

BUSINESS MANAGEMENT

Written examination

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	6	6	50
B	5	6	25
			TOTAL 75

- Students are to write in blue or black pen.
- 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 correction fluid/tape.
- No calculator is allowed in this examination.

Materials supplied

- Question and answer book of 23 pages.
- Additional space is available at the end of the book if you need extra paper to complete an answer.

Instructions

- 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.

Disclaimer: This practice examination has been written for students of VCE Business Management. This does not imply that it has been endorsed by the Victorian Curriculum and Assessment Authority (VCAA). Teachers are advised to preview and evaluate this resources before using or distributing it to students.

SECTION A

Instructions for Section A

Answer **all** questions in the spaces provided

Question 1 (7 marks)

All Dressed Up is a leader in the Australian fashion industry. Despite cheap imports, they have managed to maintain their market share through clothes that are innovative and of high quality. All employees are assigned a team where they share their design ideas with management and this has kept the business's designs original. A team of managers consider all the designs and decide if any will be manufactured and sold in All Dressed Up shops. When an employee's design is chosen by management, they are rewarded.

a. Define the term 'delegating'.

1 mark

b. Explain the relationship between managing employees and business objectives.

2 marks

- c. Discuss the impact the use of the consultative style of management could have on employees at All Dressed Up.

4 marks

Question 2 (4 marks)

Motivation is the key to maintaining and developing productive employees.

Compare career advancement with one other motivational strategy that could be used to improve employee performance.

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Question 3 (6 marks)

Boulder Developments is currently reviewing its performance and has given you the following data.

Key Performance Indicator	2015	2016	2017
Number of workplace accidents	3	9	15
Rate of productivity growth	5%	4%	3%

Explain and justify a management strategy to respond to the change in each of the key performance indicators above. You should use a **different** strategy for each key performance indicator.

- Number of workplace accidents

[illegible]

- Rate of productivity growth

Question 4 (10 marks)

Modern Times has a number of its long term employees retiring at the end of the month. Anjali the Human Resource Manager is aware that staff are feeling sad and unmotivated as the employees who are retiring are well respected and liked.

- a. Define the term retirement 1 mark

- b. Explain the entitlement and transition issues that the human resource manager will need to manage upon each employee's retirement.

4 marks

[illegible]

- c. Apply the key principles of the Hierarchy of Needs (Maslow) approach to the situation of decreased staff motivation Anjali is facing at Modern Times. 5 marks

[illegible]

Question 5 (13 marks)

HIP is a manufacturer who produces tinned fruit. They have one major factory just north of Melbourne where they employ 80 workers. Currently all fruit is sourced from Australian growers.

- a. Describe the key elements of an operations system as they apply to HIP. 6 marks

[illegible]

Recently there has been an increase in customer complaints relating to the quality of the tinned fruit.

- b. Propose, explain and justify one strategy that HIP could use to improve the efficiency and effectiveness of its operations in relation to quality. 4 marks

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c. Discuss whether HIP should consider global sourcing of inputs of fruits to increase profits. 3 marks

Question 6 (10 marks)

“Change is an interesting concept. Change is inevitable and must be implemented effectively.” PB Pigeon

Evaluate **one** low risk and **one** high risk strategy to overcome employee resistance to change and discuss how employees could be managed effectively to successfully implement change.

[illegible]

[illegible]

END OF SECTION A

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.

Sparkle Plus Ltd has a number of jewellery stores around Victoria in select shopping centres. It had been the leader in the jewellery industry but profits have declined over the last 3 years. Recently the CEO retired and John Fish, a young and ambitious man has been appointed as the new CEO. His first job was to call all the store managers together for a meeting and below is the speech he delivered to them.

Speech from John Fish, CEO Sparkle Plus Ltd.

I would like to welcome you all and thank you for coming. Today is the start of a new era for our company. Organisational inertia can no longer occur, if it does, our business will not survive much longer. The operations at Sparkle Plus Ltd haven't changed much over the past 10 years. We need to modernise our business to meet the needs of today's customers. This is what shareholders expect.

Let me share some data I have analysed on Sparkle Plus Ltd's performance:

- Net profit has decreased by approximately 3% every year for the past 3 years.
- Market share has decreased from approximately 9% to 5% over the past two years.
- Customer complaints have increased 5% during the past 12 months.

I have also noticed the current practice is to order the same amount of jewellery stock each month regardless of sales. At certain times of the year there is thousands of dollars of jewellery being stored.

This is not acceptable.

My objectives for the future are

- To increase training for all staff in the area of customer service. As managers this will be your responsibility when you go back to your stores, you are to train and then expect high quality service from all your employees.
- Increase market share back to 9% through the implementation of an online presence via the creation of a website where customers can both view and purchase our jewellery at any time that is convenient to them, from anywhere around the world.
- To review profit figures on a weekly basis rather than monthly basis to ensure accountability of all stores is closely monitored.
- To ensure the amount of jewellery stock on hand reflects customer demand.

I hope you see the urgency of this so we can all work together to make Sparkle Plus Ltd great again.

Question 1 (5 marks)

- a. Define the term market share.

1 mark

- b. Identify and explain **two** management skills that John could use to address the issue of a decrease in market share.

4 marks

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Question 2 (3 marks)

Outline the importance of leadership in change management and apply this to the situation at Sparkle Plus Ltd.

[illegible]

Question 3 (4 marks)

One objective of Sparkle Plus Ltd is to review profit figures on a weekly basis rather than monthly basis to ensure accountability of all stores is closely monitored.

Explain **one** driving force and **one** restraining force that could have an impact on the success of Sparkle Plus Ltd achieving this objective.

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Question 4 (5 marks)

Describe the principles of the Learning Organisation (Senge) how they could be used by John Fish at Sparkle Plus Ltd.

[illegible]

Question 5 (4 marks)

Explain how website development and forecasting could be used to improve the efficiency and effectiveness of operations at Sparkle Plus Ltd.

[illegible]

Question 6 (4 marks)

“Unfortunately at many of our stores the corporate culture does not reflect the values and beliefs of Sparkle Plus Ltd.” John Fish.

Propose and justify two management strategies that could be used to develop a positive corporate culture at Sparkle Plus Ltd.

END OF QUESTION AND ANSWER BOOK

Extra space for responses

Clearly number all responses in this space.

[illegible]

[illegible]

