

Commerce – Early High Teacher's Notes

Exercise 1

The Eddy family began their business as a *dairy farm* located on the NSW south coast. When the government changed the way farmers were paid, the Eddy family *diversified* to earn extra income. They diversified the business by *introducing* grass skiing. This new sport was very popular so other rides were added. The owners decided to go through the process of incorporation to become a *private company* called Propix Pty Ltd. This gave the owners the *protection* of limited liability. The *shareholders* were all members of the Eddy family.

Since the park opened *technology* has been important. New operational systems, accounting & business software have made managing the business easier and cheaper. New technology also allows the development of new rides and attractions. *five* rides were built as a result of the 2000 Master Plan, and Jamberoo is now the biggest theme park in *NSW*.

A further expansion to the park is anticipated to accommodate up to an additional *5000* people, incorporating six exciting new rides perfect for *thrillseekers*.

Jamberoo uses a variety of methods to *promote* the park to the public & *persuade* them to attend. Advertising is mostly placed on TV, but also through print, outdoor and *on-line* advertising. Advertising is primarily aimed at the *target* market of families with young kids.

Jamberoo is a leader in *environmental* initiatives, and is the only theme park to recycle 100% of its water. The park uses over 20 million litres of water a year, and has invested in *filtration* systems to clean and treat the water for repeated use.

Exercise 2

Internet Activity for www.jamberoo.net

With reference to the information and photos shown on Jamberoo's website, describe any 5 of the following syllabus key concepts.

Change, Communication, Competition, Discrimination, Distribution, Exchange, Income, Interdependence, Justice, Liability, Market, Motive, Organisation, Ownership, Power, Production, Responsibility, Specialisation, Value, Welfare

Download, display and briefly annotate the five sections that relate to your chosen concepts.

Exercise 3 - On Bus Activity

In the space provided, write the names of enterprises you pass on the journey to Jamberoo and indicate (using letter codes) whether the enterprise can also be classified as one or more of the following:

Sole Trader (ST)

Partnership (P)

Co-operative (C)

Franchise (F)

Private Company (PC)

Public Company (PbC)

Government Business Enterprise (GBE)

Non-profit Business (NPB)

Transnational (TNC)

Exercise 4

1. What do you believe is the role of Jamberoo in the local and national economy? (The first one has been done for you.)

a) *To provide employment*

b) _____

c) _____

d) _____

e) _____

f) _____

g) _____

Answers may include – to promote local tourism, support local businesses, produce goods and services, provide financial return to owners, pay taxes and rates to fund government services, research & develop new products, earn export income, operate in a socially just & sustainable manner

2. Describe the front gate building façade and explain how this relates to Jamberoo’s company image

The building has the Jamberoo logo and corporate colours (blue, yellow). There are water effects to relate to the park and it is bright, fun and exciting. This reflects the fun an exciting image Jamberoo seeks to communicate.

3. Imagine you are running Jamberoo. What would be your goals?

Financial: Profit & Sales Growth

Social: Provide employment opportunities for locals, Environmental protection

Personal: provide an enjoyable recreational, Experience, secure Eddy family welfare, Creative opportunities eg new rides

4a) List 4 of Jamberoo’s competitors.

Answers may include – Luna Park, Taronga Zoo, Sydney Aquarium, Imax, Mogo Zoo, Royal Easter Show, The beach, cinemas, putt putt golf (to a lesser extend the Qld theme parks)

4b) What effect do competitors have on Jamberoo?

They take customers from Jamberoo and reduce their market share, thus reducing profit

5. What is Jamberoo's main method of marketing?

TV

6. What proportion of guests come from NSW? Why do you think Jamberoo does not target interstate visitors at this stage?

94% of guests come from NSW. Jamberoo still focuses on the NSW market as Sydney and Canberra are the closest major towns with the biggest potential. Jamberoo's penetration rate of the population size is still relatively small, so they wish to first try and capture these populations before expanding further afield.

7a) How do you think technology affected Jamberoo?

Technology has allowed Jamberoo to reduce running costs and increase efficiency and guest experience.

7b) Suggest a new technologically innovative ride that Jamberoo could build?

Students to suggest

7c) What do you think managers at Jamberoo consider before building a new ride?

Answers may include - Appeal to target market, cost to build, test & maintain, space requirement, potential return, water usage, effect on other rides and aspects of the park

8. How have social changes affected Jamberoo?

Higher incomes mean customers are more able to afford commercial recreational activities. More families seek quality time together. People's desire to escape the city. More recently the economic downturn means that people may be less inclined to spend their money on entertainment.

10. Choose one of the new technologies introduced at Jamberoo. What benefits do you think it has?

- Telephone – Increased call handling efficiency and reduced workload/stress on staff. Improved guest experience when calling the park.
- Clock on / Clock off – Reduced administration time and workload on payroll staff. Improved efficiency when monitoring shift starts. Reduced opportunity for staff to arrive late and leave early.
- Website – Improved guest experience and park image. Marketing tool with ability to capture guest information.
- Security – Improved guest experience and peace of mind. Greater compliance with legal obligations.

11. What sort of financial reports would you expect to be used by the managers?

Profit & Loss Report, Balance Sheet, Source & Application of Funds

12. List in order of importance Jamberoo's sources of revenue.

Admission, in park revenue, other

13. What are some legal requirements you think Jamberoo must adhere to?

Answers may include - DA (Development Application) to Kiama Council for Park developments, Comply with noise regulations, alcohol & food, health safety & environmental regulations, EIS (Environmental Impact Statement) to approve development

16. What **skills & qualities** would you expect a person must have to work at Jamberoo?

Customer service focus, enthusiastic, fit & healthy, strong swimming ability etc

17. The questions below are based on the organisational structure of Jamberoo

a) Who is in charge of the food outlets? **Catering Manager**

b) Who is responsible for Recruiting? **Human Resources Manager**

c) Who is the subordinate of the Landscape manager? **Landscapers**

d) Who is in charge of advertising in the business? **Marketing Manager**

18. Complete the following statement.

Jamberoo values its regular customers, this is called **repeat business**

19. When exporting a good or service overseas the money spent stays in Australia. Why are Jamberoo's activities like an export even though the tourists come to Australia?

The money tourists bring with them is converted to Australian \$ and spent in Australia.

Exercise 5 - Marketing Activity

As identified earlier in this unit of work a challenge for Jamberoo is to develop rides and attractions that will appeal to their target markets and increase visitation. Your task is to develop a new ride or attraction that Jamberoo could use. Use the following outline to assist you.

- Briefly describe your idea.
- Draw a diagram of your new ride or attraction
- Describe the target market of your new ride or attraction. Who will use it and why?

Exercise 6 - Analysis Activity

1. Total revenue is the same as;

- a) Profit
- b) Sales
- c) Net expenses
- d) Cost of goods sold

2. The largest single expense for 2008/2009 was

- a) Hire of plant & equipment
- b) Park rental
- c) Rent
- d) Wages

3. COGS which is Cost of Goods Sold is actually the cost of

- a) Other expenses not listed
- b) **The wholesale cost of goods they resell**
- c) Food sold in the park
- d) Profit from the previous year

13. List some sources of revenue you can think of that Jamberoo attracts.

Answers may include – General ticket sales, group functions, weddings, school excursions, food & drink sales, group catering, clothing and souvenir sales

14. Imagine you are running Jamberoo. What areas could you look at to cut expenses and what expenses would you cut?

Students to suggest