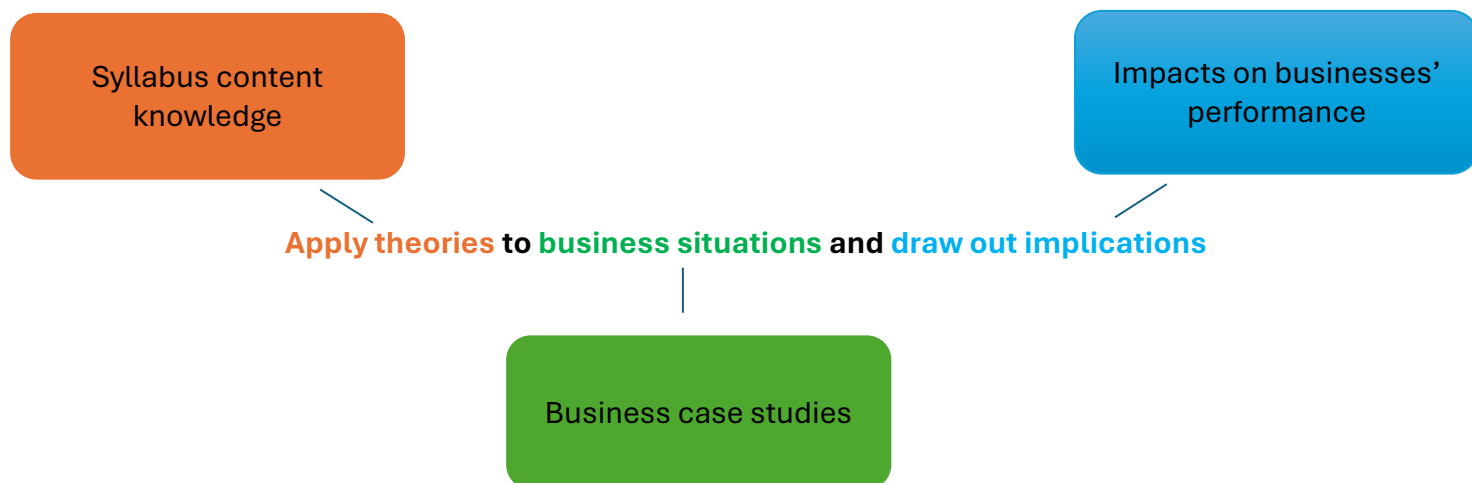


Writing in Business Studies

Discriminating feature for Band 5 and 6 in Business Studies:



That is, you need to demonstrate your ability to apply the content knowledge you have learnt in class to real life/hypothetical business case studies and **analyse** what impact these theories make on business' performance.

How to address short answer questions

In business studies, short answer questions require you to directly address the key directive terms (NESA key words) with relevant syllabus dot points. PEER structure will be used to construct your answers:

Point	Make your topic sentence here by identifying the cause and the effect of the question, provide a judgement if required (evaluate, assess, justify, to what extent etc.) Note: DO NOT list out definitions unless the question asks you to!
Effective use of information	Paraphrase the part of the stimulus that is relevant to your answer OR the part of the stimulus that gives you insight to answer the question. Note: Only include this section to your answer when there IS a stimulus. You DO NOT need case studies for short answer questions.
Explain	Relate the cause and the effect you identified in your point with CLEAR reasoning how/why – in other words, how/why does cause relate to effect?
Relate to another implication	What is another implication/perspective you can draw out from the question? Provide another explanation here with a DIFFERENT implication/perspective. Note: Only include this section if the KDT requires you to. The KDT that requires you to provide a second perspective includes: discuss, analyse, compare and contrast, evaluate, assess, justify, recommend, to what extent etc.

Example 1:

Discuss the use of debt financing on business financial management.

Point	Debt financing can help business to improve liquidity...
Effective use of information	N/A – no stimulus
Explain	SINCE taking a debt will provide business with a large cash inflow, which business can use to repay their short-term liability/expenses, increasing working capital and therefore higher liquidity.
Relate to another implication	However, business will be highly geared DUE TO the high level of debt it needs to pay back, increasing business's risk of insolvency. OR However, it will decrease business's efficiency AS the debt will generate more interest repayment, which increases business's expenses and decrease efficiency.

Debt financing can help business to increase liquidity **since** taking a debt will provide business with a large cash inflow, which business can use to repay their short-term liability/expenses, increasing working capital and therefore higher liquidity. However, business will be highly geared **due to** the high level of debt it needs to pay back, increasing business's risk of insolvency. It will also decrease business's efficiency **as** the debt will generate more interest repayment, which increases business's expenses and decrease efficiency.

Example 2:

Stimulus: Daisy May's Florist plans to expand by opening up more outlets in the future.

Explain ONE possible conflict between the short- and long-term financial objectives of Daisy May's Florist.

Point	Daisy May's Florist's short-term objective of efficiency and liquidity will conflict with its long-term objective of growth.
Effective use of information	As Daisy May's Florist is planning to achieve growth by opening more outlets,
Explain	it conflicts with its efficiency since opening up more outlets will generate more expenses such as rent, labour cost and utilities cost, it will increase cash outflow which decreases its short-term liquidity and efficiency.
Relate to another implication	N/A – No second implication needed.

Daisy May's Florist's short-term objective of efficiency and liquidity will conflict with its long-term objective of growth. As Daisy May's Florist is planning to achieve growth by opening more outlets, it conflicts with its efficiency **since** opening up more outlets will generate more expenses such as rent, labour and utilities cost, it will increase cash outflow which decreases its short-term liquidity and efficiency.

Using ALARM in Business Studies

In Business Studies, ALARM can be used to write your business report for Section III and extended response for Section IV of the HSC Examination. A discriminating feature of a strong response is to ***applies theory to business situations and draw out implications***. In addition, a sustained extended response in Business Studies also requires actual or hypothetical business case studies, logically explained arguments and clear judgements if required by the key term. The ALARM matrix below enables you to do this.

Identify	Description	Explanation	Relate Other Implications / Perspectives	Evaluation
Write a TOPIC SENTENCE, which includes the <u>cause</u> , <u>effect/s</u> and <u>judgement</u> (if required)	Describe the business situation – <i>who, what, where, when, why?</i>	Explain <i>how/why</i> the cause leads to the effect.	Explain <u>other</u> effect/s (e.g. positive / negative, short run / long run, other implications)	Write a LINKING SENTENCE, providing an overall <u>judgement</u> with a link back to the question.
	Business Report – use the sentence stems to describe information from the stimulus. Extended Response – describe an actual OR hypothetical case study.	- Relate <u>cause</u> and <u>effect</u> by: • applying business theory to produce a logical explanation – i.e. provide a sequential <i>step-by-step</i> process. • using active verbs to draw out implications • using language for an explanation - Include any evidence of impact (data/statistics), if appropriate.		
		<i>...results in...</i> <i>...leads to...</i> <i>...because...</i> <i>...due to...</i> <i>...as / so ...</i> <i>...since...</i>	<i>Also...</i> <i>Additionally...</i> <i>Furthermore...</i> <i>However...</i> <i>On the other hand,...</i> <i>Nevertheless...</i>	<i>Effective / Effective to a <u>large</u> extent</i> <i>Moderately effective / Effective to <u>some</u> extent</i> <i>Ineffective / Effective to a <u>limited</u> extent</i>

Active Verbs to Show Effect / Impacts / Implications

Active verbs can be used to show the effect, impact or implication of an issue, influence, strategy or process – i.e. the cause/concept described in your paragraphs. The active verbs can be used to develop a cause-and-effect sequence. Relevant active verbs in Business Studies include:

Active Verbs to Show Impact – Explanation Writing			
achieves	enforces	lessens	prevents
addresses	establishes	limits	promotes
assists	expands	lowers	reduces
contributes	exposes	maintains	represents
compels	facilitates	mandates	resolves
creates	generates	maximises	restricts
decreases	hedges	minimises	segments
develops	incentivises	motivates	strengthens
diminishes	imposes	offsets	sustains
disincentivises	improves	permits	transitions
diverts	increases	positions	weakens
encourages	influences	protects	worsens

Previous / Historical Impacts – i.e. CAN be supported with evidence of impact

Add the suffix **-ed** to the active verb, for example, **increased**, **decreased**, **improved**, **prevented**.

The working capital management strategy of sale-and-lease back **increased** the business' current ratio and **improved** its liquidity.

Current Impacts – i.e. MAY be supported with evidence of impact SO FAR

The active verb remains the same – no changes made.

The increase in the National Minimum Wage under the Fair Work Act 2009 (Cwth) **compels** businesses to increase remuneration paid to workers, however, **worsens** business expenses.

Hedging using derivatives forward exchange contracts **reduces** the risk of an exchange rate depreciation and **maximises** business profitability.

Future Impacts – i.e. CANNOT be supported with evidence of impact

Add ONE of the following words below (each representing varying degrees of modality) and remove the 'S' from the end of the active verb. **This is often used to respond to a 'recommend' key directive.**

- **will** – highly likely to happen, for example **will** divert...
- **should** – likely to happen, for example, **should** achieve...
- **could / may** – possibility of happening, for example, **could / may** stimulate...
- **will not / won't** – unlikely to happen, for example, **won't** strengthen...

The place/distribution strategy of exclusive distribution **will position** the product as high quality and **should achieve** a greater brand awareness for the business.

The Operations process of high volume and low variety **will achieve** economies of scale for business and **should sustain** the competitive advantage of cost leadership.

This should be used for issues, influences, strategies or processes **which have not yet had any impact.**

BUSINESS REPORT WRITING – STRUCTURE AND SENTENCE STEMS / STARTERS

In Business Studies, the Section III section of the HSC Examination will require you to write a business report. You will write the business report from the point of view of a business consultant, who has been hired by a business to provide key findings, advice and recommendations. You will be provided with:

- a business situation, which will include various problems/issues a hypothetical business is facing.
- 2 – 3 questions you will need to respond to.

For each question, the ALARM scaffold can be used to answer the question. The following **sentence stems / starters** can be used to support your description, which will allow you to **effectively use the information provided**, as well as write your response **using features of a business report**.

By introducing relevant information from the business scenario, you are then able to answer the set question and explain the implications – i.e. address the discriminating feature of a Band 5 /6 response in Business Studies – ***applies theory to business situations and draw out implications.***

SENTENCE STEMS / STARTERS FOR A BUSINESS REPORT

Based on the information provided to our consultancy firm by [business name] we are aware that... *restate problem/issue and its features*

Issues identified by our consultancy firm, based on the information provided by [business name] are... *restate problem/issue and its features*

Due to *restate problem/issue* at [business name], as identified by our consultancy firm, one option available / options available are... *briefly describe option/s and its features*

In response to the issue of *restate problem/issue* at [business name], our consultancy firm recommends that... *briefly describe recommendation and its features*

WRITING AN EXECUTIVE SUMMARY

A business report must begin with an Executive Summary. Unlike an introduction, an Executive Summary is a summary of your main arguments, addressing the most important points for each question. An executive summary should include:

- A title 'Business Report for...'
- A heading 'Executive Summary'
- A brief overview of the business (1 sentence)
- The purpose of the report using the following sentence - *This business report will provide advice, key findings and recommendations that will improve the performance of [business name]*
- For each question, provide ONE sentence which answers the question – (i.e. you can restate your topic sentences for each question).

