INTUITION EDUCATION

HSC 2026 · PREDICTED PRACTICE PAPER

2026 HSC Business Studies

Original practice material — not a NESA paper

Total marks: 100

GENERAL INSTRUCTIONS

- Reading time — 5 minutes
- Working time — 3 hours
- Write using black pen
- Board-approved calculators may be used

HOW THIS PAPER WAS BUILT

This full-length practice paper was built from the consensus of a six-model AI panel (fable, opus, gpt-5.6-sol, gemini-3.1-pro, grok, deepseek), each of which independently predicted the 2026 examination from the 2019–2025 papers and NESA marking feedback. The 109 question-level predictions were clustered; every cluster with consensus probability ≥ 0.55 is realised in this paper, all remaining clusters and the panel's watch list are drawn on, and financial management strategies are kept out of Section IV in line with the panel's rested call. Each question is tagged with the consensus cluster it realises and the probability that a question of that kind appears in 2026. Every question is original — none is copied from a past paper, and no hypothetical business in this paper appears in any past paper.

Answers and marking notes are published as a separate PDF — sit the paper first, then download the solutions from intuitioneducation.com.au/hsc-2026/business-studies.

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Section I

20 marks — Attempt Questions 1–20 — Allow about 35 minutes for this section

Use the multiple-choice answer sheet for Questions 1–20.

Question 1

A courier business guarantees delivery by 9 am the next day and refunds the full fee if a parcel arrives late. It has refunded only three deliveries this year.

Which performance objective is this business demonstrating?

A. Cost

B. Flexibility

C. Dependability

D. Speed

Question 2

The new owner of a garden centre wants to develop the business's first marketing plan.

What should the owner do FIRST?

A. Determine the marketing objectives

B. Conduct a situational analysis

C. Select the target market

D. Implement marketing strategies

Question 3

Warehouse staff at a distribution business have raised a dispute about a proposed change to their shifts.

What is the most appropriate FIRST step in resolving this dispute?

A. Referral to the Fair Work Commission for arbitration

B. Mediation using an independent third party

C. Negotiation between the employees and management

D. Commencing proceedings in a court or tribunal

Question 4

Which body is responsible for ensuring that Australian companies prepare financial reports that are true and fair, and for protecting investors and consumers in the financial system?

A. Australian Prudential Regulation Authority (APRA)

B. Australian Securities Exchange (ASX)

C. Australian Taxation Office (ATO)

D. Australian Securities and Investments Commission (ASIC)

Question 5

A florist holds fresh flowers that spoil quickly and rents only a small cool room. The owner wants to minimise the stock held at any time while still meeting daily orders.

Which inventory management approach is most appropriate for this business?

A. Last-in-first-out (LIFO)

B. Just-in-time (JIT)

C. Building a buffer stock in an off-site warehouse

D. First-in-first-out (FIFO)

Question 6

A gym markets its premium memberships to customers on the basis of their lifestyle, values and personality.

Which basis of market segmentation is the gym using?

A. Demographic

B. Geographic

C. Behavioural

D. Psychographic

Question 7

Which of the following describes an enterprise agreement?

A. A legally binding set of minimum wages and conditions for an industry, determined by the Fair Work Commission

B. An agreement negotiated collectively at workplace level that must leave employees better off overall than the relevant award

C. An individual contract negotiated privately between one employee and the employer

D. The ten minimum employment entitlements that apply to all employees

Question 8

What is the primary reason a business would factor its accounts receivable?

A. To increase sales revenue

B. To improve profitability

C. To improve cash flow immediately

D. To reduce its gearing ratio

Question 9

The table shows extracts from a business's income statements.

	2024	2025
Sales revenue	$400 000	$500 000
Cost of goods sold	$240 000	$275 000
Operating expenses	$100 000	$140 000

Which row of the table correctly describes the change in the business's ratios from 2024 to 2025?

	Gross profit ratio	Expense ratio
A.	Improved	Improved
B.	Improved	Worsened
C.	Worsened	Improved
D.	Worsened	Worsened

Question 10

Which of the following is a pricing METHOD?

A. Price skimming

B. Loss leading

C. Competition-based pricing

D. Price points

Question 11

Before production begins, a food manufacturer has its processes certified against a predetermined international standard.

Which quality management strategy is this?

A. Quality control

B. Quality assurance

C. Quality improvement

D. Benchmarking

Question 12

The table shows human resource data for four businesses of similar size in the same industry.

Business	Staff turnover (%)	Absenteeism (days per employee)	Workplace accidents	Output per employee (units)
W	5	3	1	120
X	25	10	2	130
Y	8	4	6	125
Z	20	9	5	110

Which business is managing its human resources most effectively?

A. W

B. X

C. Y

D. Z

Question 13

An Australian exporter is selling to a new overseas customer for the first time.

Which method of international payment gives the exporter the greatest certainty of being paid?

A. Clean payment

B. Bill of exchange — documents against payment

C. Letter of credit

D. Payment in advance

Question 14

A customer chooses a particular brand of running shoes because their family and friends recommend it.

Which factor influencing customer choice does this demonstrate?

A. Psychological

B. Sociocultural

C. Economic

D. Government

Question 15

An employee is injured while operating machinery at work and requires six weeks away from work to recover.

Which element of the legal framework of employment directly provides for the employee's income and rehabilitation during this period?

A. Work health and safety legislation

B. Anti-discrimination legislation

C. Workers compensation legislation

D. The National Employment Standards

Question 16

A manufacturer sells its factory to an investor and immediately signs a long-term agreement to rent the same factory.

What is the main financial purpose of this strategy?

A. To reduce the business's operating expenses

B. To improve working capital while retaining the use of the asset

C. To increase the value of non-current assets on the balance sheet

D. To reduce the business's exposure to interest rate rises

Question 17

A luxury watch brand sells only through one authorised retailer in each capital city.

Which distribution approach is the brand using?

A. Intensive distribution

B. Selective distribution

C. Exclusive distribution

D. Direct distribution

Question 18

Which entitlement is guaranteed to employees by the National Employment Standards?

A. Four weeks of paid annual leave

B. A performance bonus

C. Penalty rates for weekend work

D. A pay rise every twelve months

Use the following information to answer Questions 19 and 20.

A retailer is fitting out a new store. The table shows the tasks, their durations, and the tasks that must be completed first.

Task	Description	Duration (days)	Must follow
A	Sign lease and obtain approvals	3	—
B	Install shelving	4	A
C	Electrical work and painting	6	A
D	Stock shelves and open	2	B and C

Question 19

Which tasks can be undertaken simultaneously?

A. A and B

B. B and C

C. B and D

D. C and D

Question 20

The shelving supplier is delayed, so Task B will now take 6 days instead of 4.

What is the minimum time needed to complete the fit-out?

A. 9 days

B. 11 days

C. 13 days

D. 15 days

Section II

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40 marks — Attempt Questions 21–24 — Allow about 1 hour and 15 minutes for this section

Answer the questions in the spaces provided. Show all relevant working in questions involving calculations.

Question 21 *(11 marks)*

Alpine Edge is a ski and snowboard hire business in the Snowy Mountains. Demand peaks sharply during the winter school holidays and falls to almost nothing in summer. The owner and four casual staff fit, adjust and repair hire equipment for customers in the store.

(a) Identify ONE transformed resource and ONE transforming resource in this business. **(2)**

(b) Explain how variation in demand affects the operations processes of this business. **(3)**

(c) Outline the interdependence between operations and human resources in this business. **(2)**

(d) The owner is considering outsourcing all equipment repairs to a specialist workshop. Discuss the implications of outsourcing the repairs for this business, including ONE quality management strategy it could use to protect the quality of the outsourced work. **(4)**

Question 22 *(9 marks)*

The following advertisement appears in a store catalogue.

> **SUNBURST BLENDERS WAS $199 — NOW ONLY $99!*** *"The last blender you will ever need to buy."*
>
> **In small print at the bottom of the page:* Sale price applies only to display stock at selected stores. Warranty limited to 30 days.

The blender has never been offered for sale at $199.

(a) Identify TWO elements of the marketing mix evident in this advertisement. **(2)**

(b) Explain how TWO aspects of this advertisement may breach Australian consumer law. **(3)**

(c) The business plans to launch a new premium blender into a market with several established competitors. Recommend a suitable approach to pricing for the launch. In your answer, distinguish between a pricing method and a pricing strategy. **(4)**

Question 23 *(10 marks)*

Harbourline Furniture Pty Ltd manufactures custom furniture. The table shows extracts from its financial reports, with industry averages.

$'000	2025	2026	Industry average
Sales revenue	1 200	1 500	
Cost of goods sold	660	900	
Gross profit	540	600	
Operating expenses	360	450	
Net profit	180	150	Net profit ratio 14%
Current assets	200	260	Current ratio 2.0:1
Current liabilities	100	200	
Total liabilities	300	540	Gearing (debt to equity) 0.8:1
Owner's equity	600	600	

(a) Calculate the gearing (debt to equity) ratio for 2025 and 2026. Show your working. **(2)**

(b) Explain what your results in part (a), together with the net profit ratio, indicate about this business compared with the industry averages. **(3)**

(c) Outline ONE limitation of financial reports that could affect the analysis of this business. **(2)**

(d) Recommend ONE financial management strategy this business could use to improve its profitability. Justify your recommendation using the data provided. **(3)**

Question 24 *(10 marks)*

Riverbend Logistics employs 45 warehouse staff under the relevant industry award. Management has proposed moving all staff onto a new enterprise agreement that changes weekend rosters. Staff have refused to work the proposed rosters, and some are threatening to stop work.

(a) Outline the cause of the dispute in this business. **(2)**

(b) Distinguish between an award and an enterprise agreement as methods of determining employment contracts. **(4)**

(c) Explain the steps this business could take to resolve the dispute if direct negotiation fails. **(4)**

Section III

20 marks — Attempt Question 25 — Allow about 35 minutes for this section

Answer the question in a writing booklet.

Question 25 *(20 marks)*

Marrin Coast Foods Pty Ltd is an Australian manufacturer of premium roasted nut snacks. From January it will supply a national supermarket chain, which pays 60 days after each delivery. Production must be increased ahead of deliveries, so wages and ingredient payments rise from January. The business is also negotiating to sell its premium range to supermarkets in New Zealand, invoiced in New Zealand dollars and payable 60 days after delivery.

The business has prepared the following cash budget.

Cash budget, January–June ($'000)

	Jan	**Feb**	**Mar**	**Apr**	**May**	**Jun**
Opening balance	40	50	40	(10)	(70)	(30)
Cash receipts	90	90	60	60	150	160
Cash payments	80	100	110	120	110	100
Closing balance	**50**	**40**	**(10)**	**(70)**	**(30)**	**30**

You have been hired as a consultant by the owner to write a business report.

In your report:

describe the purpose of the cash budget and any issues it shows for the business

recommend financial management strategies to address the issues identified, including ONE strategy to manage the currency risk of the New Zealand contract

recommend appropriate marketing strategies for launching the premium range in New Zealand, including a justified channel choice.

Section IV

20 marks — Attempt either Question 26 or Question 27 — Allow about 35 minutes for this section

Answer the question in a writing booklet.

Your answer will be assessed on how well you:

- demonstrate knowledge and understanding relevant to the question
- apply relevant business case study/studies and contemporary business issues
- communicate using relevant business terminology and concepts
- present a sustained, logical and cohesive response

Question 26 *(20 marks)*

Evaluate how rewards, training and development, and workplace dispute resolution can improve indicators of the effectiveness of human resource management, including staff turnover and worker satisfaction.

OR

Question 27 *(20 marks)*

Evaluate how quality management, supply chain management and technology can improve the performance objectives of operations.

Built by a six-model 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.