Relevant management styles may include:</p> <ul style="list-style-type: none"> <li>- autocratic</li> <li>- persuasive</li> <li>- consultative</li> <li>- participative/democratic</li> <li>- or other suitable response consistent with a reasonable understanding.</li> </ul> <p>Relevant: connected with the matter in hand; applicable and pertinent</p> <p>In-depth: comprehensive and with thorough coverage</p> <p>How the management style drives the change must be explained in detail. This would include specific information about how the identified management style responds to and leads change</p>

**Sample Response**

A management style is the way managers organise tasks and interact with employees to achieve business objectives.

A manager with an autocratic style may impose change on the business based on their judgments and opinions only. This style ensures the decision to change is made quickly, and the change commences without the involvement of staff.

A manager with a democratic style will drive change that responds to the wishes and judgments of their staff. The open communication associated with this style will ensure the need for change is clear and all are involved.

<p><b>2021</b> <b>Paper 1</b> <b>Section 1</b> <b>Question 2</b></p> <p><b>Transf. of a business</b></p>	Using an example, describe one operating environmental factor that could influence a business manager to initiate change. [3 marks]	
	<b>The response</b>	<b>Notes</b>
	<p>[3 marks]</p> <ul style="list-style-type: none"> <li>• describes explicitly how the operating environmental factor influences a business manager to initiate change</li> <li>• uses a relevant example to describe the situation</li> </ul>	<p>Relevant operating factors may include:</p> <ul style="list-style-type: none"> <li>- internal operating environment               <ul style="list-style-type: none"> <li>▫ business leaders: owners and managers</li> <li>▫ employees</li> <li>▫ organisational structure</li> <li>▫ organisational culture</li> </ul> </li> <li>▫ or other suitable response consistent with a reasonable understanding</li> </ul> <p>- external operating environment</p> <ul style="list-style-type: none"> <li>▫ customers</li> <li>▫ competitors</li> <li>▫ suppliers</li> <li>▫ interest groups, e.g. professional associations, unions, public interest groups</li> <li>▫ or other suitable response consistent with a reasonable understanding.</li> </ul> <p>Relevant: connected with the matter in hand; applicable and pertinent Explicit: clearly and distinctly expressing all that is meant; leaving nothing merely implied or suggested</p> <p>A relevant example is connected to the operating environmental factor identified and would influence a business manager to initiate change.</p>
	<p>[2 marks]</p> <ul style="list-style-type: none"> <li>• describes how the operating environmental factor influences a business manager to initiate change</li> <li>• provides an example</li> </ul>	
	<p>[1 mark]</p> <ul style="list-style-type: none"> <li>• states an environmental factor</li> </ul>	
<p>[0 marks]</p> <ul style="list-style-type: none"> <li>• does not satisfy any of the descriptors above.</li> </ul>		
<b>Sample Response</b>		
<p>An external operating environmental factor that could influence a business manager to initiate change is the business's customers. A business must continually ensure that its customers' needs are being met. It also needs to respond quickly, changing the way it operates to satisfy its customers. For example, a business that only provides instore facilities may need to change its operations and provide an online option to meet customer needs and stay competitive.</p>		

<p><b>2021</b> <b>Paper 1</b> <b>Section 1</b> <b>Question 3</b></p> <p><b>Transf. of a business</b></p>	Use Case study 1 (Stimulus 1–3 in the stimulus book) to identify and explain one circumstance in which a consultant and/or professional service could assist this surfboard business. [3 marks]	
	<b>The response</b>	<b>Notes</b>
	<ul style="list-style-type: none"> <li>• identifies a relevant circumstance [1 mark]</li> <li>• links the circumstance to stimulus [1 mark]</li> <li>• explains how a consultant and/or professional service could assist the surfboard business [1 mark]</li> </ul>	<p>Relevant: connected with the matter in hand; applicable and pertinent, i.e. identifiable in the stimulus and a circumstance requiring the assistance of a consultant and/or professional service.</p> <p>Explanation of how a consultant and/or professional service could assist the surfboard business could include:</p> <ul style="list-style-type: none"> <li>- for future growth, market analysts could help to access new or emerging markets to increase sales and profits</li> <li>- to broaden the market, marketing consultants could help to reach first-time surfers</li> <li>- to restructure the business, lawyers could help to provide legal advice on operating a manufacturing business offshore</li> <li>- or other suitable response consistent with a reasonable understanding.</li> </ul>
	<b>Sample response</b>	
<p>The business is in the renewal stage of the business cycle. It is seeking new areas for growth, as shown by the proposal to manufacture overseas and move into mass production (Stimulus 1). Market analysts could help the business identify and access new or emerging markets, potentially increasing sales and profits.</p>		

**2021  
Paper 1  
Section 1  
Question 4**

**Transf. of a  
business**

Use Case study 1 to analyse two forces for and two forces against change to the manufacturing operations of the surfboard business. [5 marks]

Sample Response	The response
<p>The business faces pressures for and against the intended change to manufacturing. The switch to more automated manufacturing in Thailand will reduce production costs (Stimulus 1) and mean production is closer to key markets (Stimulus 3). This change will enable the business to meet rising consumer demand more quickly (Stimulus 2) and attract new customers with a low-cost option (Stimulus 1).</p>	<p>[5 marks]</p> <ul style="list-style-type: none"> <li>• identifies two relevant forces for change with explicit links to relevant stimulus</li> <li>• identifies two relevant forces against change with explicit links to relevant stimulus</li> <li>• provides an insightful analysis of the two identified forces for change</li> <li>• provides an insightful analysis of the two identified forces against change</li> </ul>
<p>However, the company has built its brand on traditional, handmade surfboards that use local inputs (Stimulus 1). This goes against the proposed mass production.</p> <p>Continuing to use Australian inputs will be more difficult with overseas manufacturing, and local high-profile surfers do not support mass production of surfboards (Stimulus 2).</p>	<p>[4 marks]</p> <ul style="list-style-type: none"> <li>• identifies two relevant forces for change with links to relevant stimulus</li> <li>• identifies two relevant forces against change with links to relevant stimulus</li> <li>• provides an appropriate analysis of the two identified forces for change</li> <li>• provides an appropriate analysis of the two identified forces against change</li> </ul>
<p>Overall, the forces for change are stronger, so the business should proceed with the change to overseas manufacturing and should seek advice from consultants or professional services on how to proceed.</p>	<p>[3 marks]</p> <ul style="list-style-type: none"> <li>• identifies forces for and against change from the stimulus</li> <li>• provides an analysis of the identified forces for change to the manufacturing operations</li> <li>• provides an analysis of the identified forces against change to the manufacturing operations</li> </ul>
	<p>[2 marks]</p> <ul style="list-style-type: none"> <li>• identifies forces for and/or against change</li> <li>• makes a statement about business change</li> </ul>
	<p>[1 mark]</p> <ul style="list-style-type: none"> <li>• identifies a force for or against change</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• makes a statement about business change</li> </ul>
	<p>[0 marks]</p> <ul style="list-style-type: none"> <li>• does not satisfy any of the descriptors above.</li> </ul>

<p><b>2020</b> <b>Paper 1</b> <b>Section 1</b> <b>Question 1</b></p> <p><b>Transf. of a business</b></p>	<p>Explain two circumstances, using examples, in which legislative compliance would drive change for a business in the post-maturity stage. [6 marks]</p>		
	Sample response	For the first circumstance, the response	For the second circumstance, the response:
	<p>Changes in legislation may change business operations. For example, workplace safety laws may change. This would require businesses' current operating policies or processes to be rewritten, or physical changes to the premises to ensure compliance, e.g. PPE or fire safety.</p> <p>Businesses must also adhere to governing body industry regulations or standards. A business may need to transform human resources to reflect changed professional qualification requirements to be licensed in an industry, e.g. real estate agents.</p>	<p>[3 marks]</p> <ul style="list-style-type: none"> <li>explains one matter of legislative compliance</li> <li>explains in detail how the impact drives change</li> <li>provides an example</li> </ul>	<p>[3 marks]</p> <ul style="list-style-type: none"> <li>explains a second matter of legislative compliance</li> <li>explains in detail how the impact drives change</li> <li>provides an example</li> </ul>
		<p>[2 marks]</p> <ul style="list-style-type: none"> <li>explains one matter of legislative compliance</li> <li>explains how the impact drives change</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>explains one matter of legislative compliance</li> <li>provides an example</li> </ul>	<p>[2 marks]</p> <ul style="list-style-type: none"> <li>explains a second matter of legislative compliance</li> <li>explains how the impact drives change</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>explains a second matter of legislative compliance</li> <li>provides an example</li> </ul>
		<p>[1 mark]</p> <ul style="list-style-type: none"> <li>provides an example of legislative compliance</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>identifies a relevant example</li> </ul>	<p>[1 mark]</p> <ul style="list-style-type: none"> <li>provides a different example of legislative compliance</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>identifies a relevant example</li> </ul>
<p>[0 marks]</p> <ul style="list-style-type: none"> <li>does not satisfy any of the descriptors above.</li> </ul>		<p>[0 marks]</p> <ul style="list-style-type: none"> <li>does not satisfy any of the descriptors above.</li> </ul>	

<p><b>2020</b> <b>Paper 1</b> <b>Section 1</b> <b>Question 2</b></p> <p><b>Transf. of a business</b></p>	<p>Use Case study 1 (Stimulus 1–9 in the stimulus book) to explain two objectives that could be included in a strategic plan for Herbs &amp; Spices Inc. to realise Elkie's vision for change. [6 marks]</p>		
	Sample response	For the first objective, the response	For the second objective, the response:
	<p>To achieve Elkie's intention of expanding the market, one objective would be to implement a social media marketing campaign within three months to promote the switch to hydroponics and its health and sustainability benefits. This will assist in building market share and to combat lobbying from Rambler Farming.</p> <p>A second objective would be to borrow \$52000 to fund set-up and training for the new system at a rate that is able to be repaid within five years. This allocates time and money to the transition and, by borrowing, cost-cutting measures such as staff redundancy to meet upfront costs are unnecessary. It will also ensure Elkie is able to focus on increasing the revenue and profits for the business immediately</p>	<p>[3 marks]</p> <ul style="list-style-type: none"> <li>identifies one objective</li> <li>provides a detailed explanation of the objective</li> <li>explains how it will achieve the vision for change</li> </ul>	<p>[3 marks]</p> <ul style="list-style-type: none"> <li>identifies a second objective</li> <li>provides a detailed explanation of the objective</li> <li>explains how it will achieve the vision for change</li> </ul>
		<p>[2 marks]</p> <ul style="list-style-type: none"> <li>identifies one objective</li> <li>explains how it will achieve the vision for change</li> </ul>	<p>[2 marks]</p> <ul style="list-style-type: none"> <li>identifies a second objective</li> <li>explains how it will achieve the vision for change</li> </ul>
		<p>[1 mark]</p> <ul style="list-style-type: none"> <li>identifies one objective relevant to the stimulus</li> </ul>	<p>[1 mark]</p> <ul style="list-style-type: none"> <li>identifies a second objective relevant to the stimulus</li> </ul>
<p>[0 marks]</p> <ul style="list-style-type: none"> <li>does not satisfy any of the descriptors above.</li> </ul>		<p>[0 marks]</p> <ul style="list-style-type: none"> <li>does not satisfy any of the descriptors above.</li> </ul>	

<p><b>2020</b> <b>Paper 1</b> <b>Section 1</b> <b>Question 3</b></p> <p><b>Transf. of a business</b></p>	<p>Explain three activities the management of Herbs &amp; Spices Inc. could undertake during the ‘refreeze’ stage of Lewin’s model of change management. Provide an example from Case study 1 for each activity. [9 marks]</p>		
	<p><b>For one activity, the response:</b></p>	<p><b>For a second activity, the response:</b></p>	<p><b>For a third activity, the response:</b></p>
	<p>[3 marks]</p> <ul style="list-style-type: none"> <li>identifies an activity significant to the refreeze stage</li> <li>explains the activity in detail</li> <li>provides an example</li> </ul>	<p>[3 marks]</p> <ul style="list-style-type: none"> <li>identifies a second activity significant to the refreeze stage</li> <li>explains the activity in detail</li> <li>provides an example</li> </ul>	<p>[3 marks]</p> <ul style="list-style-type: none"> <li>identifies a third activity significant to the refreeze stage</li> <li>explains the activity in detail</li> <li>provides an example</li> </ul>
	<p>[2 marks]</p> <ul style="list-style-type: none"> <li>identifies an activity relevant to the refreeze stage</li> <li>explains the activity</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>identifies an activity relevant to the refreeze stage</li> <li>identifies a relevant example</li> </ul>	<p>[2 marks]</p> <ul style="list-style-type: none"> <li>identifies a second activity relevant to the refreeze stage</li> <li>explains the activity</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>identifies a second activity relevant to the refreeze stage</li> <li>identifies a relevant example</li> </ul>	<p>[2 marks]</p> <ul style="list-style-type: none"> <li>identifies a third activity relevant to the refreeze stage</li> <li>explains the activity</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>identifies a third activity relevant to the refreeze stage</li> <li>identifies a relevant example</li> </ul>
	<p>[1 mark]</p> <ul style="list-style-type: none"> <li>identifies an activity in the refreeze stage</li> </ul>	<p>[1 mark]</p> <ul style="list-style-type: none"> <li>identifies a second activity in the refreeze stage</li> </ul>	<p>[1 mark]</p> <ul style="list-style-type: none"> <li>identifies a third activity in the refreeze stage</li> </ul>
	<p>[0 marks]</p> <ul style="list-style-type: none"> <li>does not satisfy any of the descriptors above.</li> </ul>	<p>[0 marks]</p> <ul style="list-style-type: none"> <li>does not satisfy any of the descriptors above.</li> </ul>	<p>[0 marks]</p> <ul style="list-style-type: none"> <li>does not satisfy any of the descriptors above.</li> </ul>
	<p><b>Sample response</b></p> <p>The refreeze stage ensures change is embedded and sustained. For Herbs &amp; Spices Inc.’s operational change, this could include three activities:</p> <ol style="list-style-type: none"> <li>Create a reward system for staff by setting KPIs appropriate for the hydroponic system, e.g. harvesting rate targets. This will keep staff engaged and help shift the business culture.</li> <li>Create a new organisational structure based on new or refocused processes, functions and markets. An example of this would be establishing a hydroponic system maintenance team, to ensure all staff know where they fit in.</li> <li>Establish a feedback system with customers and consumers to keep the business informed of implications or threats to the change, e.g. regular surveys to quickly address any negative advocacy from Rambler Farming, or to identify new product demand.</li> </ol>		

**Marking Guide – Paper 1 Section 2**

<p><b>2023</b> <b>Paper 1</b> <b>Section 2</b> <b>Question 4</b></p> <p><b>Transf. of a business</b></p>	<p>Using Case study 1 (Stimulus 1–11), prepare a business report on the incorporation of The Oyster Farm Company into The Hotel Company to present to the general manager.</p>								
	<p>Include a SWOT analysis of the incorporation, identify two relationships, patterns or trends and interpret their effect on the business situation to draw conclusions about the implications for change.</p>								
	<p>Use two business criteria to evaluate one operational strategy to propose a recommendation about the transformation.</p>								
	<p><b>Criterion: Analysing</b></p>								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: #e0e0e0; padding: 5px;"><b>The response</b></th> </tr> <tr> <td style="padding: 5px;"> <p>[6 marks]</p> <ul style="list-style-type: none"> <li>• selects significant and relevant data and information from the case study</li> <li>• correctly classifies factors as a strength, weakness, opportunity and threat</li> <li>• provides an insightful analysis of the business situation</li> </ul> </td> </tr> <tr> <td style="padding: 5px;"> <p>[5 marks]</p> <ul style="list-style-type: none"> <li>• selects relevant data and information from the case study</li> <li>• correctly classifies factors as a strength, weakness, opportunity and threat</li> <li>• provides a credible analysis of the business situation</li> </ul> </td> </tr> <tr> <td style="padding: 5px;"> <p>[4 marks]</p> <ul style="list-style-type: none"> <li>• selects data and information from the case study</li> <li>• classifies factors as a strength, weakness, opportunity and threat</li> <li>• provides an analysis of the business situation</li> </ul> </td> </tr> <tr> <td style="padding: 5px;"> <p>[3 marks]</p> <ul style="list-style-type: none"> <li>• selects data or information</li> <li>• classifies factors as a strength, weakness, opportunity or threat</li> <li>• provides an analysis</li> </ul> </td> </tr> <tr> <td style="padding: 5px;"> <p>[2 marks]</p> <ul style="list-style-type: none"> <li>• identifies one factor as a strength, weaknesses, opportunity or threat</li> <li>• makes a statement about the business</li> </ul> </td> </tr> <tr> <td style="padding: 5px;"> <p>[1 mark]</p> <ul style="list-style-type: none"> <li>• identifies a factor</li> </ul> <p style="text-align: center; margin: 5px 0;"><b>OR</b></p> <ul style="list-style-type: none"> <li>• makes a statement</li> </ul> </td> </tr> <tr> <td style="padding: 5px;"> <p>[0 marks]</p> <ul style="list-style-type: none"> <li>• does not satisfy any of the descriptors above.</li> </ul> </td> </tr> </table>	<b>The response</b>	<p>[6 marks]</p> <ul style="list-style-type: none"> <li>• selects significant and relevant data and information from the case study</li> <li>• correctly classifies factors as a strength, weakness, opportunity and threat</li> <li>• provides an insightful analysis of the business situation</li> </ul>	<p>[5 marks]</p> <ul style="list-style-type: none"> <li>• selects relevant data and information from the case study</li> <li>• correctly classifies factors as a strength, weakness, opportunity and threat</li> <li>• provides a credible analysis of the business situation</li> </ul>	<p>[4 marks]</p> <ul style="list-style-type: none"> <li>• selects data and information from the case study</li> <li>• classifies factors as a strength, weakness, opportunity and threat</li> <li>• provides an analysis of the business situation</li> </ul>	<p>[3 marks]</p> <ul style="list-style-type: none"> <li>• selects data or information</li> <li>• classifies factors as a strength, weakness, opportunity or threat</li> <li>• provides an analysis</li> </ul>	<p>[2 marks]</p> <ul style="list-style-type: none"> <li>• identifies one factor as a strength, weaknesses, opportunity or threat</li> <li>• makes a statement about the business</li> </ul>	<p>[1 mark]</p> <ul style="list-style-type: none"> <li>• identifies a factor</li> </ul> <p style="text-align: center; margin: 5px 0;"><b>OR</b></p> <ul style="list-style-type: none"> <li>• makes a statement</li> </ul>	<p>[0 marks]</p> <ul style="list-style-type: none"> <li>• does not satisfy any of the descriptors above.</li> </ul>
	<b>The response</b>								
	<p>[6 marks]</p> <ul style="list-style-type: none"> <li>• selects significant and relevant data and information from the case study</li> <li>• correctly classifies factors as a strength, weakness, opportunity and threat</li> <li>• provides an insightful analysis of the business situation</li> </ul>								
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<p>[0 marks]</p> <ul style="list-style-type: none"> <li>• does not satisfy any of the descriptors above.</li> </ul>									

**Criterion: Synthesising**

**The response**

[8 marks]

- identifies two relevant relationships, patterns or trends from the analysis
- provides a discriminating interpretation of the effects on the business during transformation
- provides an insightful synthesis of the implications of transforming the business
- draws valid conclusions about the business transformation

[7 marks]

- identifies two relevant relationships, patterns or trends from the analysis
- provides an appropriate interpretation of the effects on the business during transformation
- provides an appropriate synthesis of the implications of transforming the business
- draws a valid conclusion about the business transformation

[6 marks]

- identifies two relevant relationships, patterns or trends from the analysis
- provides an appropriate interpretation of an effect on the business during transformation
- provides an appropriate synthesis of an implication of transforming the business
- draws a valid conclusion about the business transformation

[5 marks]

- identifies two relationships, patterns or trends
- provides an interpretation of an effect on the business during transformation
- provides an implication of transforming the business
- draws a valid conclusion about the business transformation

[4 marks]

- identifies a relationship, pattern or trend
- provides an effect on the business during transformation
- provides an implication of transforming the business
- draws a conclusion about the business transformation

[3 marks]

- identifies a relationship, pattern or trend
- makes a statement about the business transformation
- states a conclusion

[2 marks]

- states a relationship, pattern or trend
- OR**
- makes a statement about the business transformation

[1 mark]

- makes a statement

[0 marks]

- does not satisfy any of the descriptors above.

**Criterion: Evaluating****The response**

[8 marks]

- identifies a relevant operations management strategy from the case study
- demonstrates effective use of two business criteria to make perceptive judgments
- makes a thoroughly justified and relevant decision for the business transformation
- makes an appropriate recommendation drawn from the decision

[7 marks]

- identifies a relevant operations management strategy from the case study
- demonstrates credible use of two business criteria to make perceptive judgments
- makes a justified and relevant decision for the business transformation
- makes an appropriate recommendation drawn from the decision

[6 marks]

- identifies an operations management strategy from the case study
- demonstrates use of two business criteria to make appropriate judgments
- makes a justified decision for the business transformation
- makes a recommendation drawn from the decision

[5 marks]

- identifies an operations management strategy
- demonstrates use of one business criterion to make an appropriate judgment
- makes a decision for the business transformation
- makes a recommendation

[4 marks]

- identifies an operations management strategy
- demonstrates use of one business criterion
- states a decision
- states a recommendation

[3 marks]

- identifies a strategy
- refers to a business criterion
- states a decision and/or recommendation

[2 marks]

- identifies a business criterion
- makes a statement

[1 mark]

- makes a statement

[0 marks]

- does not satisfy any of the descriptors above.

**Criterion: Communicating****The response**

[3 marks]

- conveys ideas relating to the question succinctly and fluently
- uses the business report genre purposefully to suit audience

[2 marks]

- conveys ideas relating to the question clearly
- uses the business report genre to suit audience

[1 mark]

- conveys ideas relating to the question

[0 marks]

- does not satisfy any of the descriptors above.

**2022  
Paper 1  
Section 2  
Question 5**

**Transf. of a  
business**

Instructions  
 • This section has one question and is worth 19 marks.  
 • Respond in 400-600 words.

Using Case study 1, select data and information to analyse the pressures for and against change in the business. Identify two relationships, patterns or trends in the analysis, interpret their effect on the business situation and draw conclusions about the implications for change. Present your findings as a business report to the owner. [19 marks]

<b>Criterion: Analysing</b>	
<b>The response for change</b>	<b>The response against change</b>
[4 marks] • selects relevant data and information relating to pressures for change from the stimulus • correctly classifies and uses relevant driving forces to support the analysis • provides an insightful analysis of the driving forces	[4 marks] • selects relevant data and information relating to pressures against change from the stimulus • correctly classifies and uses relevant restraining forces to support the analysis • provides an insightful analysis of the restraining forces
[3 marks] • selects data and information relating to pressures for change from the stimulus • classifies and uses driving forces to support the analysis • provides an analysis of driving forces	[3 marks] • selects data and information relating to pressures against change from the stimulus • classifies and uses restraining forces to support the analysis • provides an analysis of restraining forces
[2 marks] • identifies data or information relating to pressures for change from the stimulus • makes a statement about pressures for change	[2 marks] • identifies data or information relating to pressures against change from the stimulus • makes a statement about pressures against change
[1 mark] • identifies pressures for change	[1 mark] • identifies pressures against change
[0 marks] • does not satisfy any of the descriptors above.	[0 marks] • does not satisfy any of the descriptors above.

<b>Criterion: Synthesising</b>	
<b>The response, for relationships/patterns/trends</b>	<b>The response, for effects/implications/conclusion</b>
[3 marks] • identifies two relevant relationships, patterns or trends from the analysis	[5 marks] • provides a discriminating interpretation of the effect on the business during transformation • provides an insightful synthesis of the implications of transforming the business • draws valid conclusions about the business transformation
[2 marks] • identifies a relevant relationship, pattern or trend from the analysis	[4 marks] • provides a reasonable interpretation of the effect on the business during transformation • provides a relevant synthesis of the implications of transforming the business • draws a valid conclusion about the business transformation
[1 mark] • identifies a relationship, pattern or trend	[3 marks] • identifies an effect on the business during transformation • synthesises an implication of transforming the business • draws a conclusion about the business transformation
[0 marks] • does not satisfy any of the descriptors above.	[2 marks] • makes a statement about the business transformation • states a conclusion
	[1 mark] • makes a statement about the business
	[0 marks] • does not satisfy any of the descriptors above.
<b>Criterion: Communicating</b>	
<b>The response</b>	
[3 marks] • conveys ideas relating to the question succinctly and fluently • uses the business report genre purposefully to suit audience	
[2 marks] • conveys ideas relating to the question clearly • uses the business report genre to suit audience	
[1 mark] • conveys ideas relating to the question	
[0 marks] • does not satisfy any of the descriptors above.	

**2021  
Paper 1  
Section 2  
Question 5**

**Transf. of a  
business**

- Instructions
- Respond in 400–600 words.
  - This section has one question and is worth 20 marks.

Use Case study 2 (Stimulus 4–10 in the stimulus book) to analyse the business situation using a SWOT analysis. Interpret trends in the analysis to determine implications for the business transformation, then evaluate marketing strategies used in the transformation to propose recommendations for future success. Present your findings as a business report to the owner. [20 marks]

<b>The response Analysing</b>	<b>The response Synthesising</b>
<p>[5 marks]</p> <ul style="list-style-type: none"> <li>• identifies significant and relevant factors from the stimulus</li> <li>• correctly classifies factors as strength, weakness, opportunity and threat</li> <li>• provides an insightful analysis of strategies in the business transformation</li> </ul>	<p>[5 marks]</p> <ul style="list-style-type: none"> <li>• recognises significant and relevant trends</li> <li>• provides a discriminating interpretation of the effects on the business situation</li> <li>• provides an insightful synthesis of the implications of transforming the business</li> <li>• draws valid conclusions about the business transformation</li> </ul>
<p>[4 marks]</p> <ul style="list-style-type: none"> <li>• identifies relevant factors from the stimulus</li> <li>• correctly classifies factors as strength, weakness, opportunity or threat</li> <li>• provides an appropriate analysis of strategies in the business transformation</li> </ul>	<p>[4 marks]</p> <ul style="list-style-type: none"> <li>• recognises relevant trends</li> <li>• provides a reasonable interpretation of the effects on the business situation</li> <li>• provides a relevant synthesis of the implications of transforming the business</li> <li>• draws a valid conclusion about the business transformation</li> </ul>
<p>[3 marks]</p> <ul style="list-style-type: none"> <li>• identifies factors from the stimulus</li> <li>• identifies a strength, weakness, opportunity and threat</li> <li>• provides an analysis of strategies in the business transformation</li> </ul>	<p>[3 marks]</p> <ul style="list-style-type: none"> <li>• recognises a trend</li> <li>• identifies the effects on the business situation</li> <li>• synthesises the implications of transforming the business</li> <li>• draws a conclusion about the business transformation</li> </ul>
<p>[2 marks]</p> <ul style="list-style-type: none"> <li>• identifies a strength, weakness, opportunity or threat</li> <li>• makes a statement about business transformation</li> </ul>	<p>[2 marks]</p> <ul style="list-style-type: none"> <li>• makes a statement about the business situation</li> <li>• makes a statement about the transformation</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• makes a statement about the business situation and/or transformation</li> <li>• draws a conclusion</li> </ul>
<p>[1 mark]</p> <ul style="list-style-type: none"> <li>• identifies a strength, weakness, opportunity or threat</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• makes a statement about business transformation</li> </ul>	<p>[1 mark]</p> <ul style="list-style-type: none"> <li>• makes a statement about the business situation or transformation</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• states a conclusion</li> </ul>
<p>[0 marks]</p> <ul style="list-style-type: none"> <li>• does not satisfy any of the descriptors above</li> </ul>	<p>[0 marks]</p> <ul style="list-style-type: none"> <li>• does not satisfy any of the descriptors above.</li> </ul>

<b>The response Evaluating</b>	<b>The response Communicating</b>
<p>[5 marks]</p> <ul style="list-style-type: none"> <li>identifies relevant marketing strategies from the stimulus</li> <li>demonstrates effective use of business criteria to purposefully evaluate the strategies</li> <li>provides a thoroughly justified and relevant decision for the business situation</li> <li>makes appropriate recommendations drawn from the evaluation</li> </ul>	<p>[5 marks]</p> <ul style="list-style-type: none"> <li>conveys ideas relating to the question succinctly and fluently</li> <li>uses the business report genre purposefully to suit the audience</li> </ul>
<p>[4 marks]</p> <ul style="list-style-type: none"> <li>identifies marketing strategies from the stimulus</li> <li>demonstrates credible use of business criteria to evaluate the strategies</li> <li>provides a justified decision for the business situation</li> <li>makes recommendations drawn from the evaluation</li> </ul>	<p>[4 marks]</p> <ul style="list-style-type: none"> <li>conveys ideas relating to the question fluently</li> <li>uses the business report genre appropriately to suit the audience</li> </ul>
<p>[3 marks]</p> <ul style="list-style-type: none"> <li>identifies a marketing strategy</li> <li>refers to business criteria</li> <li>states a decision and/or makes a recommendation</li> </ul>	<p>[3 marks]</p> <ul style="list-style-type: none"> <li>conveys ideas relating to the question</li> <li>uses the business report genre</li> </ul>
<p>[2 marks]</p> <ul style="list-style-type: none"> <li>identifies a strategy and/or identifies business criterion/criteria</li> <li>states a decision and/or makes a recommendation</li> </ul>	<p>[2 marks]</p> <ul style="list-style-type: none"> <li>conveys ideas relating to the question using paragraphs</li> </ul>
<p>[1 mark]</p> <ul style="list-style-type: none"> <li>states a strategy</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>states a business criterion/criteria</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>states a decision</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>states a recommendation</li> </ul>	<p>[1 mark]</p> <ul style="list-style-type: none"> <li>conveys ideas relating to the question</li> </ul>
<p>[0 marks]</p> <ul style="list-style-type: none"> <li>does not satisfy any of the descriptors above.</li> </ul>	<p>[0 marks]</p> <ul style="list-style-type: none"> <li>does not satisfy any of the descriptors above.</li> </ul>

### Notes

Relevant marketing strategies may include:

- product strategies (switch to vege-meat)
- promotional strategies (social media, word of mouth, website)
- or other suitable response consistent with a reasonable understanding.

Business criteria are:

- competitiveness
- stakeholder satisfaction
- efficiency
- effectiveness.

Relevant: connected with the matter in hand; applicable and pertinent

Effective: meeting the assigned purpose

Purposeful: having an intended or desired result

Thorough: attentive to every detail

Justified: sound reasons or evidence are provided

Appropriate: acceptable; suitable for a particular purpose

Credible: convincing

Students may include a decision-making table in their response.

Students should evaluate existing practices (marketing strategies), not possible alternatives.

Students' decisions should relate to the marketing strategies used to date.

Recommendation/s may include alternative strategies.

**2020  
Paper 1  
Section 2  
Question 4**

**Transf. of a  
business**

Instruction  
• This section has one question and is worth 24 marks.

Analyse the power interests of stakeholders in Case study 1 and evaluate the proposed switch to hydroponic operations. Present your findings in a business report to the owners, using evidence from the case study.

<b>The response</b>	<b>The response</b>	<b>The response</b>
[5 marks] • recognises the relationships between the stakeholders and the transformation process • interprets in detail how the power interest of the stakeholders affects the business situation • draws valid conclusions	[5 marks] • uses appropriate criteria to evaluate the operation decision • presents a justified decision • makes recommendations	[5 marks] • conveys ideas relating to the question succinctly and fluently • uses the business report genre purposefully, with paragraphs organised logically around the central purpose and suited to the audience
[4 marks] • identifies the relationships between stakeholders and the transformation process • interprets how the power interest of the stakeholders affects the business situation • draws conclusions	[4 marks] • uses criteria to evaluate the operation decision • presents a decision • makes recommendation/s	[4 marks] • conveys ideas relating to the question fluently • uses the business report genre, with paragraphs organised around the central purpose and suited to the audience
[3 marks] • makes a statement about the business situation • identifies that the power interest of the stakeholders affects the business situation • draws a valid conclusion	[3 marks] • refers to a criterion • states a decision • makes recommendation/s	[3 marks] • conveys ideas relating to the question • uses the business report genre, with paragraphs based around the central purpose and suited to the audience
[2 marks] • makes a statement about the business situation • draws a conclusion OR • identifies an effect of stakeholders • draws a conclusion	[2 marks] • refers to a criterion • states a decision OR • refers to a criterion • makes a recommendation	[2 marks] • conveys ideas relating to the question using paragraphs
[1 mark] • makes a statement about the business situation OR • identifies an effect of stakeholders OR • states a conclusion	[1 mark] • states a recommendation OR • states a decision	[1 mark] • conveys ideas relating to the question
[0 marks] • does not satisfy any of the descriptors above.	[0 marks] • does not satisfy any of the descriptors above.	[0 marks] • does not satisfy any of the descriptors above.