

Year 12 - 2024
Business Studies
L Nielsen

Task Number: 3
Weight: 25%

Notification Date: 21/5/2024
Due Date: 14/6/2024
(handed to Ms Nielsen by 3:20pm)



OUTCOMES ASSESSED

H6 - evaluates the effectiveness of management in the performance of businesses
H8 – organises and evaluates information for actual and hypothetical business situations
H9 - communicates business information, issues and concepts in appropriate formats
H10 – applies mathematical concepts appropriately in business situations

TASK DESCRIPTION

Task consists of HSC examination-style questions including multiple choice questions, calculations, short answer questions and a written plan for an extended response question.

TASK INSTRUCTIONS

This task contains 3 parts:

- Part 1 multiple choice
- Part 2 calculations and short answer
- Part 3 extended response plan

Students are to attempt each part.

Students will be given 2 periods of class time to work on the assessment.

Teacher's signature: _____

HT Admin signature: _____

Deputy Principal's signature: _____

MARKING GUIDELINES

Marks will be allocated next to each question and task will be marked as per HSC standards

Comments:

Teacher sign _____

date _____

Task Mark	Task Rank	Cumulative Rank

TASK INSTRUCTIONS
Part 1

Part 1: Complete the multiple-choice questions on the answer sheet provided (This section is worth 10 marks; each question is worth 1 mark)

1. Which of the following is an example of long-term borrowing?
 - a. Bank bills
 - b. Grants
 - c. Mortgage
 - d. Overdraft

2. Which of the following best indicates the solvency of a business?
 - a. Current ratio
 - b. Expense ratio
 - c. Net profit ratio
 - d. Debt to equity ratio

3. Which of the following is a good measure of return on owner's equity?
 - a. Gearing
 - b. Liquidity
 - c. Profitability
 - d. Solvency

4. A business has received the following information from their accounting firm.

	2015	2016
Current ratio	0.8:1	1.4:1
Debt to equity ratio	1:1	1.5:1

Which of the following best describes the financial position of this business in 2016

- a. Increased liquidity and increased solvency
 - b. Increased liquidity and reduced solvency
 - c. Reduced liquidity and reduced solvency
 - d. Reduced liquidity and reduced solvency
-
5. Zoe International Ltd has issued the following efficiency data for 2013 and 2014

	2013 (\$)	2014 (\$)
Total expenses	12000 0	14000 0
Sales*	36000 0	49000 0
Accounts receivable	60000	70000

*All sales are credit sales

Which of the following statements about the efficiency of Zoe International Ltd is correct?

- a. The expense ratio has improved while the accounts receivable turnover ratio has deteriorated
- b. The expense ratio has improved and the accounts receivable turnover ratio has also improved
- c. The expense ratio has deteriorated and the accounts receivable turnover ratio has improved
- d. The expense ratio has deteriorated and the accounts receivable turnover ratio has also deteriorated

Use the following to answer questions 6 and 7

Jo's Computer Service Pty Ltd has provided the following data based on the revenue statement for the year ending 30 June 2015

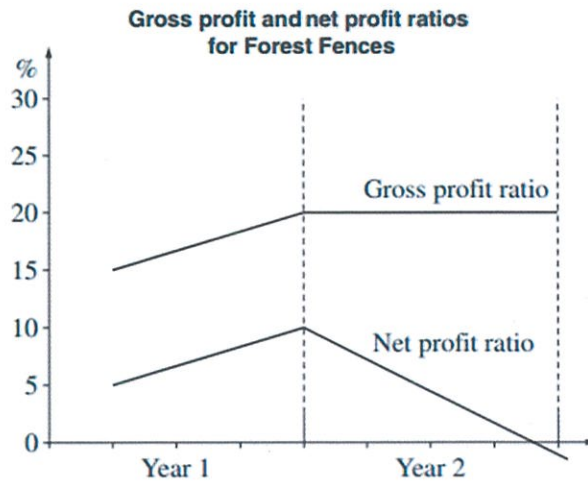
Total revenue*	\$5000
Net profit ratio	5%
Gross profit ratio	60%

*Total Revenue is equal to Total Sales

6. What is the value of the Cost of Goods Sold for Jo's Computer Services Pty Ltd?
- \$250
 - \$500
 - \$2000
 - \$3000
7. The Gross profit ratio increased from 40% in 2014 to 60% in 2015, while revenue and expenses remained the same. What was the net profit or loss in 2014?
- \$750 net loss
 - \$500 net loss
 - \$750 net profit
 - \$2000 net profit

Balance Sheet of Fred's Waste Services as at 30th June 2016		
	(\$)	(\$)
Current Assets		
Cash	3000	
Accounts Receivable	5000	
Inventory	1000	9000
Non-current assets		7000
		16000
Current liabilities		
Accounts Payable		9000
Non-current liabilities		3000
Owner's Equity		
Capital	2500	
Net profit	1500	4000
		16000
<i>Industry Averages</i>		
Working Capital Ratio	1.5:1	
Debt to Equity ratio	2:1	

8. Which of the following statements describes the performance of Fred's Waste Services?
- Debt to equity ratio is below the industry average
 - Debt to equity ratio exceeds the industry average
 - Working capital ratio exceeds the industry average
 - Working capital ratio is equal to the industry average



9. Which statement best describes the situation represented in the graph?
- Year 1 was a period of decreasing expenses and Year 2 was a period of increasing expenses
 - Year 1 was a period of increasing expenses and Year 2 was a period of decreasing expenses
 - Year 1 was a period of improved sales performance and Year 2 was a period of increasing expenses
 - Year 1 was a period of improved sales performance and Year 2 was a period of decreasing expenses
10. Sarah's Stationary Supplies decides to use factoring to improve cash flow. This strategy would involve the following.
- Selling accounts receivable to a collection agency
 - Selling goods on credit but with a specified date for payment
 - Selling the factors of production for cost, plus a small mark-up
 - Selling unused factory equipment to make up for the short-fall in cash flow

Business Studies Assessment Task 3 2023
Answer Sheet

Part 1

Mark (X) your answers next to the correct question number below.

	A	B	C	D
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

TASK INSTRUCTIONS
Part 2

Part 2: Complete the following questions by answering each one on separate paper (25 Marks)

Marks

1. Complete the following Revenue Statements for Keyless Locksmiths Pty Ltd for 2012 and 2013 (10 Marks)

6

Keyless Locksmith Pty Ltd				
Revenue statement for the year ended 30th June 2013				
	2012		2013	
	(\$)	(\$)	(\$)	(\$)
Sales		150000		150000
Less Cost of Goods Sold				
Opening stock	45000		48000	
Purchases	85000		87000	
	130000			
Less closing stock	48000	82000	45000	
Gross Profit		68000		
Less selling expenses				
Advertising	11000		11000	
Salaries	34000	45000	38500	
Less administrative expenses				
Telephone	3000		3500	
Rental	5000	8000	5500	
Net Profit		15000		

- a. Calculate the gross profit ratio for 2012 (show all working)

1

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- b. Calculate the gross profit ratio for 2013 (show all working)

1

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- c. Calculate the net profit ratio for 2012 (show all working)

1

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- d. Calculate the net profit ratio for 2013 (show all working)

1

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2. Complete the document below for Riverview Diner Pty Ltd. (15 marks)

10

Riverside Diner Pty Ltd.				
Year ending 30th June 2016				
	<i>July to September</i> \$	<i>October to December</i> \$	<i>January to March</i> \$	<i>April to June</i> \$
Opening balance	2000	-1000		
Cash sales	20000		54000	16000
Debtors receipts	2000	6000	14000	
Total cash revenue	22000	54000		19000
Wages	20000	32000	38000	32000
Food supplies	2000	8000	10000	3000
Other expenses	3000	6000	7000	
Total cash expenditure	25000			37000
Closing balance	-1000	7000		

a. What name is given to this type of financial statement?

1

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b. Outline the role of this financial statement

2

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c. Recommend a financial management strategy for Riverside Diner Pty Ltd to improve its performance, based on the data provided.

2

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TASK INSTRUCTIONS
Part 3

Part 3: Create a detailed plan that would be used to answer the extended response question in the space provided (15 Marks)

Outline the strategic role of financial management and the strategies to improve financial performance