VICTORIAN CURRICULUM AND ASSESSMENT AUTHORITY

Victorian Certificate of Education
2019

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

Letter

STUDENT NUMBER

BUSINESS MANAGEMENT

Written examination

Monday 4 November 2019

Reading time: 3.00 pm to 3.15 pm (15 minutes)
Writing time: 3.15 pm to 5.15 pm (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	6	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 24 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.

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SECTION A

Instructions for Section A

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

Question 1 (12 marks)

ChocYum Pty Ltd is a manufacturing business located in regional New South Wales. It prides itself on manufacturing chocolate products of the finest quality for major retailers in Australia, New Zealand and the United Kingdom.

a. Outline the characteristics of a private limited company. 2 marks

b. Compare the characteristics of operations management within a manufacturing business (such as ChocYum Pty Ltd) with those of a service business. 4 marks

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c. Explain how ChocYum Pty Ltd could implement the principles of lean management to improve the efficiency or effectiveness of its operations system. 6 marks

Question 2 (4 marks)

Managers can take either a proactive or a reactive approach to change.

Describe how each of these approaches can be used to manage change.

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Question 3 (5 marks)

Callie's Couriers is a service business, which the owner, Callie Haig, is keen to expand globally in 2020.

Propose and justify a management strategy that Callie could use to seek new global business opportunities.

Question 4 (10 marks)

Leaders can inspire change within a business.

Analyse how managers can apply the principles of Senge's Learning Organisation, during a period of change, in order to:

- effectively manage employees
- positively influence corporate culture
- ensure the change is implemented successfully.

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Question 5 (13 marks)

Dennis Greeves is the manager of a highly successful, Melbourne-based burger chain. In response to a decline in sales and a change in customer tastes, Dennis has made the decision to implement a policy of using only ethically sourced, high-quality local ingredients. Dennis is aware that a new pricing strategy will be required as a result and that the Executive Chef will require support to implement the changes.

a. Define the term 'corporate social responsibility'. 2 marks

b. Analyse how Dennis has used Porter's Generic Strategies to respond to the issues of declining sales and changing customer tastes. 4 marks

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c. Explain how Dennis could use the low-risk strategy of support to overcome possible employee resistance to the changes. 3 marks

d. Apply the principles of **two** steps from the Three Step Change Model (Lewin) to Dennis's decision to implement a new pricing strategy to address the decline in sales. 4 marks

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Question 6 (6 marks)

With reference to a contemporary business case study, explain how managers could apply **one** theory of motivation and a related motivational strategy to successfully manage employees.

END OF SECTION A
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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

ATI-TUDE is a Melbourne-based clothing manufacturer and retailer. It was established as a public-listed company in 2009. ATI-TUDE produces a range of innovative and quality sportswear products for men, women and children. Customers can buy products online as well as through the five ATI-TUDE stores located in Melbourne, Sydney, Brisbane, Perth and Adelaide.

ATI-TUDE's market share has risen steadily since 2009 to a peak of 15% of overall market share in the sportswear market in Australia in 2019.

The Finance Manager recently produced data for ATI-TUDE's senior managers, showing key performance indicators (KPIs) for the past two years. One of the KPIs was net profit. The net profit figures for each of the five ATI-TUDE stores are shown in Figure 1.

A map of ATI-TUDE stores and their net profit figures

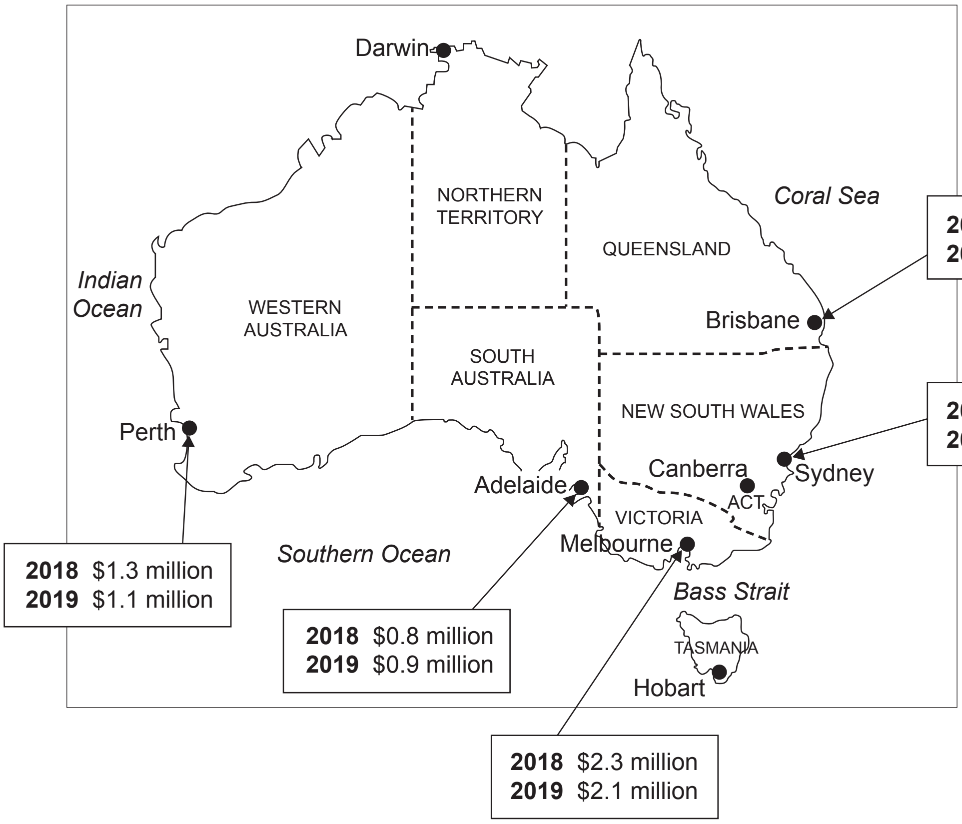

Figure 1

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The Sales and Marketing Director has identified an increase of 75% in the number of online sales over the same period of time (2018–2019). She believes that this is due to the strategy of increased investment in technology and the development of the company's website and online store.

The following KPIs, for the last 12 months, were also presented to ATI-TUDE's shareholders.

Table 1. Level of staff turnover and number of customer complaints (2019)

	Level of staff turnover (%)	**Number of customer complaints**
Adelaide	40%	increased ↑ 12%
Brisbane	23%	decreased ↓ 10%
Melbourne	12%	increased ↑ 10%
Perth	30%	increased ↑ 19%
Sydney	15%	decreased ↓ 5%

At the recent annual general meeting, it was announced to shareholders that the board will be streamlining business operations. As a result, the board will be closing two stores and this will lead to the termination of the employment of many staff.

Question 1 (2 marks)

Define 'level of staff turnover'.

Question 2 (3 marks)

Describe **one** way technological developments could help ATI-TUDE to improve the efficiency of its business operations.

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Question 3 (5 marks)

Interpret the KPIs provided in Figure 1 and Table 1 to propose and justify to the management of ATI-TUDE which two stores should be closed.

Question 4 (6 marks)

Explain **two** skills that ATI-TUDE's Human Resource Manager will require during the period of the store closures.

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Question 5 (5 marks)

The Human Resource Manager is known for his autocratic management style.

Evaluate the suitability of this management style as the store closures are implemented.

Question 6 (4 marks)

Describe **one** employee entitlement issue and **one** employee transition issue that may result from the ATI-TUDE store closures.

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END OF QUESTION AND ANSWER BOOK

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Extra space for responses

Clearly number all responses in this space.

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

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