INTUITION EDUCATION

HSC 2026 · PREDICTED PRACTICE PAPER

2026 HSC Business Studies

Answers & marking notes

Paper total: 100 marks

Sit the paper first. These are worked answers with the marking notes behind them — what earns the mark, and the traps the marking centre has flagged in past years. Where a note names a band, it describes what a top-band response does, not a guaranteed mark.

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Answers & marking notes

Section I — answer key

Q	Answer	Note
1	C	Keeping a delivery promise consistently = dependability (speed is how fast, not how reliably)
2	B	The marketing process begins with situational analysis (SWOT), before objectives or strategies
3	C	Resolution sequence: negotiation → mediation → grievance procedures → courts/tribunals
4	D	ASIC enforces true-and-fair reporting and consumer/investor protection; APRA regulates prudential risk
5	B	JIT minimises holding of perishable stock; FIFO governs usage order, not stock levels
6	D	Lifestyle, values and personality = psychographic segmentation
7	B	Workplace-level collective bargain passing the better-off-overall test; A describes an award, D the NES
8	C	Factoring converts receivables to immediate cash — at a discount, so it reduces profitability
9	B	GPR 40% → 45% (improved); expense ratio 25% → 28% (worsened — a higher expense ratio is worse)
10	C	Cost, market and competition-based pricing are methods; skimming/loss leaders/price points are strategies
11	B	Certification against predetermined standards before production = assurance; control inspects output
12	A	W is lowest on turnover, absenteeism and accidents; X's high output with 25% turnover is the trap
13	D	Payment in advance transfers all risk to the buyer; letter of credit is next most secure
14	B	Family and peer influence = sociocultural; psychological covers perception/motives/attitudes
15	C	Workers compensation provides income support and rehabilitation after injury; WHS aims to prevent it
16	B	Sale and lease back frees cash tied in the asset (improving working capital) while retaining its use
17	C	One authorised outlet per market = exclusive; a small set of outlets would be selective
18	A	The NES guarantee 4 weeks paid annual leave; penalty rates and pay rises are award/agreement matters
19	B	B and C both follow A only, so they can run in parallel
20	B	Paths A–B–D = 3+6+2 = 11 and A–C–D = 3+6+2 = 11; B's 2-day float absorbs the delay — 11 days, not 13

Section II — marking notes

Q21 (a). Transformed: the customer's equipment being fitted/adjusted/repaired (or the customer themselves, being fitted). Transforming: the staff (human resources) or the store's tools and facilities. One of each, drawn from the stimulus, for 2 marks — generic definitions score 1 at most. *2019 trap: transformed vs transforming reversed.*

(b). Variation in demand (a 4V) forces the business to redesign processes across the year: rostering casual staff up for the winter peak and down in summer, scheduling equipment maintenance in the off-season, and managing capacity/queues in the holiday peak. Marks for naming the V and landing the impact on the BUSINESS's processes (scheduling, staffing, capacity) — impacts framed on the customer cap at 1 (the 2024 visibility error).

(c). Two-way link required for both marks: operations depends on HR to supply trained casual staff for the peak; HR depends on operations' demand pattern to plan acquisition and rosters. One-direction answers score 1 (the 2024 Q21(a) error).

(d). Implications both ways: lower repair costs / access to specialist expertise / capacity freed in the peak, against loss of control over quality and turnaround, dependence on the workshop, possible customer perception issues. The named quality strategy must be specific: e.g. quality assurance — require the workshop to certify repairs against agreed standards in a service-level agreement — or quality control by inspecting returned equipment against a checklist. "Check the quality" unnamed scores nothing for that element (2021 feedback). Discuss = both sides + the named strategy applied to this business.

Q22 (a). Any two of: price ($99 sale price), promotion (the advertisement itself), product (the blender/warranty). 1 mark each.

(b). Two breaches explained against a named legal head: (1) two-price ("was/now") advertising where the item never sold at $199 is misleading and deceptive advertising about the saving; (2) the headline price contradicted by fine print (display stock, selected stores only) is misleading conduct/fine-print contradiction; (3) "the last blender you will ever need" with a 30-day warranty may breach implied conditions/consumer guarantees of acceptable quality and durability. Any two, named — rewriting the ad or calling it "unethical" without the legal head scores at most 1 (2021 feedback).

(c). Top marks require the distinction used, not just stated: a pricing METHOD sets the base price (cost-based, market-based, competition-based — competition-based fits a market with established rivals); a pricing STRATEGY positions it (price skimming suits the premium blender's quality signal via price–quality interaction; penetration would undercut the premium position). Recommend ONE approach and justify it for THIS launch. *2020 feedback: methods and strategies confused.*

Q23 (a). Gearing = total liabilities ÷ owner's equity: 2025 = 300/600 = **0.5:1**; 2026 = 540/600 = **0.9:1**. Working required; units/form of the ratio required (place value and units flagged 2020/2022/2025).

(b). Gearing has risen from 0.5:1 to 0.9:1 and now exceeds the industry average (0.8:1) — the business is more reliant on debt than its peers, increasing risk (and interest costs). Net profit ratio fell from 15% (1200 → 180) to 10% (1500 → 150), now below the industry 14% — sales grew but costs grew faster, so each sales dollar earns less than competitors'. Full marks need both ratios interpreted FOR the business against the benchmark, not defined. (The current ratio's slide from 2.0:1 to 1.3:1 may be credited as supporting evidence.)

(c). One limitation outlined, e.g. historical cost/asset valuation (custom equipment may be under- or over-stated), normalised earnings, capitalising expenses, or timing/window-dressing around balance date — meaning reported figures may flatter or understate true performance. 2 marks for the limitation tied to analysis, 1 for a bare identification.

(d). One strategy + justification from the data: cost controls/expense minimisation (operating expenses rose 360 → 450, driving the NPR fall — target fixed and variable cost review), or revenue controls (pricing/sales-mix review since COGS rose from 55% to 60% of sales). The justification must cite the figures; a generic "increase sales" scores 1.

Q24 (a). Cause: a proposed change to employment conditions — new rosters under a proposed enterprise agreement — i.e. a dispute over negotiation of an agreement / changes to working arrangements. 2 marks for cause grounded in the stimulus.

(b). Award: a legally binding minimum set of industry-wide wages and conditions, determined and varied by the Fair Work Commission; applies to all employees in the industry classification; the safety net above the NES. Enterprise agreement: negotiated collectively at the level of one enterprise between employer and employees (often with union involvement), must pass the better-off-overall test against the award, is approved by the FWC and runs for a set term. Distinguish = the differences made explicit (who makes it, coverage, how set, relation to the BOOT/NES). *2019 trap: awards read as "rewards".*

(c). Steps in sequence beyond failed negotiation: mediation (independent third party facilitates, non-binding); grievance procedures (the formal internal escalation process, if provided in the agreement); then conciliation and, if needed, arbitration by the Fair Work Commission (binding determination); courts as the final avenue for breaches. Marks for the ordered sequence applied to this dispute and for distinguishing the FWC's conciliation (assisted agreement) from arbitration (imposed decision).

Section III — marking notes (Question 25)

Report format expected (title, brief introduction, headed sections, recommendations) with the three bullets each addressed for band 5–6; the stimulus figures must be cited.

Bullet 1 — purpose and issues. Purpose: the cash budget plans and monitors expected receipts and payments so shortfalls can be anticipated — a financial control in planning and implementing. Issues found: closing balance turns negative in March (−$10k), bottoms at **−$70k in April**, and stays negative in May (−$30k) — caused by the timing mismatch the stimulus explains: production payments rise from January but the supermarket pays 60 days after delivery, so cash goes out roughly two months before it comes in. June turns positive ($30k) once receipts catch up: a timing problem, not a profitability problem — top-band answers say so.

Bullet 2 — financial strategies. Recommendations tied to the identified gap, e.g.: factoring the supermarket receivables (immediate cash, at a discount to profitability — trade-off must be stated, 2024 feedback); negotiating distribution of payments with ingredient suppliers to push payments past April; a short-term overdraft sized to the −$70k trough; discounts for early payment (weighing revenue cost); sale and lease back only if a suitable asset exists. Currency risk: ONE named global financial management strategy — a forward exchange contract locking the NZD/AUD rate for the 60-day receivables (or natural hedging/currency invoicing if argued). *2022 report feedback: global financial management strategies, not general financial strategies.*

Bullet 3 — marketing strategies for New Zealand. Global marketing decisions justified for a PREMIUM product: channel choice — selective or exclusive distribution through premium supermarkets/gourmet retailers, because intensive distribution would erode the premium positioning (price–quality interaction); plus supporting strategies, e.g. standardised branding with local labelling compliance, skimming-consistent pricing, and promotion aimed at the chosen segment. The channel recommendation must be argued against positioning, not described (2022 feedback: channel choice ≠ distribution channels).

Section IV — marking guidance

Both stems share the verb (parallel-stem convention, every paper 2019–2025). **Evaluate** requires criteria and a sustained judgement — the 2020/2023/2024/2025 feedback repeatedly flagged judgement asserted once and never sustained.

Q26. Each named strategy must be linked to named indicators: rewards (monetary/non-monetary, individual/group) → turnover and satisfaction; training and development → satisfaction, accidents, productivity as benchmarked variables; dispute resolution (grievance procedures, mediation) → levels of disputation and corporate culture. Top band: judgement per strategy (which works, under what conditions, at what cost), case study integrated into each paragraph — not a closing sentence — and both named indicators (staff turnover, worker satisfaction) explicitly covered; omitting a named element caps the response (2025 feedback).

Q27. Each strategy tied to named performance objectives: quality management (control/assurance/improvement) → quality conformance and dependability; supply chain management (sourcing, logistics, e-commerce) → cost, speed and dependability with the global-sourcing quality trade-off weighed; technology (CAD/CAM, robotics) → cost, speed, flexibility against capital cost and downtime risk. Top band sustains an evaluation (extent of improvement, trade-offs between objectives — e.g. cost vs quality), with case evidence throughout.

Prediction provenance

Which consensus prediction each part of this paper realises. Full evidence panels: intuitioneducation.com.au/hsc-2026

Paper item	Prediction	Agreement
Section I Q2	`topic-level consensus`	0.90 (fable) · 1 (fable; annual 2019–2025 lineage)
Section I Q3	`topic-level consensus`	0.50 (grok) · 2 (grok, fable-adjacent)
Section I Q4	`topic-level consensus`	0.80 (opus) · 2
Section I Q5	`topic-level consensus`	0.40–0.90 · 2
Section I Q6	`topic-level consensus`	0.90 (fable) · 1
Section I Q7	`topic-level consensus`	0.51 · 3 (opus, gpt-5.6-sol, grok-adjacent)
Section I Q8	`topic-level consensus`	0.80 (fable) · 2
Section I Q9	`topic-level consensus`	0.62 · 2 (fable 0.75, grok 0.48)
Section I Q10	`topic-level consensus`	0.55 (grok) · 2 (grok, fable)
Section I Q11	`topic-level consensus`	0.44 (gpt-5.6-sol) · 1
Section I Q12	`topic-level consensus`	0.52 · 6 (all; MC form: fable, grok)
Section I Q13	`watch list`	0.35 (fable) · 2 (fable, deepseek-adjacent)
Section I Q14	`topic-level consensus`	0.58 (grok) · 2
Section I Q15	`topic-level consensus`	0.90 (fable) · 2
Section I Q16	`topic-level consensus`	0.40 (grok) · 2
Section I Q17	`watch list`	0.90 (fable) · 2 (fable, opus-adjacent)
Section I Q18	`topic-level consensus`	0.42 (gpt-5.6-sol) · 2
Section I Q19–20	`bus-q4-critical-path-returns`	0.58 · 4 (fable, opus, grok, deepseek)
Q21 (a)–(b)	`bus-q7-transformation-4vs`	0.50 · 5 (all but gemini)
Q21 (c)	`watch list`	0.40 (fable) · 2 (fable, gemini trend)
Q21 (d)	`bus-q9-quality-management-outsourcing`	0.49 · 6 (all)
Q22 (b)	`bus-q8-consumer-law-advertisement`	0.44 · 5 (all but gemini)
Q22 (c)	`bus-q10-pricing-methods-vs-strategies`	0.49 · 5 (all but gemini)
Q23 (a)–(b)	`bus-q1-finance-ratio-table`	0.68 · 6 (all)
Q23 (c)	`watch list`	0.40–0.60 · 4
Q23 (d)	`topic-level consensus`	0.85 (gemini) · 3
Q24 (b)	`bus-q6-awards-vs-enterprise-agreements`	0.51 · 5 (all but gemini)
Q24 (a), (c)	`bus-q12-dispute-resolution-sequence`	0.45 · 4 (fable, opus, grok, deepseek)

Paper item	Prediction	Agreement
Q25	`bus-q2-section3-finance-report`	0.61 · 5 (all but fable, which pairs Mkt+Ops)
Q25 bullet 2	`bus-q11-working-capital-liquidity`	0.48 · 4 (fable, opus, grok, deepseek)
Q25 bullet 2 (currency)	`watch list`	0.35–0.50 · 4 (fable, opus, grok, deepseek)
Q25 bullet 3	`watch list`	0.40 · 2 (opus, grok)
Q26	`bus-q3-hr-essay-return`	0.51 · 5 (all but deepseek, which backs it structurally at 0.65)
Q27	`watch list`	0.32–0.42 · 3 (opus, grok, deepseek structural)
Q26/Q27 verb	`watch list`	trend · 4 (opus, gemini, deepseek, grok)
Section IV omits Finance	`topic-level consensus`	gpt rests topic at 0.68 · 4 (fable, opus, gpt-5.6-sol, grok)

Built by an AI panel and backtested against the hidden 2025 papers before publication — method at intuitioneducation.com.au/hsc-2026/how-we-did-it. Scored publicly in November 2026. Independent Intuition Education material from publicly available NESA documents; not affiliated with or endorsed by NESA.