

South Tuen Mun Government Secondary School
First Term Test 2017-2018
S4 Business, Accounting and Financial Studies_Management Module
(This Question-Answer Book consists of 8 pages)

Maximum marks: 60 (To be converted to 200 marks)

Time allowed: 1 hr

Class: _____ Name: _____ Class No. _____

Answer ALL questions in this Question-Answer Book.

Part A **Multiple Choice questions** **(10 marks)**

- Which of the following is a liability of a business?
A. Cash on hand
B. A loan from a bank
C. Amount owed by a debtor
D. A building
- What is the capital of a business?
A. Resources owned by that business
B. Resources owned by people other than its owner(s)
C. Resources supplied by its owner(s)
D. Resources supplied by people other than its owner(s)
- Which of the following is not an asset of a business?
A. Amount owned to a creditor
B. Amount owned by a debtor
C. A delivery van
D. Cash at bank
- All of the following are Hong Kong's competitive advantages over other countries except
A. a strong spirit of entrepreneurship.
B. a skilled, hardworking and adaptable labour force.
C. its proximity to the Mainland market.
D. a deep-water natural Harbour and rich natural resources.
- When making business decisions, the managers of a firm have to consider
A. economic factors.
B. political factors.
C. cultural factors
D. All of the above

Part A **Multiple Choice questions** **(10 marks)**

1)		2)		3)		4)		5)	
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Wendy’s Re-entered the Japanese Market Launching Foie Gras Burger

Wendy’s, the third largest fast food chain in the United States re-entered the Japanese market, and planned to open 100 new shops within 5 years. It targets the high-end market, offering burgers with foie gras and truffles, challenging the local competitors namely “Mos Burger” and “Lotteria”.

Wendy’s had entered into the Japanese market for 30 years and opened 71 restaurants. However, it left the Japanese market when it ended the partnership with a local partner Zensho in 2009. At the beginning of this year, the company invested US\$0.2 billion and formed a joint venture with a food importer, Higa Industries to re-enter the Japanese market. The first shop in Japan locates at a shopping area in Omotesando in Tokyo.



Kyoichiro Shigemura, the analyst of Nomura Securities Co., Ltd., said that Japan has experienced population aging, more and more single persons just hope to have a quick meal, but it is too expensive to dine at restaurants, so fast food shop is the right choice.

He also pointed out that the menu of Wendy’s is directly compete with the two major burger chains in Japan. The burgers of Wendy’s have similar taste with those of Mos Burger, and its special menu will become a threat to Lotteria’s burger with Matsusaka beef which is sold at 1,800 yen each. This will lead to a more intense competition in the burger fast food market in Japan.

1a. What is the target market of the fast food chain Wendy's? (4 marks)

1b. Explain the satisfaction customers want to obtain from dining at *Wendy's*.

(8 marks)

1c. What is a SWOT analysis.

(2 marks)

Part C

Short questions

(20 marks)

2. Write up the accounts to record the following transactions between 1 Sept and 30 Sept 2017 in the T-accounts provided below:

- Sept 1 Borrowed a bank loan of \$50,000.
- 10 Sold goods to S Leung for \$700 on credit.
- 11 The owner put \$200,000 cash into the business bank account.
- 15 Bought two computers each for \$10,000 from 'Star Computer' on credit.
- 20 Bought additional chairs from 'Big Furniture' for \$1,800 on credit.
- 22 Paid rent \$35,000 by cheque.
- 25 S Leung settled his account by cheque.
- 26 The owner took a computer from the business for personal use.
- 28 The owner settles the bank loan using his own money.
- 30 Settled all the creditors' accounts by cheque.

Bank	
Sept	Sept

Sept	Sept
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Sept	\$	Sept	\$
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Sept	\$	Sept	\$
------	----	------	----

Sept	\$	Sept	\$
------	----	------	----

Sept	\$	Sept	\$
------	----	------	----

Sept

\$

Sept

\$

Sept

\$

Sept

\$

Sept

\$

Sept

\$

Sept

\$

Sept

\$

End-of-Question-Answer Book

South Tuen Mun Government Secondary School

First Term Test 2017-2018

S4 Business, Accounting and Financial Studies (Management Module)

Marking Scheme

Part A **Multiple Choice Questions:** **(10 marks)**

1)	B	2)	C	3)	A	4)	D	5)	D
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Part B		Case analysis	(Total: 30 marks)
1a	Target market of Wendy's:	<ul style="list-style-type: none"> <input type="checkbox"/> Wendy's target the high-end market, offering special burgers with high-end ingredients like foie gras and truffles. <input type="checkbox"/> Wendy's also targets single persons who just want to have a quick meal, but it is too expensive to dine at restaurants. 	Marks 4
		Total:	4 marks
1b	The satisfaction customers want to obtain is:	<ul style="list-style-type: none"> <input type="checkbox"/> eating high-end burgers like foie gras and truffles specially design for the Japanese market. <input type="checkbox"/> having tasty and quality burgers at a reasonable price, which is less expensive than dining at fanny restaurants. <input type="checkbox"/> enjoying the gathering with their friends or family members at Wendy's. <input type="checkbox"/> convenience of having a quick tasty burgers . 	2 2 2 2
		Total:	8 marks
1c	SWOT analysis helps a company to analyze its main internal strengths and weaknesses, as well as the external environment, like the opportunities and threats in its operating environment, so that the company can make use of its internal strengths to seize marketing opportunities.		2
		Total:	2 marks

1d	<p>The SWOT analysis for Wendy's is as follows:</p> <p>Strengths:</p> <ul style="list-style-type: none"> J Wendy's knows the Japanese market well as it had entered into the Japanese market for 30 years and opened 71 restaurants before. J Wendy's is the third largest fast food chain in the United States and thus it can highlight its products by using the well-established brand and corporate image. <p>Weakness:</p> <ul style="list-style-type: none"> J Wendy's formed a joint venture with a food importer, Higa Industries to re-enter the Japanese market. The two companies may have conflicts in how to run the company due to different culture background of the two companies. J Wendy's may have to re-train and re-hire employees to provide service better and to operate the restaurants efficiently which may incur expensive training costs. 	4 4
	<p>Opportunities:</p> <ul style="list-style-type: none"> J Customer's preference: Japan has experienced population aging, more and more single persons just hope to have a quick but tasty meals, eating at Wendy's enables these people to have a high-end burgers yet less expensive to dine in a restaurant. J Product differentiation: Wendy's has a strong fast food chain brand and is also entering into a Joint-ventures with a food importer (can have fresh and high quality food ingredients). This enables Wendy's to distinguish itself and impress consumers from other fast food chains with it's special menu of high-end burgers. <p>Threats:</p> <ul style="list-style-type: none"> J Wendy's is directly compete with two major burger chains, Mos Burger and Lotteria's burger in Japan which have similar burgers and offer similar taste as Wendy's. J Wendy's has just invested US\$0.2 billion to re-enter the Japanese Burger market. Wendy's may run into financial difficulties/liquidity problems if it's operation environment become tough, like increasing rent, high labor and imported food ingredients costs. 	4 4
	Total:	16 marks

Part C**Short Questions****(20 marks)**

Q2

Bank

Sept		\$	Sept		\$
1	Bank loan	50,000	22	rent	35,000
11	Capital	200,000	30	Star Computer	20,000
25	S Leung	700	“	Big Furniture	1,800

Bank loan

Sept		\$	Sept		\$
28	Capital	50,000	1	Bank	50,000

S Leung

Sept		\$	Sept		\$
10	Sales	700	25	Bank	700

Capital

Sept		\$	Sept		\$
			11	Bank	200,000
			28	Bank loan	50,000

Star Computer

Sept		\$	Sept		\$
30	Bank	20,000	15	2 computers (2)(\$10,000 each)	20,000

Computer

Sept		\$	Sept		\$
15	2 computers	20,000	26	Drawings	10,000

Chair

Sept		\$	Sept	\$
20	Big Furniture	1,800		

Big Furniture

Sept		\$	Sept	\$	
30	Bank	1,800	20	Chair	1,800

rent

Sept		\$	Sept	\$
22	Bank	35,000		

Drawings

Sept		\$	Sept	\$
26	Computer	10,000		

Sales

Sept		\$	Sept	\$	
			10	S Leung	700
