

Victorian Certificate of Education

# **BUSINESS MANAGEMENT**

STUDY DESIGN



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# Important information

## Accreditation period

Units 1–4: 1 January 2017 – 31 December 2021

Implementation of this study commences in 2017.

## Other sources of information

The [VCAA Bulletin](#) is the only official source of changes to regulations and accredited studies. The *Bulletin* also regularly includes advice on VCE studies. It is the responsibility of each VCE teacher to refer to each issue of the *Bulletin*. The *Bulletin* is available as an e-newsletter via free subscription on the VCAA's website at: [www.vcaa.vic.edu.au](http://www.vcaa.vic.edu.au).

To assist teachers in developing courses, the VCAA publishes online the *Advice for teachers*, which includes teaching and learning activities for Units 1–4, and advice on assessment tasks and performance level descriptors for School-assessed Coursework in Units 3 and 4.

The current [VCE and VCAL Administrative Handbook](#) contains essential information on assessment processes and other procedures.

## VCE providers

Throughout this study design the term 'school' is intended to include both schools and other VCE providers.

## Copyright

VCE schools may reproduce parts of this study design for use by teachers. The full VCAA Copyright Policy is available at: [www.vcaa.vic.edu.au/Pages/aboutus/policies/policy-copyright.aspx](http://www.vcaa.vic.edu.au/Pages/aboutus/policies/policy-copyright.aspx).

# Introduction

## Scope of study

VCE Business Management examines the ways businesses manage resources to achieve objectives. The VCE Business Management study design follows the process from the first idea for a business concept, to planning and establishing a business, through to the day-to-day management of a business. It also considers changes that need to be made to ensure continued success of a business. Students develop an understanding of the complexity of the challenges facing decision makers in managing these resources.

A range of management theories is considered and compared with management in practice through contemporary case studies drawn from the past four years. Students learn to propose and evaluate alternative strategies to contemporary challenges in establishing and maintaining a business.

## Rationale

In contemporary Australian society there are a range of businesses managed by people who establish systems and processes to achieve a variety of objectives. These systems and processes are often drawn from historical experience and management theories designed to optimise the likelihood of achieving success.

In studying VCE Business Management, students develop knowledge and skills that enhance their confidence and ability to participate effectively as socially responsible and ethical members, managers and leaders of the business community, and as informed citizens, consumers and investors. The study of Business Management leads to opportunities across all facets of the business and management field such as small business owner, project manager, human resource manager, operations manager or executive manager. Further study can lead to specialisation in areas such as marketing, public relations and event management.

## Aims

This study enables students to:

- understand and apply business concepts, principles and terminology
- understand the complex and changing environments within which businesses operate
- understand the relationships that exist between a business and its stakeholders
- recognise the contribution and significance of business within local, national and global markets
- analyse and evaluate the effectiveness of management strategies in different contexts
- propose strategies to solve business problems and take advantage of business opportunities.

## Structure

The study is made up of four units.

Unit 1: Planning a business

Unit 2: Establishing a business

Unit 3: Managing a business

Unit 4: Transforming a business

Each unit deals with specific content contained in areas of study and is designed to enable students to achieve a set of outcomes for that unit. Each outcome is described in terms of key knowledge and key skills.

## Entry

There are no prerequisites for entry to Units 1, 2 and 3. Students must undertake Unit 3 prior to undertaking Unit 4. Units 1 to 4 are designed to a standard equivalent to the final two years of secondary education. All VCE studies are benchmarked against comparable national and international curriculum.

## Duration

Each unit involves at least 50 hours of scheduled classroom instruction over the duration of a semester.

## Changes to the Study Design

During its period of accreditation minor changes to the study will be announced in the [VCAA Bulletin VCE, VCAL and VET](#). The *Bulletin* is the only source of changes to regulations and accredited studies. It is the responsibility of each VCE teacher to monitor changes or advice about VCE studies published in the *Bulletin*.

## Monitoring for quality

As part of ongoing monitoring and quality assurance, the VCAA will periodically undertake an audit of VCE Business Management to ensure the study is being taught and assessed as accredited. The details of the audit procedures and requirements are published annually in the [VCE and VCAL Administrative Handbook](#). Schools will be notified if they are required to submit material to be audited.

## Safety and wellbeing

It is the responsibility of the school to ensure that duty of care is exercised in relation to the health and safety of all students undertaking the study.

## Employability skills

This study offers a number of opportunities for students to develop employability skills. The *Advice for teachers* companion document provides specific examples of how students can develop employability skills during learning activities and assessment tasks.

## Legislative compliance

When collecting and using information, the provisions of privacy and copyright legislation, such as the *Victorian Privacy and Data Protection Act 2014* and *Health Records Act 2001*, and the federal *Privacy Act 1988* and *Copyright Act 1968*, must be met.

# Assessment and reporting

## Satisfactory completion

The award of satisfactory completion for a unit is based on the teacher's decision that the student has demonstrated achievement of the set of outcomes specified for the unit. Demonstration of achievement of outcomes and satisfactory completion of a unit are determined by evidence gained through the assessment of a range of learning activities and tasks.

Teachers must develop courses that provide appropriate opportunities for students to demonstrate satisfactory achievement of outcomes.

The decision about satisfactory completion of a unit is distinct from the assessment of levels of achievement. Schools will report a student's result for each unit to the VCAA as S (Satisfactory) or N (Not Satisfactory).

## Levels of achievement

### Units 1 and 2

Procedures for the assessment of levels of achievement in Units 1 and 2 are a matter for school decision. Assessment of levels of achievement for these units will not be reported to the VCAA. Schools may choose to report levels of achievement using grades, descriptive statements or other indicators.

### Units 3 and 4

The VCAA specifies the assessment procedures for students undertaking scored assessment in Units 3 and 4. Designated assessment tasks are provided in the details for each unit in VCE study designs.

The student's level of achievement in Units 3 and 4 will be determined by School-assessed Coursework (SACs) and/or School-assessed Tasks (SATs) as specified in the VCE study designs, and external assessment.

The VCAA will report the student's level of achievement on each assessment component as a grade from A+ to E or UG (ungraded). To receive a study score the student must achieve two or more graded assessments and receive S for both Units 3 and 4. The study score is reported on a scale of 0–50; it is a measure of how well the student performed in relation to all others who took the study. Teachers should refer to the current [VCE and VCAL Administrative Handbook](#) for details on graded assessment and calculation of the study score. Percentage contributions to the study score in VCE Business Management are as follows:

- Unit 3 School-assessed Coursework: 25 per cent
- Unit 4 School-assessed Coursework: 25 per cent
- End-of-year examination: 50 per cent.

Details of the assessment program are described in the sections on Units 3 and 4 in this study design.

## Authentication

Work related to the outcomes of each unit will be accepted only if the teacher can attest that, to the best of their knowledge, all unacknowledged work is the student's own. Teachers need to refer to the current [VCE and VCAL Administrative Handbook](#) for authentication procedures.

# Unit 1: Planning a business

Businesses of all sizes are major contributors to the economic and social wellbeing of a nation. Therefore how businesses are formed and the fostering of conditions under which new business ideas can emerge are vital for a nation's wellbeing. Taking a business idea and planning how to make it a reality are the cornerstones of economic and social development. In this unit students explore the factors affecting business ideas and the internal and external environments within which businesses operate, and the effect of these on planning a business.

## Area of Study 1

### The business idea

In this area of study students investigate how business ideas are created and how conditions can be fostered for new business ideas to emerge. New business ideas are formed through a range of sources, such as identifying a gap in the market, technological developments and changing customer needs. Students explore some of the issues that need to be considered before a business can be established.

### Outcome 1

On completion of this unit the student should be able to describe how and why business ideas are created and developed, and explain the methods by which a culture of business innovation and entrepreneurship may be fostered in a nation.

To achieve this outcome the student will draw on key knowledge and key skills outlined in Area of Study 1.

#### Key knowledge

- sources of business opportunity such as innovation and entrepreneurship, recognising and taking advantage of market opportunities, changing customer needs, research and development, technological development and global markets
- the personal motivation behind starting a business such as the desire for independence both financially and personally, to make a profit and to fulfil a market and/or social need
- the importance of goal setting in business
- the characteristics of successful business managers and business entrepreneurs and how these characteristics contribute to business success
- the importance of business concept development
- the relationship between business opportunities and business concept development
- market research and initial feasibility studies
- the contribution that businesses make to the economic and social wellbeing of a nation
- the methods by which a culture of business innovation and entrepreneurship may be fostered in a nation, such as government investment in research and development, council grants for new businesses, business mentorships, school-based educational programs in entrepreneurship, and the creation of regional business start-up hubs.

#### Key skills

- identify business opportunities
- define, describe and apply relevant business management concepts and terms
- acquire, record, interpret and share business information and ideas



- research and analyse case studies and contemporary examples of business management applicable to planning a business
- apply business management knowledge to practical and/or simulated business situations.

## Area of Study 2

### External environment

The external environment consists of all elements outside a business that may act as pressures or forces on the operations of a business. Students consider factors from the external environment such as legal, political, social, economic, technological, global and corporate social responsibility factors and the effects these may have on the decisions made when planning a business. Students investigate how the internal environment relates to the external environment and the effects of this relationship on planning a business.

### Outcome 2

On completion of this unit the student should be able to describe the external environment of a business and explain how the macro and operating factors within it may affect business planning.

To achieve this outcome the student will draw on key knowledge and key skills outlined in Area of Study 2.

#### Key knowledge

- an overview of the factors within the external (macro and operating) environment and internal environment that affect business planning.

#### Macro factors affecting business planning

- an overview of key legal and government regulations affecting businesses in the planning stage
- societal attitudes and behaviour such as values, beliefs and trends
- economic conditions such as how interest rates, tax rates, business and consumer confidence levels affect business planning
- technological issues such as how the market may change in the future and developments in technology
- global issues such as overseas competitors, overseas markets, offshoring labour, exchange rates, patenting, copyrights, trademarks and online sales
- corporate social responsibility issues such as environmental considerations and planning the production of goods and services which are in society's best interests.

#### Operating factors that affect business planning

- customer needs and expectations
- competitors' behaviour
- suppliers and the supply chain, such as the resources required for a business and considerations about where these resources are sourced and how they reach the business
- special interest groups such as environmental lobby groups, business associations and unions.

#### Key skills

- define, describe, and apply relevant business management concepts and terms
- acquire, record, interpret and share business information and ideas
- research and analyse case studies and current examples of business management applicable to planning a business
- apply business management knowledge to practical and/or simulated business situations
- explain the benefits and costs of corporate social responsibility management practices with respect to business planning.

## Area of Study 3

### Internal environment

The internal environment affects the approach to and success of business planning. The owner will generally have more control over the activities, functions and pressures that occur within a business. These factors, such as business models, legal business structures and staffing, will also be influenced to some extent by the external environment. Students explore the factors within the internal environment and consider how planning decisions may have an effect on the ultimate success of a business.

### Outcome 3

On completion of this unit the student should be able to describe the internal business environment and analyse how factors from within it may affect business planning.

To achieve this outcome the student will draw on key knowledge and key skills outlined in Area of Study 3.

#### Key knowledge

- business resource needs and the factors affecting their choice: natural, labour and capital resources
- business locations and the factors affecting choice of location
- sources of finance available to establish a business and the factors affecting the choice
- costs and benefits of purchasing an existing business compared with establishing a new business
- types of legal business structures such as sole trader, partnership, private limited company, public listed company and the factors affecting choice of business structure
- types of business models such as online business, bricks and mortar business, social enterprise, franchise, importer and exporter
- business support services such as legal, financial, technological, community-based, formal and informal networks, and business mentors
- planning tools such as a SWOT analysis
- features and construction of business plans and the benefits of using them
- corporate social responsibility management issues regarding business planning.

#### Key skills

- define, describe and apply relevant business management concepts and terms
- acquire, record, interpret and share business information and ideas
- research and analyse case studies and current examples of business management applicable to planning a business
- apply business management knowledge to practical and/or simulated business situations
- develop and construct business plans
- use a planning tool to analyse a business's current situation and interpret the information
- discuss the decisions made in response to the internal factors that affect a business.

## Assessment

The award of satisfactory completion for a unit is based on whether the student has demonstrated the set of outcomes specified for the unit. Teachers should use a variety of learning activities and assessment tasks that provide a range of opportunities for students to demonstrate the key knowledge and key skills in the outcomes.

The areas of study, including the key knowledge and key skills listed for the outcomes, should be used for course design and the development of learning activities and assessment tasks. Assessment must be a part of the regular teaching and learning program and should be completed mainly in class and within a limited timeframe.

All assessments at Units 1 and 2 are school-based. Procedures for assessment of levels of achievement in Units 1 and 2 are a matter for school decision.

For this unit students are required to demonstrate three outcomes. As a set these outcomes encompass the areas of study in the unit.

Suitable tasks for assessment may be selected from the following:

- a case study analysis
- a business research report
- development of a business plan and/or feasibility study
- an interview and a report on contact with business
- a school-based, short-term business activity
- a business simulation exercise
- an essay
- a business survey and analysis
- a media analysis.

Where teachers allow students to choose between tasks they must ensure that the tasks they set are of comparable scope and demand.

# Unit 2: Establishing a business

This unit focuses on the establishment phase of a business's life. Establishing a business involves complying with legal requirements as well as making decisions about how best to establish a system of financial record keeping, staff the business and establish a customer base. In this unit students examine the legal requirements that must be satisfied to establish a business. They investigate the essential features of effective marketing and consider the best way to meet the needs of the business in terms of staffing and financial record keeping. Students analyse various management practices in this area by applying this knowledge to contemporary business case studies from the past four years.

## Area of Study 1

### Legal requirements and financial considerations

It is essential to deal with legal and financial matters when establishing a business. In this area of study students are introduced to the legal requirements and financial considerations that are vital to establishing a business. They also consider the implications for the business if these requirements are not met.

### Outcome 1

On completion of this unit the student should be able to explain the importance when establishing a business of complying with legal requirements and financial record keeping, and establishing effective policies and procedures.

To achieve this outcome the student will draw on key knowledge and key skills outlined in Area of Study 1.

#### Key knowledge

- an overview of legal requirements for establishing a business such as registering the business name, registering a website domain, trade practices legislation, business tax compliance and work safe insurance
- the importance of establishing bank accounts, financial control systems and record-keeping strategies
- the importance of choosing appropriate suppliers including the benefits and limitations of suppliers which meet the corporate social responsibility objectives of the business
- the need for policies and procedures to achieve compliance with legal requirements and establish business routines
- technological and global issues which may affect decision making when establishing a business, such as generating customer databases and contacts with overseas suppliers and retailers.

#### Key skills

- define, describe and apply relevant business management concepts and terms
- acquire, record, interpret and share business information and ideas
- research and analyse case studies and contemporary examples of business management applicable to establishing a business
- apply business management knowledge to practical and/or simulated business situations
- evaluate the costs and benefits of decisions when establishing a business, and justify the strategy chosen.

## Area of Study 2

### Marketing a business

Establishing a strong customer base for a business is an important component of success. In this area of study students develop their understanding that marketing encompasses a wide range of management practices, from identifying the needs of the target market and establishing a brand presence, through to considerations on price, product features and packaging, promotion, place, people, physical evidence and processes. They also consider effective public relations strategies and the benefits and costs these can bring to a business.

### Outcome 2

On completion of this unit the student should be able to explain the importance of establishing a customer base and a marketing presence to achieve the objectives of the business, analyse effective marketing and public relations strategies and apply these strategies to business-related case studies.

To achieve this outcome the student will draw on key knowledge and key skills outlined in Area of Study 2.

#### Key knowledge

- the relationship between marketing, establishing a customer base and business objectives
- external (macro and operating) and internal environment factors affecting the establishment of a customer base and brand identity
- market research practices such as data collection techniques, analysis and interpretation
- target market attributes such as market dimensions, segments, consumer trends and behaviour
- the 7Ps model of marketing: product, price, place, promotion, people, physical evidence and process
- the product life cycle: introduction, growth, maturity, decline, extension, and the relationship between each of these stages and the choice of marketing strategy
- the features and value of customer relations strategies such as providing quality customer service and establishing customer loyalty programs
- an overview of public relations and its relationship to business objectives
- public relations strategies such as planned and crisis public relations, the importance of maintaining a positive relationship with the customer base and the implications if this relationship is not maintained
- corporate social responsibility management issues regarding establishing a customer base, such as green marketing.

#### Key skills

- define, describe and apply relevant business management concepts and terms
- acquire, record, interpret and share business information and ideas
- research and analyse case studies and contemporary examples of business management applicable to establishing marketing in a business
- apply business management knowledge to practical and/or simulated business situations
- evaluate the costs and benefits of establishing a customer base, marketing a business and establishing positive public relations
- propose, analyse and justify marketing and public relations strategies chosen for practical and/or simulated business situations.

## Area of Study 3

### Staffing a business

Staff are one of the business's greatest assets and are an important consideration when establishing a business. The quantity and quality of staff has a direct link to business productivity and the achievement of business objectives. In this area of study students examine the staffing requirements that will meet the needs and objectives of the business and contribute to productivity and effectiveness. They research the processes undertaken by the business with relation to the recruitment, selection and induction of staff. Students consider the opportunities that the skills and capabilities of staff can contribute to the business, the legal obligations that must be addressed and the relationship between employers and employees within a business.

### Outcome 3

On completion of this unit the student should be able to discuss the staffing needs for a business and evaluate the benefits and limitations of management strategies in this area from both an employer and an employee perspective.

To achieve this outcome the student will draw on key knowledge and key skills outlined in Area of Study 3.

#### Key knowledge

- the relationship between the performance of staff and achieving business objectives
- identification of the staffing needs of the business such as the knowledge, skills and ideas staff can contribute to the business
- the effects that developments in technology may have on staffing needs
- job analysis and its relationship to job design and related documentation, job descriptions and job specifications
- recruitment methods and the advantages and disadvantages of each method:
  - internal such as intranet and word-of-mouth
  - external such as websites, online recruitment agencies, social media
- selection methods such as interview, psychological testing, work testing, online selection, and the advantages and disadvantages of each
- employment arrangements such as full time, part time, contractual and casual
- employer expectations such as contracts of employment, business loyalty and terms of notice
- employee expectations such as conditions of employment, remuneration, job security and work–life balance
- legal obligations for staffing such as Occupational Health and Safety (OHS) and agencies such as Equal Employment Opportunities and Workplace Gender Equality Agency
- the purpose and common methods of employee induction
- global issues such as overseas recruitment
- corporate social responsibility management issues regarding establishing the staffing of a business.

#### Key skills

- define, describe and apply relevant business management concepts and terms
- acquire, record, interpret and share business information and ideas
- research and analyse case studies and contemporary examples of business management applicable to establishing staff in a business
- apply business management knowledge to practical and/or simulated business situations
- evaluate the costs and benefits of various strategies for staffing a business
- propose and justify the staffing strategies chosen for practical and/or simulated business situations.

## Assessment

The award of satisfactory completion for a unit is based on whether the student has demonstrated the set of outcomes specified for the unit. Teachers should use a variety of learning activities and assessment tasks that provide a range of opportunities for students to demonstrate the key knowledge and key skills in the outcomes.

The areas of study, including the key knowledge and key skills listed for the outcomes, should be used for course design and the development of learning activities and assessment tasks. Assessment must be a part of the regular teaching and learning program and should be completed mainly in class and within a limited timeframe.

All assessments at Units 1 and 2 are school-based. Procedures for assessment of levels of achievement in Units 1 and 2 are a matter for school decision.

For this unit students are required to demonstrate three outcomes. As a set these outcomes encompass the areas of study in the unit.

Suitable tasks for assessment may be selected from the following:

- a case study analysis
- a business research report
- development of a business plan and/or feasibility study
- an interview and a report on contact with business
- a school-based, short-term business activity
- a business simulation exercise
- an essay
- a business survey and analysis
- a media analysis.

Where teachers allow students to choose between tasks they must ensure that the tasks they set are of comparable scope and demand.

# Unit 3: Managing a business

In this unit students explore the key processes and issues concerned with managing a business efficiently and effectively to achieve the business objectives. Students examine the different types of businesses and their respective objectives. They consider corporate culture, management styles, management skills and the relationship between each of these. Students investigate strategies to manage both staff and business operations to meet objectives.

Students develop an understanding of the complexity and challenge of managing businesses and through the use of contemporary business case studies from the past four years have the opportunity to compare theoretical perspectives with current practice.

## Area of Study 1

### Business foundations

This area of study introduces students to the key characteristics of businesses and their stakeholders. Students investigate potential conflicts between and the different demands of stakeholders on a business. They examine a range of management styles and management skills that may be used when managing a business and apply these to contemporary business case studies.

### Outcome 1

On completion of this unit the student should be able to discuss the key characteristics of businesses and stakeholders, and analyse the relationship between corporate culture, management styles and management skills.

To achieve this outcome the student will draw on key knowledge and key skills outlined in Area of Study 1.

#### Key knowledge

- types of businesses including sole traders, partnerships, private limited companies, public listed companies, social enterprises and government business enterprises
- business objectives including to make a profit, to increase market share, to fulfil a market and/or social need and to meet shareholder expectations
- characteristics of stakeholders of businesses including their interests, potential conflicts between stakeholders, and corporate social responsibility considerations
- the areas of management responsibility including operations, finance, human resources, sales and marketing, and technology support, and how each area contributes to the achievement of business objectives
- management styles including autocratic, persuasive, consultative, participative and laissez-faire
- the appropriateness of management styles in relation to the nature of task, time, experience of employees and manager preference
- management skills including communicating, delegating, planning, leading, decision-making and interpersonal
- the relationship between management styles and management skills
- corporate culture both official and real, and strategies for its development.

#### Key skills

- define, describe and apply relevant business management concepts and terms
- analyse case studies and contemporary examples of business management
- interpret, discuss and evaluate business information and ideas
- apply business management knowledge to practical and/or simulated business situations



- analyse and discuss management styles and management skills necessary for successful business management
- evaluate management styles and management skills and their appropriateness for a range of business situations
- propose and justify management strategies for developing corporate culture.

## Area of Study 2

### Managing employees

In this area of study students investigate essential factors such as motivation and training involved in effectively managing employees during their time at a business to ensure the business objectives are achieved. They consider Maslow's Hierarchy of Needs, Locke and Latham's Goal Setting Theory and Lawrence and Nohria's Four Drive Theory of motivation. Using the theories and motivation strategies, students propose and justify possible solutions to employee management in contemporary business case studies. Students gain an overview of workplace relations, including the main participants and their roles in the dispute resolution process.

### Outcome 2

On completion of this unit the student should be able to explain theories of motivation and apply them to a range of contexts, and analyse and evaluate strategies related to the management of employees.

To achieve this outcome the student will draw on key knowledge and key skills outlined in Area of Study 2.

#### Key knowledge

- the relationship between managing employees and business objectives
- key principles of the following theories of motivation: Hierarchy of Needs (Maslow), Goal Setting Theory (Locke and Latham) and the Four Drive Theory (Lawrence and Nohria)
- motivation strategies including performance related pay, career advancement, investment in training, support and sanction
- advantages and disadvantages of motivation strategies and their effect on short- and long-term employee motivation
- training options including on-the-job and off-the-job training, and the advantages and disadvantages of each
- performance management strategies to achieve both business and employee objectives, including management by objectives, appraisals, self-evaluation and employee observation
- termination management including retirement, redundancy, resignation and dismissal, entitlement and transition issues
- the roles of participants in the workplace including human resource managers, employees, employer associations, unions, and the Fair Work Commission
- awards and agreements as methods of determining wages and conditions of work
- an overview of the dispute resolution process including grievance procedures, mediation and arbitration.

#### Key skills

- define, describe and apply relevant business management concepts and terms
- research and analyse case studies and contemporary examples of management related to managing staff in a business
- interpret, discuss and evaluate business information and ideas
- apply knowledge about managing employees to practical and/or simulated business situations
- examine and apply the key principles of the theories of motivation
- compare and evaluate strategies used for motivation and training when managing a business
- propose and justify strategies to manage employees effectively.

## Area of Study 3

### Operations management

The production of goods and services is the core objective of businesses. Effective management of the process of transforming inputs into outputs is vital to the success of a business, both in terms of maximising the efficiency and effectiveness of the production process and meeting the needs of stakeholders. In this area of study students examine operations management and consider the best and most responsible use of available resources for the production of a quality final good or service in a competitive, global environment.

### Outcome 3

On completion of this unit the student should be able to analyse the relationship between business objectives and operations management, and propose and evaluate strategies to improve the efficiency and effectiveness of business operations.

To achieve this outcome the student will draw on key knowledge and key skills outlined in Area of Study 3.

#### Key knowledge

- the relationship between operations management and business objectives
- key elements of an operations system: inputs, processes and outputs
- characteristics of operations management within both manufacturing and service businesses
- strategies to improve the efficiency and effectiveness of operations related to technological developments, including the use of automated production lines, computer-aided design, computer-aided manufacturing techniques and website development
- strategies to improve the efficiency and effectiveness of operations related to materials, including forecasting, master production schedule, materials requirement planning and Just In Time
- strategies to improve the efficiency and effectiveness of operations related to quality, including quality control, quality assurance and Total Quality Management
- strategies to improve the efficiency and effectiveness of operations through waste minimisation in the production process, including the principles of lean management
- corporate social responsibility considerations in an operations system, including the environmental sustainability of inputs and the amount of waste generated from processes and production of outputs
- global considerations in operations management, including global sourcing of inputs, overseas manufacture, global outsourcing and an overview of supply chain management.

#### Key skills

- define, describe and apply relevant business management concepts and terms
- research and analyse case studies and contemporary examples of management applicable to managing production in a business
- interpret, discuss and evaluate business information and ideas
- apply operations management knowledge to practical and/or simulated business situations
- compare and evaluate strategies used in operations management
- propose and justify strategies for improving the efficiency and effectiveness of operations.

## School-based assessment

### Satisfactory completion

The award of satisfactory completion for a unit is based on whether the student has demonstrated the set of outcomes specified for the unit. Teachers should use a variety of learning activities and assessment tasks to provide a range of opportunities for students to demonstrate the key knowledge and key skills in the outcomes.

The areas of study and key knowledge and key skills listed for the outcomes should be used for course design and the development of learning activities and assessment tasks.

### Assessment of levels of achievement

The student's level of achievement in Unit 3 will be determined by School-assessed Coursework. School-assessed Coursework tasks must be a part of the regular teaching and learning program and must not unduly add to the workload associated with that program. They must be completed mainly in class and within a limited timeframe.

Where teachers provide a range of options for the same School-assessed Coursework task, they should ensure that the options are of comparable scope and demand.

The types and range of forms of School-assessed Coursework for the outcomes are prescribed within the study design. The VCAA publishes *Advice for teachers* for this study, which includes advice on the design of assessment tasks and the assessment of student work for a level of achievement.

Teachers will provide to the VCAA a numerical score representing an assessment of the student's level of achievement. The score must be based on the teacher's assessment of the performance of each student on the tasks set out in the following table.

### Contribution to final assessment

School-assessed Coursework for Unit 3 will contribute 25 per cent to the study score.

Outcomes	Marks allocated*	Assessment tasks
<p><b>Outcome 1</b></p> <p>Discuss the key characteristics of businesses and stakeholders, and analyse the relationship between corporate culture, management styles and management skills.</p>	20	<p>The student's performance on each outcome is assessed using one or more of the following:</p> <ul style="list-style-type: none"> <li>• a case study</li> <li>• structured questions</li> <li>• an essay</li> <li>• a report</li> <li>• a media analysis.</li> </ul>
<p><b>Outcome 2</b></p> <p>Explain theories of motivation and apply them to a range of contexts, and analyse and evaluate strategies related to the management of employees.</p>	40	
<p><b>Outcome 3</b></p> <p>Analyse the relationship between business objectives and operations management, and propose and evaluate strategies to improve the efficiency and effectiveness of business operations.</p>	40	
<b>Total marks</b>	<b>100</b>	

\*School-assessed Coursework for Unit 3 contributes 25 per cent.

## External assessment

The level of achievement for Units 3 and 4 is also assessed by an end-of-year examination, which will contribute 50 per cent.

# Unit 4: Transforming a business

Businesses are under constant pressure to adapt and change to meet their objectives. In this unit students consider the importance of reviewing key performance indicators to determine current performance and the strategic management necessary to position a business for the future. Students study a theoretical model to undertake change, and consider a variety of strategies to manage change in the most efficient and effective way to improve business performance. They investigate the importance of leadership in change management. Using a contemporary business case study from the past four years, students evaluate business practice against theory.

## Area of Study 1

### Reviewing performance – the need for change

In this area of study students develop their understanding of the need for change. Managers regularly review and evaluate business performance through the use of key performance indicators and use the results to make decisions concerning the future of a business. Managers can take both a proactive and reactive approach to change. Students investigate the ways a business can search for new business opportunities as a source of future business growth and consider current forces for change on a business. They apply Lewin's Force Field Analysis theory to contemporary case studies and consider approaches to strategic management, using Porter's (1985) Generic Strategies.

### Outcome 1

On completion of this unit the student should be able to explain the way business change may come about, use key performance indicators to analyse the performance of a business, discuss the driving and restraining forces for change and evaluate management strategies to position a business for the future.

To achieve this outcome the student will draw on key knowledge and key skills outlined in Area of Study 1.

#### Key knowledge

- the concept of business change
- key performance indicators as sources of data to analyse the performance of businesses, including percentage of market share, net profit figures, rate of productivity growth, number of sales, rates of staff absenteeism, level of staff turnover, level of wastage, number of customer complaints and number of workplace accidents
- key principles of the Force Field Analysis theory (Lewin)
- driving forces for change in business, including managers, employees, competitors, legislation, pursuit of profit, reduction of costs, globalisation, technology, innovation and societal attitudes
- restraining forces in businesses, including managers, employees, time, organisational inertia, legislation and financial considerations
- the two key approaches, lower cost and differentiation, to strategic management by Porter's Generic Strategies (1985).

#### Key skills

- define, describe and apply relevant business management concepts and terms
- research and analyse case studies and contemporary examples of business management applicable to evaluating key performance indicators and sourcing business opportunities in a business
- interpret key performance indicators to analyse and evaluate business performance
- apply business management knowledge to practical and/or simulated business situations
- compare and evaluate relevant management strategies.

## Area of Study 2

### Implementing change

In this area of study students explore how businesses respond to evaluation data. It is important for managers to know where they want a business to be positioned for the future before implementing a variety of strategies to bring about the desired change. Students consider the importance of leadership in change management, how leaders can inspire change and the effect change can have on the stakeholders in a business. They consider the principles of Senge's Learning Organisation and apply the Three Step Change Model (Lewin) in implementing change in a business. Using a contemporary business case study from the past four years, students evaluate business practice against theory, considering how corporate social responsibility can be incorporated into the change process.

### Outcome 2

On completion of this unit the student should be able to evaluate the effectiveness of a variety of strategies used by managers to implement change and discuss the effect of change on the stakeholders of a business.

To achieve this outcome the student will draw on key knowledge and key skills outlined in Area of Study 2.

#### Key knowledge

- the importance of leadership in change management
- management strategies to respond to key performance indicators, including staff training, staff motivation, change in management styles or management skills, increased investment in technology, improving quality in production, cost cutting, initiating lean production techniques and redeployment of resources (natural, labour and capital)
- management strategies to seek new business opportunities both domestically and globally
- an overview of the principles of the Learning Organisation (Senge)
- low-risk strategies to overcome employee resistance, including communication, empowerment, support and incentives
- high-risk strategies to overcome employee resistance, including manipulation and threat
- key principles of the Three Step Change Model (Lewin)
- the effect of change on stakeholders, including managers, employees, customers, suppliers and the general community
- corporate social responsibility considerations when implementing change
- the importance of reviewing key performance indicators to evaluate the effectiveness of business transformation.

#### Key skills

- define, describe and apply relevant business management concepts and terms
- research and analyse case studies and contemporary examples of business management applicable to managing change in a business
- interpret business information and ideas
- apply business management knowledge to practical and/or simulated business situations
- evaluate the advantages and disadvantages of various strategies in implementing change in a business
- propose and justify strategies in response to key performance indicators and to assist in implementing change in a business.

## School-based assessment

### Satisfactory completion

The award of satisfactory completion for a unit is based on whether the student has demonstrated the set of outcomes specified for the unit. Teachers should use a variety of learning activities and assessment tasks to provide a range of opportunities for students to demonstrate the key knowledge and key skills in the outcomes.

The areas of study and key knowledge and key skills listed for the outcomes should be used for course design and the development of learning activities and assessment tasks.

### Assessment of levels of achievement

The student's level of achievement in Unit 4 will be determined by School-assessed Coursework. School-assessed Coursework tasks must be a part of the regular teaching and learning program and must not unduly add to the workload associated with that program. They must be completed mainly in class and within a limited timeframe.

Where teachers provide a range of options for the same School-assessed Coursework task, they should ensure that the options are of comparable scope and demand.

The types and range of forms of School-assessed Coursework for the outcomes are prescribed within the study design. The VCAA publishes *Advice for teachers* for this study, which includes advice on the design of assessment tasks and the assessment of student work for a level of achievement.

Teachers will provide to the VCAA a numerical score representing an assessment of the student's level of achievement. The score must be based on the teacher's assessment of the performance of each student on the tasks set out in the following table.

### Contribution to final assessment

School-assessed Coursework for Unit 4 will contribute 25 per cent to the study score.

Outcomes	Marks allocated*	Assessment tasks
<p><b>Outcome 1</b></p> <p>Explain the way business change may come about, use key performance indicators to analyse the performance of a business, discuss the driving and restraining forces for change and evaluate management strategies to position a business for the future.</p>	50	<p>The student's performance on each outcome is assessed using one or more of the following:</p> <ul style="list-style-type: none"> <li>• a case study</li> <li>• structured questions</li> <li>• an essay</li> <li>• a report</li> <li>• a media analysis.</li> </ul>
<p><b>Outcome 2</b></p> <p>Evaluate the effectiveness of a variety of strategies used by managers to implement change and discuss the effect of change on the stakeholders of a business.</p>	50	
<b>Total marks</b>	<b>100</b>	

\*School-assessed Coursework for Unit 4 contributes 25 per cent.

## External assessment

The level of achievement for Units 3 and 4 is also assessed by an end-of-year examination.

### Contribution to final assessment

The examination will contribute 50 per cent.

## End-of-year examination

### Description

The examination will be set by a panel appointed by the VCAA. All the key knowledge and key skills that underpin the outcomes in Units 3 and 4 are examinable.

### Conditions

The examination will be completed under the following conditions:

- Duration: two hours.
- Date: end-of-year, on a date to be published annually by the VCAA.
- VCAA examination rules will apply. Details of these rules are published annually in the [VCE and VCAL Administrative Handbook](#).
- The examination will be marked by assessors appointed by the VCAA.

### Further advice

The VCAA publishes specifications for all VCE examinations on the VCAA website. Examination specifications include details about the sections of the examination, their weighting, the question format/s and any other essential information. The specifications are published in the first year of implementation of the revised Unit 3 and 4 sequence together with any sample material.