

Name:

## SENIOR ASSESSMENT PROGRAM

<b>Faculty: HSIE</b>	<b>Subject: Stage 6 Business Studies.</b>	<b>Topic: Finance.</b>
<b>Teacher: Mr Nonnenmacher.</b>	<b>Student:</b>	
<b>Task description:</b>  The Finance task is a two part assessment. Part 1 entails the student to complete a business report at home based on stimulus material in relation to financial management issues. For part 2 students will in class time complete a series of multiple choice and short answer questions in relation to the finance topics.  <b>Note: For the in class component, student are allowed to bring financial ratios sheets.</b>  <b>Areas covered:</b> <ul style="list-style-type: none"><li>• Identify the limitations of financial reporting.</li><li>• Calculate key financial ratios.</li><li>• Assess business performance using comparative ratio analysis.</li><li>• Recommend strategies to improve financial performance.</li><li>• Examine ethical financial reporting practices.</li></ul> <ol style="list-style-type: none"><li>1. Multiple Choice</li><li>2. Short answer.</li><li>3. Source Analysis.</li><li>4. Business report.</li></ol>		
<b>Weighting(s): 20 % of total assessment.</b>  <b>Outcomes assessed:</b> H5 explains management strategies and their impact on 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.		
<b>Date Given: Term 2 Week 3 2019.</b>	<b>Date of Completion: Term 2 Week 6 2019</b>	
<b>On OHS website</b>	<b>Circle:</b>	<b>Yes      No</b>
<b>Please Note:</b> that plagiarism, the using of the work of others without acknowledgement, will incur serious penalties and may result in zero award. Any cheating will also incur penalties.		

NAME:

## **SECTION III - Business Report**

**20 marks**

**Attempt Question 23**

---

In your answer you will be assessed on how well you:

- Use your knowledge and the information provided
  - Communicate using relevant business terminology and concepts
  - Present a logical, well structured answer to the question in the form of a business report
- 

**Question 8 (20 marks)**

### **A.C.E. Ltd**

A.C.E. Ltd is a listed company that manufactures mobile phones and has been in business for 25 years. Its products are starting to look dated compared to its domestic and overseas competitors. During the past 4 years the business has experienced heavy losses and the CEO has decided there is a need to introduce a new mini-mobile phone that incorporates a digital camera. The business needs to raise a large amount of capital to fund this new product line.

During 2013 the following concerns were raised by the company's shareholders at the annual general meeting:

- Lack of internal audits conducted to check internal financial controls
- Misuse of company funds for personal matters
- Overvaluing of various assets, such as mobile phone inventories
- Budgets not constructed to accurately reflect management expectations but to present the business more favourably

The CEO has decided to employ you as a consultant to write a business report addressing the following areas:

- Discuss at least three (3) of the most appropriate sources of finance available to A.C.E. to fund the introduction of the new product;
- Analyse the ethical and legal responsibilities of A.C.E. in relation to financial management and the impact on stakeholders.