

BUSINESS MANAGEMENT UNITS 3&4



2020 Practice Exam

(including fully-worked answers for every question!)

ABOUT THIS RESOURCE

Our VCE Business Management Practice Exam is written by our experienced textbook authors and VCE teachers.

- The exam consists of questions worth 75 marks, in exactly the same format as the VCE exam.
- The questions have been designed and written to simulate the experience of sitting a VCAA-style exam.
- Included is a full answer section with exemplar answers and checklists to guide students on how to produce a high-scoring answer.
- All questions are tailored to the study design updates for 2020.

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LEGAL STUDIES

DATE: _____

STUDENT NAME: _____

TEACHER NAME: _____

BUSINESS MANAGEMENT

Practice written examination

Duration: 15 minutes reading time, 2 hours writing time

QUESTION BOOK

Structure of book

Section	Number of questions	Number of marks
A	6	50
B	6	25
		Total 75

SECTION A**Instructions for Section A**

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

Question 1 (12 MARKS)

Flying High is a hot air balloon business that operates in regional Western Australia and New South Wales. Flying High was established four years ago by the owners Jeddah and Eli, who pride themselves on providing high quality hot air balloon rides within the region each day. Jeddah and Eli are considering changing to a more sustainable fuel source for their hot air balloon rides following a number of complaints.

- a** Outline two characteristics of a partnership.

2 MARKS

- b** Compare the characteristics of operations management within a service business (such as Flying High) with those of a manufacturing business.

4 MARKS

- c** Identify and describe the interests of two stakeholders of Flying High. Explain how these interests may be in conflict.

6 MARKS

[illegible]

Question 2 (4 MARKS)

Compare on-the-job and off-the-job training.

[illegible]

Question 3 (4 MARKS)

Chocoholic is a popular Australian chocolate manufacturer. The owner, Duncan, is keen to expand the business globally in 2022.

- a** Define corporate social responsibility. 1 MARK

- b** Propose and justify one corporate social responsibility consideration that Chocoholic could address when expanding globally. 3 MARKS

[illegible]

Question 4 (10 MARKS)

Describe how the areas of management of operations and human resources contributes to business objectives. Propose and justify one strategy to optimise operations and one strategy to manage employees effectively.

[illegible]

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Question 5 (14 MARKS)

Sue has recently become the manager of Experience, a classic cinema in Melbourne which has been operating for 60 years. In response to a high number of customer complaints and a decline in market share, Sue has decided to renovate the cinema to create a premium experience. The renovations include installing comfortable recliner chairs, and a newly designed gourmet snackbar. In order to finance these changes, Sue has decided to increase the price of movie tickets.

- a** Define the term 'driving forces'. 1 MARK

- b** Identify and define the strategic management approach that Sue is using from Porter's generic strategies. Evaluate this approach for Experience. 6 MARKS

[illegible]

- c** Describe how managers act as a driving force for change at Experience. 2 MARKS

- d** Explain how Sue could have applied the principles of the Force Field analysis theory (Lewin) when implementing one of Experience's changes. 5 MARKS

Question 6 (6 MARKS)

With reference to a contemporary business case study, explain how two operations management strategies have improved a business's operations system.

[illegible]

SECTION B

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

Tim Allan is the owner and CEO of a high performance golf equipment and clothing company, Eagle. Based in Melbourne, Eagle employs over 300 people in its headquarters, along with another 100 people in its manufacturing plant. Eagle's products are sold across Australia and New Zealand, with plans in place for the business to continue expanding globally.

In the past year, Tim has decided to temporarily hold off on expanding the business after being concerned by some of the following business KPIs.

Table 1 Changes in key performance indicators in the past year.

KPI	Percentage change in the last year
Rate of staff absenteeism	Increased ↑ 10%
Net profit figures	Decreased ↓ 4%
Level of staff turnover	Increased ↑ 5%

Recent performance reviews have revealed to Tim that Eagle has a poor business culture in comparison to other sporting manufacturers in the country. Investigating this issue further, Tim discovered a number of complaints from sales staff, highlighting that there were few opportunities to develop their skills within the business and be promoted. Staff also felt as if there was little appreciation for their work due to a lack of recognition and reward when Eagle had previously achieved key business objectives. In addition, staff also expressed dissatisfaction for their current wages and working conditions.

After reviewing the information gathered by Tim at a recent executive board meeting, the senior executives of Eagle agreed on three business projects to undertake to help improve the business's performance:

1. The development of new business culture practices.
2. Implement a sales training program with an external sales professional.
3. An evaluation of Eagle's current employment contracts and a proposal for a more suitable one.

Question 1 (2 MARKS)

Define the term 'rates of staff absenteeism'.

Question 2 (5 MARKS)

Tim is known for his persuasive management style.

Other than a persuasive management style, evaluate the suitability of one management style for Tim.

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Question 3 (3 MARKS)

Propose and justify an appropriate method of determining wages and conditions for employees at Eagle.

[illegible]

Question 4 (4 MARKS)

Explain two strategies that Tim could implement to improve Eagle's corporate culture.

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Question 5 (6 MARKS)

Explain two management strategies that Tim could use to respond to the KPIs provided in the table.

[illegible]

Question 6 (5 MARKS)

Interpret the KPIs provided in table 1 in relation to staff performance at Eagle. Justify the implementation of Eagle's new staff training program.

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END OF QUESTION BOOK

[illegible]

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