



# Victorian Certificate of Education 2008

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

## STUDENT NUMBER

Figures

Words

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# BUSINESS MANAGEMENT

## Written examination

**Friday 14 November 2008**

**Reading time: 11:45 am to 12.00 noon (15 minutes)**

**Writing time: 12.00 noon to 2.00 pm (2 hours)**

## QUESTION AND ANSWER BOOK

### Structure of book

| <i>Number of questions</i> | <i>Number of questions to be answered</i> | <i>Number of marks</i> |
|----------------------------|-------------------------------------------|------------------------|
| 3                          | 3                                         | 60                     |

- Students are permitted to bring into the examination room: pens, pencils, highlighters, erasers, sharpeners and rulers.
- Students are NOT permitted to bring into the examination room: blank sheets of paper and/or white out liquid/tape.
- No calculator is allowed in this examination.

### Materials supplied

- Question and answer book of 16 pages.
- Additional space is available at the end of the book if you need extra paper to complete an answer.

### Instructions

- Write your **student number** in the space provided above on this page.
- All written responses must be in English.

**Students are NOT permitted to bring mobile phones and/or any other unauthorised electronic devices into the examination room.**

**Instructions**

Answer **all** questions in the spaces provided.

**Question 1**

Australian Mineral Resources (AMR) and Jerrilderi Mining have been negotiating a merger with the aim of achieving economies of scale. The Chief Executive Officers (CEOs) of the two mining companies have been in discussion over the past three months.

The focus of these discussions has been

- the potential problems of merging two well-established companies with different cultures
- the possible structure of the new entity
- the content of a joint mission statement
- the adoption of a single planning process at the three levels.

**a. Define mission statement.**

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1 mark

**b. i. Define organisational structure.**

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**ii. Describe the key features of a matrix organisational structure.**

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1 + 2 = 3 marks

**Question 1 – continued**

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**Question 1 – continued**  
**TURN OVER**

d. Discuss **two** indicators of corporate culture the organisations would have considered.

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4 marks

e. Explain how leadership is essential in effective change management.

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2 marks

- [illegible]

**TURN OVER**

## Question 2

Country Foods is a food processing company with plants in Bendigo, Ballarat and Geelong. It is a major employer in these regional centres. Due to the severe drought in Victoria, Country Foods has made a business decision to close the Bendigo factory. The Human Resource Manager, Bob Spiteri, is responsible for implementing the closure in relation to staffing matters. The company's CEO has contacted Bob Spiteri as he is concerned about possible industrial relations action that might impact on the company's stakeholders.

- a. Define employee relations and discuss the role of the human resource manager in this area.

[illegible]

4 marks

- [illegible]

**Question 2 – continued**  
**TURN OVER**

- c. Identify and explain **two** management skills Bob Spiteri could use and discuss how these skills would assist him in this current situation.

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4 marks

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**Question 2 – continued**  
**TURN OVER**

Bob Spiteri is concerned about the impact of the closure of the Bendigo factory on staff at the Geelong and Ballarat plants.

- e.** Describe how an appropriate motivational theory would assist him to maintain staff morale.

[illegible]

4 marks

Total 20 marks

Classic Cleaners specialises in supplying Australian households with washing machines and dishwashers. The company is planning to reorganise its operations as it prepares for the introduction of new models. The Operations Manager, Connie Lemnos, is investigating having some product parts manufactured in China and shipped to its Australian factories.

- **one** quality strategy
- **one** materials management strategy
- **one** facilities and design layout strategy

that could be employed as a result of the introduction of the new models at Classic Cleaners.

[illegible]

- b. Discuss **one** positive and **one** negative impact on business competitiveness that may arise from the possible changes at Classic Cleaners.

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4 marks

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**Question 3 – continued**  
**TURN OVER**

- d. Identify and discuss **two** social responsibility issues associated with the decision to outsource the manufacturing of parts to China.

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4 marks

- e. Identify and describe **one** external pressure for change that may have led the company to consider having its parts manufactured in China.

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2 marks

Total 20 marks

**Clearly number all responses in this space**

[illegible]

**TURN OVER**

[illegible]

A script book is available from the supervisor if you need extra paper to complete your answer. Please ensure you write your **student number** in the space provided on the front cover of the script book. **At the end of the examination, place the script book inside the front cover of this question and answer book.**