Victorian Certificate of Education
2018

Name: ______________________________

Teacher's name: ____________________

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STUDENT NUMBER | | | | | | | | | Letter | |

BUSINESS MANAGEMENT

Written examination

2018

Reading time: 15 minutes
Writing time: 2 hours

QUESTION AND ANSWER BOOK

Structure of book

Section	*Number of questions*	*Number of questions to be answered*	*Number of marks*
A	6	6	50
B	5	5	25
			Total 75

- Students are to write in blue or black pen.
- Students are permitted to bring into the assessment 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 booklet.
- 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 (9 marks)
A study conducted in 2017 found that "despite a positive [corporate] culture being in the top three strategic priorities for companies, only 20% of senior management reported spending the time required to manage and improve it".

Source: 'Culture eats strategy for breakfast. So what's for lunch?', Andrew Cave, Forbes.

a. Define the term 'corporate culture'. 1 mark

b. Explain how a failure to manage and improve corporate culture can impact on **one** financial and **one** non-financial key performance indicator. 4 marks

c. Describe and justify **two** strategies that may assist in developing a more positive corporate culture in a business. 4 marks

Question 2 (4 marks)
Compare an Award and an Agreement as methods of determining wages and conditions of work.

Question 3 (6 marks)
“Getting businesses to change is no longer the problem – resistance to change from employees is”.

Source: Torben Rick, 2013. ‘Change Management’

Evaluate the use of high-risk and low-risk strategies for implementing change. In your answer, refer to a business example from the past four years that you are familiar with.

Question 4 (8 marks)
Management strategies to improve the efficiency and effectiveness of operations can include:

- Technological development
- Materials management
- Quality management
- Waste minimisation (including lean management).

Select **two** operations management strategies from the list above. Discuss the impact of each strategy on the efficiency or effectiveness of operations, and a business' pursuit of corporate social responsibility.

Question 5 (13 marks)
Laura Anderson has just been appointed the new Human Resource Manager at Fashionably Late, a women's clothing, footwear and accessories retail store operating in Melbourne, Sydney and Perth. In a recent staff survey, results indicated that while staff were satisfied with their pay, they could not see any clear opportunities to progress their career at Fashionably Late. Laura has been informed by the CEO that if issues related to staff motivation and performance are not addressed soon, the business could be forced to downsize, leading to the involuntary redundancy of some of its 350 staff.

a. Justify an appropriate motivation strategy that Laura could use to address the current situation. 2 marks

b. Laura has done some research on a range of motivation theories and has decided Lawrence and Nohria's Four Drive Theory will be most appropriate to address motivation issues among staff at Fashionably Late. 6 marks

Outline the key features of the Four Drive Theory and discuss how this theory could assist Laura in addressing issues with staff motivation at Fashionably Late.

c. Define the term 'corporate social responsibility'. 1 mark

d. Explain **two** entitlement and/or transition issues Laura would need to consider to ensure Fashionably Late follows corporate social responsibility principles when terminating staff. 4 marks

Question 6 (10 marks)
'Businesses are faced with an increasingly fast rate of change in today's global business world. If they fail to keep up with the pace of change, they will struggle to remain competitive, let alone survive.'

With reference to a contemporary business case study from the past four years, analyse how management can successfully implement business change through the use of Senge's Learning Organisation theory or Lewin's Three Step Change Model.

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.

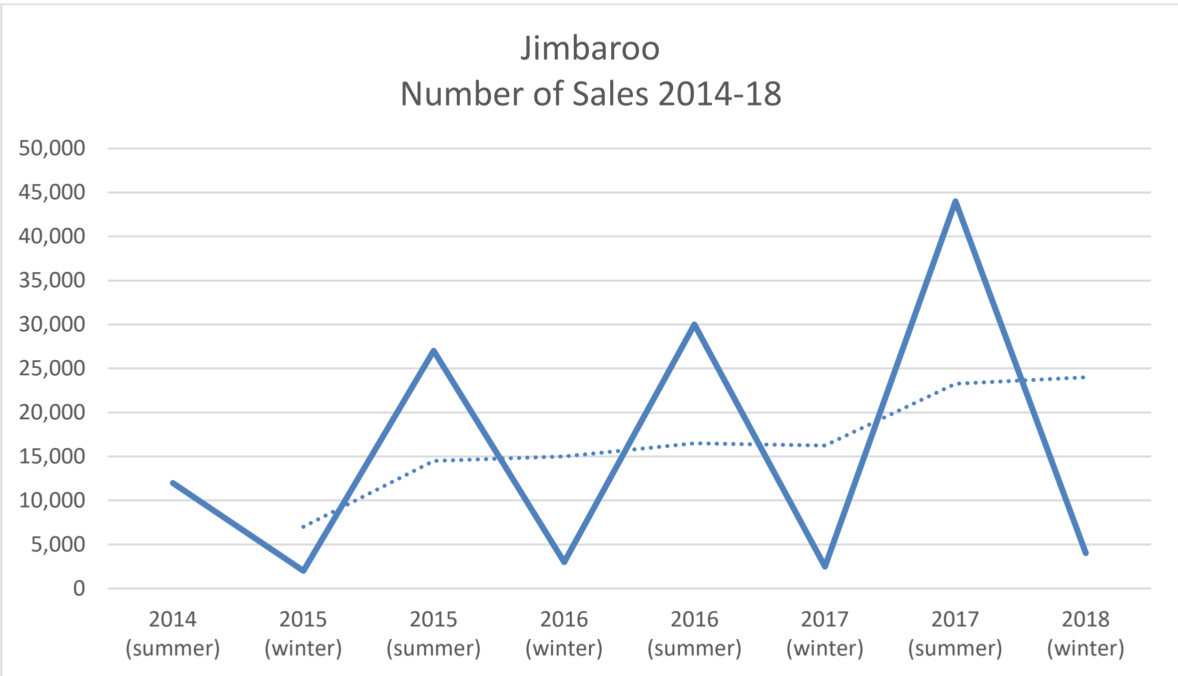
Case Study

Jimbaroo is a manufacturer of portable coolers (also known as an 'esky') used to store food and drinks when outdoors. Jimbaroo has experienced a significant growth in sales and market share in Australia over recent years, particularly during the warmer months of summer.

Jim Gibbs, the owner and operator of Jimbaroo, is looking to expand his business globally over the next three years throughout Asia, Europe and North America to maintain more consistent sales during the summer period in the Northern Hemisphere when Australia is in the midst of winter.

While Jim is excited by the potential growth of his business, he does have some concerns, including:

- The risk involved in expanding globally as a sole trader;
- Global considerations in his operations system, including the potential of overseas manufacturing;
- How to seek new business opportunities both locally and globally;
- How to develop a competitive advantage both locally (where competition in the market for portable coolers is very strong) and globally (where consumer demand is not as high).



The graph above represents Jimbaroo's sales from 2014 to 2018 (solid line), and a trendline from 2015 to 2018 (dotted line).

Question 1 (3 marks)
Justify an appropriate business ownership/type for Jimbaroo as it seeks to expand globally in the next three years.

Question 2 (6 marks)

a. Describe **two** management skills that Jim Gibbs could use to assist him in expanding Jimbaroo globally. 4 marks

b. Explain the importance of effective leadership during change for businesses such as Jimbaroo. 2 marks

Question 3 (4 marks)
Explain the two key approaches to strategic management according to Porter's Generic Strategies. Refer to Jimbaroo in your response.

Question 4 (6 marks)

a. Outline **one** difference between the operations of a manufacturing business such as Jimbaroo, and a service business. 2 marks

b. Discuss the consequences for business efficiency or effectiveness that may result from a decision by Jim Gibbs to use overseas manufacture. 4 marks

Question 5 (6 marks)
Examine **two** management strategies, **other than expanding globally**, Jim Gibbs could implement in response to key performance indicators. Refer to the data provided in your response.

END OF QUESTION AND ANSWER BOOK

Extra space for responses

Clearly number all responses in this space.