

Authorised and published by the Victorian Curriculum and Assessment Authority  
Level 7, 2 Lonsdale Street  
Melbourne VIC 3000

ISBN: 978-1-925264-11-1

© Victorian Curriculum and Assessment Authority 2022

No part of this publication may be reproduced except as specified under the *Copyright Act 1968* or by permission from the VCAA. Excepting third-party elements, schools may use this resource in accordance with the [VCAA educational allowance](https://www.vcaa.vic.edu.au/Footer/Pages/Copyright.aspx). For more information read the [VCAA copyright policy](http://www.vcaa.vic.edu.au/Footer/Pages/Copyright.aspx).

The VCAA provides the only official, up-to-date versions of VCAA publications. Details of updates can be found on the [VCAA website](http://www.vcaa.vic.edu.au).

This publication may contain copyright material belonging to a third party. Every effort has been made to contact all copyright owners. If you believe that material in this publication is an infringement of your copyright, please email the [Copyright Officer](mailto:vcaa.copyright@education.vic.gov.au).

Copyright in materials appearing at any sites linked to this document rests with the copyright owner(s) of those materials, subject to the Copyright Act. The VCAA recommends you refer to copyright statements at linked sites before using such materials.

The VCAA logo is a registered trademark of the Victorian Curriculum and Assessment Authority.

|  |
| --- |
| Contact us if you need this information in an accessible format: for example, large print or audio.  Telephone (03) 9032 1635 or email [vcaa.media.publications@education.vic.gov.au](mailto:vcaa.media.publications@education.vic.gov.au) |

Contents

[Important information 4](#_Toc71095826)

[Introduction 5](#_Toc71095829)

[Scope of study 5](#_Toc71095830)

[Rationale 5](#_Toc71095831)

[Aims 5](#_Toc71095832)

[Structure 6](#_Toc71095833)

[Entry 6](#_Toc71095834)

[Duration 6](#_Toc71095835)

[Changes to the study design 6](#_Toc71095836)

[Monitoring for quality 6](#_Toc71095837)

[Safety and wellbeing 6](#_Toc71095838)

[Employability skills 6](#_Toc71095839)

[Legislative compliance 7](#_Toc71095840)

[Child Safe Standards 7](#_Toc71095840)

[Assessment and reporting 8](#_Toc71095841)

[Satisfactory completion 8](#_Toc71095842)

[Levels of achievement 8](#_Toc71095843)

[Authentication 8](#_Toc71095846)

[Unit 1: Planning a business 9](#_Toc71095847)

[Area of Study 1 9](#_Toc71095848)

[Area of Study 2 10](#_Toc71095851)

[Area of Study 3 11](#_Toc71095854)

[Assessment 12](#_Toc71095857)

[Unit 2: Establishing a business 13](#_Toc71095858)

[Area of Study 1 13](#_Toc71095859)

[Area of Study 2 14](#_Toc71095862)

[Area of Study 3 15](#_Toc71095865)

[Assessment 16](#_Toc71095868)

[Unit 3: Managing a business 17](#_Toc71095869)

[Area of Study 1 17](#_Toc71095870)

[Area of Study 2 18](#_Toc71095873)

[Area of Study 3 19](#_Toc71095876)

[School-based assessment 20](#_Toc71095879)

[External assessment 21](#_Toc71095881)

[Unit 4: Transforming a business 22](#_Toc71095882)

[Area of Study 1 22](#_Toc71095883)

[Area of Study 2 23](#_Toc71095886)

[School-based assessment 24](#_Toc71095889)

[External assessment 25](#_Toc71095891)

Important information

Accreditation period

Units 1–4: 1 January 2023.

Implementation of this study commences in 2023.

Other sources of information

The [*VCAA Bulletin*](https://www.vcaa.vic.edu.au/news-and-events/bulletins-and-updates/bulletin/Pages/index.aspx) 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](https://www.vcaa.vic.edu.au/Footer/Pages/Subscribe.aspx) on the VCAA website.

To assist teachers in developing courses, the VCAA publishes online [Support materials](https://www.vcaa.vic.edu.au/curriculum/vce/vce-study-designs/foodstudies/Pages/Index.aspx) (incorporating the previously known *Advice for teachers*).

The current [*VCE Administrative Handbook*](https://www.vcaa.vic.edu.au/administration/vce-vcal-handbook/Pages/index.aspx) 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

Schools may use this VCE study design in accordance with the VCAA educational allowance, including making copies for students and use within the school’s secure online teaching and learning environment.   
For details, access the full [VCAA copyright policy](https://www.vcaa.vic.edu.au/Footer/Pages/Copyright.aspx) on the VCAA website.

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 initial 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 the continued success of a business. Students develop an understanding of the complexity of the challenges facing decision-makers in managing businesses and their 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 in response to contemporary challenges in establishing and operating a business.

Rationale

In contemporary Australian society there is a range of businesses managed by people who establish systems and processes to achieve a variety of business objectives. These systems and processes are often drawn from both historical experience and management theories that are 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 ethical and socially responsible members of society, managers and leaders of the business community, and as informed citizens, consumers and investors.   
The study of VCE 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 in which businesses operate and how businesses must adapt to these
* 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 and Unit 4 as a sequence. Units 1–4 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.

Changes to the study design

During its period of accreditation minor changes to the study will be announced in the [*VCAA Bulletin*](https://www.vcaa.vic.edu.au/news-and-events/bulletins-and-updates/bulletin/Pages/index.aspx).   
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 Administrative Handbook*](https://www.vcaa.vic.edu.au/administration/vce-vcal-handbook/Pages/index.aspx). 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 Support materials provide 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.

Child Safe Standards

Schools and education and training providers are required to comply with the Child Safe Standards made under the Victorian *Child Wellbeing and Safety Act 2005*. Registered schools are required to comply with *Ministerial Order No. 1359 Implementing the Child Safe Standards – Managing the Risk of Child Abuse in Schools and School Boarding Premises*. For further information, consult the websites of the [Victorian Registration and Qualifications Authority](https://www.vrqa.vic.gov.au/childsafe/Pages/Home.aspx), the [Commission for Children and Young People](https://ccyp.vic.gov.au/) and the [Department of Education and Training](https://www2.education.vic.gov.au/pal/child-safe-standards/policy).

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), as specified in the VCE study design, 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 in the study and receive an 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 Administrative Handbook*](https://www.vcaa.vic.edu.au/administration/vce-vcal-handbook/Pages/index.aspx) 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 Administrative Handbook*](https://www.vcaa.vic.edu.au/administration/vce-vcal-handbook/Pages/index.aspx) for authentication rules and strategies.

Unit 1: Planning a business

Businesses of all sizes are major contributors to the economic and social wellbeing of a nation. The ability of entrepreneurs to establish a business 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, as well as the effect of these on planning a business. They also consider the importance of the business sector to the national economy and social wellbeing.

Area of Study 1

The business idea

In this area of study students investigate the concept of entrepreneurship. They consider how business ideas are created and how conditions can be fostered for new business ideas to emerge. New business ideas come from a range of sources, such as identifying a gap in the market, technological developments and changing customer needs. Students explore some of the considerations to be made before a business can be established as well as the importance of businesses to the national economy and social wellbeing.

Outcome 1

On completion of this unit the student should be able to describe a process for creating and developing   
a business idea, and explain how innovative and entrepreneurial practices can contribute to the national economy and social wellbeing.

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 entrepreneurship
* the personal motivation behind starting a business such as the desire for financial and personal independence, to make a profit and to fulfil a market and/or social need
* the characteristics of successful business managers and business entrepreneurs and how these characteristics contribute to business success
* sources of business opportunity such as innovation, recognising and taking advantage of market opportunities, changing customer needs, research and development, technological development   
  and global markets
* the importance of goal setting and decision-making in business
* 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, school-based educational programs in entrepreneurship, and the creation of regional business start-up hubs

Key skills

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

Area of Study 2

Internal business environment and planning

The internal environment affects the approach a business takes to planning and the extent to which planning is successful. A business owner will generally have more control over the activities, functions and pressures that occur within the 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 business environment and consider how planning decisions involving these factors may affect the ultimate success of a business, with success being measured by the extent to which business objectives are met within a specific timeframe.

Outcome 2

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 2.

Key knowledge

* the relationship between the internal environment and the external environment of a business
* types of businesses such as sole trader, partnership, private limited company, public listed company, social enterprises and government business enterprises, and the factors affecting the choice of business structure
* types of business models such as online business, direct-to-consumer business, bricks-and-mortar business, franchise, importer and exporter
* costs and benefits of purchasing an existing business compared with establishing a new business
* business resource needs (natural, labour and capital) and the factors affecting the use of business resources
* business locations and the factors affecting choice of location
* sources of finance available to establish a business and the factors affecting the type and source of finance chosen
* business support services such as legal, financial, technological, community-based, formal and informal networks, and business mentors
* planning analysis tools to assist in determining the strengths and weaknesses of decisions regarding changing internal factors, such as SWOT analysis
* overview of business plans, including the benefits of using them and an outline of their key features
* corporate social responsibility considerations and business planning

Key skills

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

Area of Study 3

External business environment and planning

The external environment consists of all elements outside a business that may act as pressures or forces on business operations. 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.

Outcome 3

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 3.

Key knowledge

* an overview of the factors within the external (macro and operating) 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 interest rates, employment levels, tax rates and levels of consumer confidence
* technological considerations such as how the market may change in the future and how businesses adapt to developments in technology
* global considerations such as overseas competitors, overseas markets, offshoring of labour, exchange rates, patenting, copyrights, trademarks and online sales
* corporate social responsibility considerations related to business planning, such as environmental considerations and planning for socially responsible production of goods and services

*Operating factors that affect business planning*

* customer needs and expectations
* competitors’ behaviour
* suppliers of business resources and considerations regarding the supply chain, such as from where resources are sourced and how they reach the business
* special interest groups such as environmental lobby groups, business associations and unions

Key skills

* identify, define, describe and apply business management concepts and terms
* interpret, discuss, compare and evaluate business information and ideas
* analyse case studies and contemporary examples of business management
* apply business management knowledge to 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 in this unit may be selected from the following:

* a case study analysis
* short-answer and extended-answer structured questions
* a business research report
* development of a business plan and/or feasibility study
* an interview with and a report on a chosen 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. Establishing a business involves compliance with legal requirements as well as 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 met 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 management practices by applying key 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 in establishing a business. They also consider the implications for the business if legal and financial requirements are not met.

Outcome 1

On completion of this unit the student should be able to outline the key legal requirements and financial record-keeping considerations when establishing a business, and explain the importance of establishing effective policies and procedures to achieve compliance with these requirements.

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 key 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
* an overview of the role of external professionals when establishing a business
* 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 that 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 that may affect decision-making when establishing a business, such   
  as generating customer databases and contacts with overseas suppliers and retailers

Key skills

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

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 an understanding that marketing encompasses a wide range of management practices, from identifying the needs of the target market and creating a brand presence through to consideration of the 7Ps of marketing and the impact of rapidly changing technology on marketing practices. They also consider effective public relations strategies and the benefits these can bring to   
a business.

Outcome 2

On completion of this unit the student should be able to explain how establishing a customer base and   
a marketing presence supports the achievement of business objectives, 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
* internal and external (macro and operating) environment factors affecting the establishment of a customer base and creation of a 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
* technological developments in marketing such as social media, email marketing, search engine optimisation, artificial intelligence, data analytics and management of data
* 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 considerations regarding establishment of a customer base, such as green marketing and the protection of customer privacy

Key skills

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

Area of Study 3

Staffing a business

Staff, as one of the greatest assets of a business, are an important consideration during the establishment phase. 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 consider staffing requirements that will meet the needs of a business and contribute to productivity and achievement of business objectives. They research the processes undertaken by the business in relation to the recruitment, selection and induction of staff. Students consider the opportunities that the skills and capabilities of staff can offer a business, the legal obligations that must be addressed in relation to staff, 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 importance of staff to a business, discuss the staffing needs for a business, and evaluate staff-management strategies from both an employer and staff 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, 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 and social media
* selection methods such as interview, psychological testing, work testing, online selection, and the advantages and disadvantages of each
* overview of the National Employment Standards
* employer expectations such as contracts of employment, loyalty and terms of notice
* employee expectations such as conditions of employment, remuneration, job security and work-life balance
* overview of legal obligations for staffing such as occupational health and safety (OH&S) regulations and equal employment opportunity (EEO) legislation
* the purpose and common methods of employee induction
* corporate social responsibility management considerations regarding establishment of staffing for a business and overseas recruitment

Key skills

* identify, define, describe and apply business management concepts and terms
* interpret, discuss, compare and evaluate business information and ideas
* analyse case studies and contemporary examples of business management
* apply business management knowledge to 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 in this unit may be selected from the following:

* a case study analysis
* short-answer and extended-answer structured questions
* a business research report
* an interview with and a report on a chosen 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 considerations for managing a business efficiently   
and effectively to achieve business objectives. Students examine different types of businesses and their respective objectives and stakeholders. They investigate strategies to manage both staff and business operations to meet objectives, and develop an understanding of the complexity and challenge of managing businesses. Students compare theoretical perspectives with current practice through the use of contemporary Australian and global business case studies from the past four years.

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 the different demands of stakeholders on a business. They examine corporate culture and a range of management styles and management skills that may be used when managing a business, and apply these to contemporary business case studies from the past four years.

Outcome 1

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

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 improve efficiency, to improve effectiveness, to fulfil a market need, to fulfill a social need and to meet shareholder expectations
* stakeholders of businesses including owners, managers, employees, customers, suppliers and the general community
* characteristics of stakeholders of businesses including their interests and potential conflicts between stakeholders
* management styles including autocratic, persuasive, consultative, participative and laissez-faire
* the appropriateness of management styles in relation to the nature of the task, time, experience of employees and manager preference
* management skills including communication, delegation, planning, leadership, decision-making and interpersonal
* the relationship between management styles and management skills
* corporate culture, both official and real

Key skills

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

Area of Study 2

Human resource management

In this area of study students investigate considerations for the effective management of employees to ensure business objectives are achieved. They consider employee motivation in terms of Maslow’s Hierarchy of Needs, Locke and Latham’s Goal Setting Theory, and Lawrence and Nohria’s Four Drive Theory. Using these theories of motivation and motivation strategies, students propose and justify possible strategies for employee management in contemporary business case studies from the past four years. Students study 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 human resource management 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 strategies and sanction strategies
* 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 considerations and transition considerations
* 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 mediation and arbitration

Key skills

* identify, define, describe and apply business management concepts and terms
* interpret, discuss, compare and evaluate business information, theories and ideas
* analyse case studies and contemporary examples of business management
* apply business management knowledge to practical and/or simulated business situations
* propose, justify and evaluate management strategies to improve business performance

Area of Study 3

Operations management

The production of goods and services is a 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 to produce 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 both the efficiency and effectiveness of operations related to technological developments, including the use of automated production lines, robotics, computer-aided design, computer-aided manufacturing techniques, artificial intelligence and online services
* strategies to improve both the efficiency and effectiveness of operations related to materials, including forecasting, master production schedule, materials requirement planning and Just in Time
* strategies to improve both 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 reduce, reuse, recycle
* the pull, one-piece flow, takt, zero defects strategy to improve the efficiency and effectiveness of operations related to lean management
* corporate social responsibility considerations for an operations system, including the environmental sustainability of inputs and the amount of waste generated from processes and production of outputs
* global considerations for operations management including global sourcing of inputs, overseas manufacture and global outsourcing

Key skills

* identify, define, describe and apply business management concepts and terms
* interpret, discuss, compare and evaluate business information, theories and ideas
* analyse case studies and contemporary examples of business management
* apply business management knowledge to practical and/or simulated business situations
* propose, justify and evaluate management strategies to improve business performance

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 Support materials 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 |
| **Outcome 1**  Analyse the key characteristics of businesses, their stakeholders, management styles and skills, and corporate culture. | **20** | The student’s performance will be assessed using two or more of the following:   * a case study * structured questions * an essay * a report * a media analysis. |
| **Outcome 2**  Explain theories of motivation and apply them to a range of contexts, and analyse and evaluate strategies related to the management of employees. | **40** |
| **Outcome 3**  Analyse the relationship between business objectives and operations management, and propose and evaluate strategies to improve the efficiency and effectiveness of business operations. | **40** |
| **Total marks** | **100** |  |

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 to the study score.

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 effective management and leadership in change management. Using one or more contemporary business case studies 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 use of key performance indicators and use the results to make decisions affecting 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 from the past four years and consider approaches to strategic management using Porter’s Generic Strategies.

Outcome 1

On completion of this unit the student should be able to explain the way business change may come about, analyse why managers may take a proactive or reactive approach to change, use key performance indicators to analyse the performance of a business, explain 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
* proactive and reactive approaches to change
* key performance indicators as sources of data to analyse the performance of businesses, 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, number of website hits and number of workplace accidents
* key principles of the Force Field Analysis theory (Lewin) including weighting, ranking, implementing   
  a response and evaluating the response
* driving forces for change in business including owners, 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 according to Porter’s Generic Strategies

Key skills

* identify, define, describe and apply business management concepts and terms
* interpret, discuss, compare and evaluate business information, theories and ideas
* analyse case studies and contemporary examples of business management
* apply business management knowledge to practical and/or simulated business situations
* propose, justify and evaluate management strategies to improve business performance

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 and discuss and evaluate effective strategies for managing change. Students consider how leaders can inspire change and the effect change can have on stakeholders of 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 one or more contemporary business case studies 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 discuss the importance of effective management strategies and leadership in relation to change, 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 and/or seek new business opportunities, 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, redeployment of resources (natural, labour and capital), innovation, global sourcing of inputs, overseas manufacture and global outsourcing
* corporate culture and strategies for its development
* an overview of the principles of the Learning Organisation (Senge) and the need to create a positive culture for change
* 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 stakeholder groups including owners, 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

* identify, define, describe and apply business management concepts and terms
* interpret, discuss, compare and evaluate business information, theories and ideas
* analyse case studies and contemporary examples of business management
* apply business management knowledge to practical and/or simulated business situations
* propose, justify and evaluate management strategies to improve business performance

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 Support materials 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** |
| **Outcome 1**  Explain the way business change may come about, analyse why managers may take a proactive or reactive approach to change, use key performance indicators to analyse the performance of a business, explain the driving and restraining forces for change, and evaluate management strategies to position a business for the future. | **50** | The student’s performance will be assessed using two or more of the following:   * a case study * structured questions * an essay * a report * a media analysis. |
| **Outcome 2**  Discuss the importance of effective management strategies and leadership in relation to change, 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. | **50** |
| **Total marks** | **100** |  |

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 to the study score.

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: 2 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 Administrative Handbook*](https://www.vcaa.vic.edu.au/administration/vce-vcal-handbook/Pages/index.aspx).
* 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.