



Year 11 Business Studies Assessment Task 1, 2024

TOPIC: Nature of Business	MARKS: /25
SUBMISSION REQUIREMENTS: Wednesday 20 th March 2024 This task must be submitted on Canvas by 11.59pm. <i>If unable to complete the task by the due date and time, you must complete an Illness/Misadventure form.</i>	WEIGHTING: 25
OUTCOMES TO BE ASSESSED: P1: Discusses the nature of business, its role in society and types of business structure. P8: Evaluates information for actual and hypothetical business situations. P9: Communicates business information and issues in appropriate forms.	
DIRECTIONAL VERBS: Discuss: Identify issues; provides points for and/or against Evaluate: Make a judgement based on criteria; determine the value of Communicate: Share or exchange information	

TASK DESCRIPTION:

Imagine you are the business consultant hired to write a business report for Emily's Ethical Enterprises (EEE). Use your knowledge to **evaluate** the scenario of Emily's Ethical Enterprises and **discuss** issues relating to the nature, role and the types of business structures.

Emily's Ethical Enterprises Business Stimulus Material

Emily's Ethical Enterprises (EEE) is a partnership business that began 5 years ago in Byron Bay. Emily Earnest and her business partner Nick Sintrest have established a successful distribution enterprise that focuses on the ethical sourcing of supplies and resources for a range of other small businesses from restaurants to cleaning products. EEE only provides products that are: *completely organic; made from recycled products; carbon neutral; or otherwise eco-friendly*.

Emily started this business in 2019 as a sole trader and entered a partnership with Nick in 2021 as her business expanded and she needed more capital. Nick is a silent partner who provides financial input but plays no active role in the day-to-day business.

Initially Emily began her business with an online presence and with a small storage facility on her 5-acre property. The increase in EEE's customers through business communication channels and internet forums quickly saw exponential growth to the point where Emily could not handle the demand herself. Following the partnership with Nick, EEE now has 10 full-time employees involved in sourcing, warehousing and distributing their ethically sourced products to retail businesses.

Recently Emily and Nick received a business proposal from 'Earth Friendly', a larger partnership business that specialises in providing organic and environmentally safe products to retail businesses in Melbourne. The *Earth-Friendly* business – which currently has 8 partners - proposes forming a private company with EEE to be called 'Earth Friendly Australia' to corner the market on the Australian East Coast. Under this proposal, Emily and Nick would be entitled to 10% each of the new company's shares reflecting the relative size of EEE and *Earth Friendly* as they currently exist. This seems like an incredible opportunity for both Emily and Nick, but they have understandable concerns.

Emily and Nick have some serious decisions to make, and they have approached a business consultant for advice about the potential benefits and risks for EEE forming a new private company with *Earth Friendly*. Forming a new private company may provide access to capital investment and the upscaling of business, but undergoing incorporation with a much larger, and more experienced operation will involve significant costs, may also have some risks, and the possibility of undesirable outcomes.

ASSESSMENT CRITERIA:

You will be assessed on your ability to:

1. Communicate using the correct business report format that is no more than 3 A4 pages typed.

This includes:

- use of headings and subheadings to break information into sections (shown on business report template)
- an Executive Summary section
- a recommendations section
- use of consistent and correct business terminology

You need to have a **separate page** of correctly labelled relevant diagrams and tables that you **MUST** refer to in your report. This separate page is **NOT** included in the 3 A4 page limit.

2. Discuss the nature of *Emily's Ethical Enterprises' (EEE)* – consider the advantages and/or disadvantages of the main activities undertaken by this business.

3. Discuss the role of *EEE* – consider the advantages and/or disadvantages of the contribution of the business to the local community.

4. Discuss the business structure of EEE– consider the advantages and/or disadvantages of a partnership as outlined by the stimulus material.

5. Evaluate the prospect of EEE joining Earth Friendly to become a private company – *Earth Friendly Australia*. Make a clear judgment by providing THREE reasons to either support or oppose such a change in the position and the legal structure for Emily and Draco's business given the circumstances outlined in the scenario.

ASSESSMENT MARKING CRITERIA

P1: Discusses the nature of business, its role in society and types of business structure. P8: Evaluates information for actual and hypothetical business situations. P9: Communicates business information and issues in appropriate forms.	Mark	Grade
A sophisticated and well-formatted business report has been produced which meets the stipulated requirements of the task, both in content and structure to effectively communicate information regarding the hypothetical business – Emily’s Ethical Enterprises . The submitted task: Discusses the nature of Emily’s business ‘ EEE ’ the structure of this business and its potential contribution to society in a detailed, sophisticated and logical manner. A sophisticated and detailed evaluation of the potential implications of the business joining together with Earth Friendly to form a new private company is evident.	21-25	A
A detailed and well-formatted business report has been produced which meets the stipulated requirements of the task, both in content and structure to effectively communicate information regarding the hypothetical business – Emily’s Ethical Enterprises . The submitted task: Discusses the nature of Emily’s business EEE , the structure of this business and its potential contribution to society in a detailed and logical manner. A detailed evaluation of the potential implication of the business joining together with Earth Friendly to form a new private company is evident.	16-20	B
A business report has been produced which meets the stipulated requirements of the task, both in content and structure to effectively communicate information regarding the hypothetical business – Emily’s Ethical Enterprises . The submitted task: Discusses the nature of Emily’s business EEE , the structure of this business and its potential contribution to society. An evaluation of the potential implication of the business joining together with Earth Friendly to form a new private company is evident.	11-15	C
A business report has been produced which may not meet the stipulated requirements of the task, in either content or structure, communicating a limited understanding of the hypothetical business - Emily’s Ethical Enterprises . The submitted task: <u>Explains</u> the nature of Emily’s business EEE , the structure of this business and its potential contribution to society. An <u>explanation</u> of the potential implication of the business joining together with Earth Friendly to form a new private company is evident.	6-10	D
A business report has been produced which does not meet the stipulated requirements of the task, in either content or structure, communicating a basic understanding of the hypothetical business - Emily’s Ethical Enterprises . The submitted task: May or may not address the nature of Emily’s business EEE , the structure of this business and its potential contribution to society. Does not adequately address the potential implication of the business joining together with Earth Friendly to form a new private company.	1-5	E

Business report template – Assessment task 1

This document is designed to help you structure your assessment task and to figure out what information you need to discuss in each section of your response.

Please note that the tasks states that you are to incorporate graphs, tables, diagrams, etc., into your response. It is up to you what you use based on what you think is most appropriate to the argument you have made. However, you must refer to any graphs, tables, diagrams, etc., that you use in your response. These also do not count towards your 3-page limit.

Executive Summary

This is very similar to an introduction; however, it summarises the entirety of your argument – including your recommendations for the business. Due to this, you will need to complete the rest of your report first and then write your executive summary.

Think of it this way – if you were presenting a report to a very busy CEO of a major company and they had only 5 minutes to summarise your entire report (which in the real business world would be VERY long), what would they absolutely need to know? This is the information that you put in your executive summary – the vital points of your report summarised into about a paragraph in length. You can include dot points in your Executive Summary.

Introduction

Here you provide an overview of the business from the details provided in the scenario. This is where you essentially ‘set the scene’ for the rest of your report. It is the context to what will follow relating specifically to your business and the issues that are relevant to that business.

Heading 1: Nature of the Emily’s Ethical Enterprises

Overview of the functioning of *EEE* and the activities it undertakes. Consider the size, location, industry sector and legal structure of the business as well as the internal influences on businesses.

Subheading: Advantages

What are the advantages of Emily’s Ethical Enterprises conducting their business in this manner? What are the advantages of being part of this intermediary business sector, size of the business and operating where they do in Byron Bay and online.

Subheading: Disadvantages

What are the disadvantages of Emily's Ethical Enterprises conducting their business in this manner? What are the disadvantages of being part of this intermediary business sector, size of the business and operating where they do in Byron Bay and online.

Role of EEE within society

Overview of the contribution of Emily's Ethical Enterprises to the community. Consider their contribution to the community, the available markets, types of competition and the potential implications if they do not adapt to changes in the market.

Subheading: Advantages

What are the positives of the products that they offer and how does this cater to, or respond to the external influences on businesses? i.e. as the business addresses social concerns of products being sustainable are they more or less likely to be successful?

Subheading: Disadvantages

What are the negatives of the products they offer and the potentially negative impacts of external influences on businesses?

Business structure

Outline of EEE's current business structure.

Subheading: Advantages of remaining as a Partnership

What reasons are there for the business to remain as a partnership between just Emily and Max? What would be the organisational and legal benefits of this?

Subheading: Disadvantages of remaining as a Partnership

What reasons are there for the business to consider ceasing operation as a partnership? What would be the organisational and legal disadvantages of remaining as a partnership if the business continues to expand?

Subheading: Other relevant legal structures

Are there any other legal structures that the business should consider investigating? Choose at least one and discuss the advantages and disadvantages of expanding their current business structure to include this so they can remain trading as **EEE**.

Recommendations

Based on everything you have mentioned in your report above, what actions do you (as the business consultant) recommend Emily's Ethical Enterprises to undertake? This is where you would address the **evaluation** part of the task.

Why are these your recommendations? Provide evidence or facts to support your recommendations.

Conclusions

Here you make a brief statement about the business and its potential for future success (or failure).