



Figures

Words

Letter

Name _____

VCE BUSINESS MANAGEMENT

Unit 3 examination 2017

Reading time: 15 minutes

Writing time: 2 hours

QUESTION AND ANSWER BOOK

Structure of book

<i>Section</i>	<i>Number of questions</i>	<i>Number of questions to be answered</i>	<i>Number of Marks</i>
A	7	7	50
B	6	6	25
			Total 75

- Students are to write in blue or black pen
- Students are permitted to bring into the practice examination: 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 19 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

Section A

Instructions for Section A

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

Question 1 (1 mark)

Define the term 'operations system'.

Question 2 (2 marks)

Identify **one** similarity and **one** difference between private limited companies and public listed companies.

Similarity

Difference

Question 3 (7 marks)

Aussie Postal and the Communication Workers Union have been negotiating a new enterprise agreement for the last twelve months. Some time ago, workers took strike action after several attempts to resolve the dispute failed. After extensive negotiations, the union finally reached settlement with the management of Aussie Postal for a new Aussie Postal Agreement. The enterprise agreement was supported by a majority of workers voting in a ballot. More recently, the application for approval of the agreement was lodged with the Fair Work Commission (FWC). The FWC did not approve the enterprise agreement.

- a. With reference to the dispute between Aussie Postal and the Communication Workers Union, outline **two** possible reasons why the Fair Work Commission did not approve the enterprise agreement. 3 marks

- b. Identify and explain **two** dispute resolution methods that may be included in a dispute resolution clause within an enterprise agreement. 4 marks

Question 4 (17 marks)

My Yum is a medium-sized restaurant chain operating in several Melbourne suburbs and regional areas in Victoria. My Yum's mission statement is "to sell the freshest and most remarkable food and drinks at the highest standards of quality and service." Its slogan is "where Victorians dine".

My Yum's management believes that the business needs a more positive corporate culture. The owner has asked an external consultant to scrutinize the business and deliver a report. In the report, the consultant makes the following observations:

- staff serve customers with a smile, but don't create a great experience for them
- some staff were rude to customers in response to complaints
- several restaurant managers berated staff in front of the customers

a. Explain business objectives in relation to

4 marks

- managing employees

- operations management

b. Distinguish between official and real corporate culture using My Yum as an example. 3 marks

c. Describe and justify **two** management strategies for developing a positive corporate culture. 4 marks

- d. The owner of My Yum wants to use an autocratic management style to introduce the changes to the business.

Analyse the use of **two** management skills that the owner of My Yum will use as an autocratic manager in implementing a positive corporate culture at the business. 6 marks

[illegible]

Question 5 (4 marks)

Explain the importance of the following areas of management responsibility.

- Finance

- Sales and marketing

Question 6 (9 marks)

Training can be used to motivate employees and improve work performance in the business. Performance management aims to improve both business and individual performance by relating the business's performance objectives to the employee's performance objectives.

- a. Identify and describe **two** training options.

4 marks

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- b. Evaluate the use of either appraisals or employee observation as a performance management strategy for effectively managing employees. 5 marks

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Section B – Case Study

Instructions for Section B

Use the case study provided to answer the questions in this section. Answers must apply to the case study.

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

Case Study

MaxaFruit International is a food and ingredients manufacturer that produces a wide range of products from fruits and vegetables such as juices and concentrates, dried fruits, pulps and purees. The business was established twenty years ago following the explosion at the turn of the century in 'good for you', healthy-type products such as juices and smoothies. It employs more than 100 employees at its factory in the north-eastern suburbs of Melbourne.

Most of MaxaFruit's products are manufactured from local ingredients, though some ingredients do need to be imported to maintain supply. The company claims that its products deliver many benefits to consumers including high nutritional value. It is very proud of the fact that it makes use of no artificial flavours and colours.

Members of the public recently reported seeing yellow-coloured water with a strong citrus odour in a drain near MaxaFruit's manufacturing facility. It is believed that it originates from the company's factory. Facing legal action and a backlash from the community, MaxaFruit is preparing for the introduction of new technology that is hoped will eliminate the errors which have caused the problem.

The business has decided that it will make greater use of automated production lines and computer-aided manufacturing. As well as reducing waste and the potential for pollution, the new automated production line will also improve productivity and reduce operating costs.

Unfortunately, the new technology will result in the loss of work for 25 staff. Rather than making these employees immediately redundant, the human resources manager would like to explore other termination options.

In addition to the issues related to environmental damage, the introduction of new technology and the management of redundancies, the CEO of MaxaFruit is also concerned about declining sales and profit. The CEO would like the company to become more competitive.

Question 1 (4 marks)

Using examples, describe **two** differences between the operations of service businesses and the operations of manufacturing businesses, such as MaxxFruit.

[illegible]

Question 2 (4 marks)

Describe **one** advantage and **one** disadvantage associated with MaxaFruit's decision to adopt automated production lines **and** computer-aided manufacturing.

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Question 3 (4 marks)

Explain **one** quality strategy and **one** waste minimisation strategy that could be used to resolve the problems at MaxaFruit.

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Question 4 (4 marks)

MaxaFruit will offer voluntary redundancy to employees, but is also aiming to terminate staff through retirements and resignations.

Identify and describe **one** entitlement issue and **one** transition issue that will need to be provided by MaxaFruit as it reduces its staff.

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Question 5 (3 marks)

Explain how the potential conflict between **two** stakeholders might create challenges for MaxaFruit.

Question 6 (6 marks)

Describe the positive and negative aspects of **two** corporate social responsibility considerations being faced by MaxxFruit International.

[illegible]

END OF QUESTION AND ANSWER BOOKLET

Extra space for responses

Clearly number all responses in this space

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