

Section II

Total Marks (40)

Q21- 10 marks:

- a) Identify what is meant by the concept of global branding. (2 marks)
- b) Identify TWO advantages for a business of pursuing global branding. (2 marks)
- c) Explain ONE difference between standardisation and customisation in the context of global marketing. (2 marks)
- d) Select one global business that sells products to consumers all over the world. Justify whether you believe this business employs a standardised approach or a customised approach to its global marketing. (4 marks)

Q22- 10 marks:

- a) Define what is meant by deceptive and misleading advertising. (2 marks)
- b) Outline TWO specific example of deceptive and misleading advertisement. (4 marks)
- c) Select ONE of the ethical issues of marketing and explain why it is important that marketers adopt an ethical approach in regards to your selected issue. (4 marks)

Q23- 10 marks:

Balance Sheet of Bodell Bikes Pty Ltd- As at 30 June 2008:

	2007		2008	
Current assets				
Cash	2000		—	
Inventory	10 000		20 000	
Accounts Receivable	<u>18 000</u>	30 000	<u>20 000</u>	40 000
Non-current assets		<u>240 000</u>		<u>260 000</u>
Total Assets		<u>270 000</u>		<u>300 000</u>
Current liabilities				
Bank overdraft	—		5 000	
Accounts payable	<u>10 000</u>	10 000	<u>15 000</u>	20 000
Non-current liabilities				
Loan		<u>80 000</u>		<u>100 000</u>
Total Liabilities		90 000		120 000
Owners' equity				
Capital	150 000		160 000	
Net profit	<u>30 000</u>	<u>180 000</u>	<u>20 000</u>	<u>180 000</u>
		<u>270 000</u>		<u>300 000</u>

- a) Outline the purpose of the balance sheet as a key financial statement (2 marks).
- b) Calculate the liquidity ratio for Bodell Bike Pty Ltd in 2008. Show working. (2 marks)
- c) Explain whether company management would be satisfied with the level of liquidity for the business. In your response, use one of the methods of comparative ratio analysis to justify your answer. (2 marks)
- d) Identify TWO stakeholders of Bodell Bikes Pty Ltd and explain why each group would be interested in studying the balance sheet of the business. (4 marks)

Q24- 10 marks:

Barrie's Bearings Pty Ltd- Profit and Loss Statement as at 30 June 2007:

Sales		\$200 000
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Cost of Goods Sold

Opening Stock	\$62 000
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Purchases	\$120 000
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Closing Stock	\$60 000
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Cost of Goods Sold _____

Gross Profit _____

Expenses

Freight	\$4 000
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Commission	\$10 000
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Salary	\$18 000
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Office Expenses	\$4 000
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Rates	\$1 000
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Insurance	\$3 000
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Depreciation	\$1 000
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Discounts allowed	\$5 000
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Bad debts	\$ 2 000
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Total Expenses _____

Net profit _____

- a) Calculate the Gross Profit for Barrie's Bearings Pty Ltd. Show working. (2 marks)
- b) Calculate the Net Profit for Barrie's Bearings Pty Ltd. Show working. (2 marks)
- c) Calculate the Net Profit Ratio for Barrie's Bearings Pty Ltd. Show working. (2 marks)
- d) Explain how comparative ratio analysis could assist management of Barrie's Bearings Pty Ltd to effectively monitor its profitability. (4 marks)

Q25- 20 marks:

The question refers to the following case study:

Hansen Handyman is a sole trader carpentry business that has been operating on Sydney's Lower North Shore for the last 25 years. Joshua Mitchell, the owner of the business, has become frustrated that his business' sales have 'flattened out' over the recent years. Currently there are many competing builders and carpenters who operate in the area and most of Joshua's clients are elderly men and women who only require low-cost, minor maintenance jobs.

Joshua has decided that he needs to undertake more effective marketing for his business and he has the desire to target a new market segment.

In addition, the business' gearing ratio is currently 250%. The creditor supplying Hansen Handyman with its overdraft has indicated a serious concern over the business' inability to make repayments given the recent increase in the bank's interest rates.

Write a report to Joshua Mitchell, the owner of Hansen Handyman. In your report you should:

- Recommend appropriate marketing strategies that will help increase sales and renew his business.
- Discuss the importance of a suitable level of gearing for a business.
- Explain how the gearing level can be monitored and controlled.
- Include a situation analysis (SWOT).

Question 26/27

Analyse the issues management must consider when managing global marketing. Refer to the case study/studies you have learnt to illustrate your response. (20 marks)

Or

Analyse the financial issues management must consider in the operation of global business. Refer to the case study/ studies that you have learnt to illustrate your response. (20 marks)