

## 1.1B: What is a business? Activity



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### 1.1 WHAT IS A BUSINESS? ACTIVITY B

Read the case study information below and answer the questions that follow.

#### BRITISH PETROLEUM OPERATES IN ALL SECTORS OF THE ECONOMY



The following are a range of business headlines related to the multinational company – British Petroleum. Each of these headline illustrates that BP operates in all four sectors of the economy.

#### **BP Kwinana refinery is now the largest refinery in Australia**

Significant improvements to this oil refining and processing plant have led to Kwinana becoming one of the most modern in the region, enabling a wide range of fuels to be produced for drivers and for industry, and materials for the plastics and chemical industries.

#### **BP to open 500 more petrol stations in the Jiangsu province of China**

A huge new investment by BP in petrol retailing stations will lead to a huge increase in the sales of petrol in China of this large multinational company.

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### BP drilling for oil in more areas than ever

British Petroleum has discovered large oil reserves off the coast of Brazil. In partnership with the Brazilian government, BP is investing heavily to tap these oil fields and bring a significant new source of crude oil to international markets.

### BP selling its fracking expertise to independent shale oil and gas companies

With the shale oil and gas boom in full swing in the US and with other countries looking to develop their own shale oil and gas reserves, BP has landed lucrative contracts. BP has been in the business of developing oil and natural gas fields since the company's formation over 100 years ago now. This company was at the forefront of the new techniques being developed to extract the difficult but ubiquitous shale oil and gas reserves. The company has now established a subsidiary that provides consulting and information services to the many developers looking to extract their own shale oil and gas deposits.

24 MARKS, 45 MINUTES

1. Using examples from the above articles, explain the statement that 'BP operates in all four sectors of industry'. **[8 marks]**
2. Explain why the decision to open 500 new petrol stations in China will involve effective cooperation between all four business functions. **[6 marks]**
3. Discuss how changes in the economic structure of Australia could impact on BP's Kwinana refinery. **[10 marks]**