

Student Name: _____

BUSINESS MANAGEMENT

UNITS 3&4

2021 Written Trial 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	5	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 15 pages
- Additional space is available at the end of the book if you need extra paper to complete an answer

Instructions

- Write your **student name** 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 (13 marks)

Ice Ice Babies is located in a busy shopping mall and sells a limited range of ice cream flavours. Geraldine started the business with her friend Darryn five years ago after working for a rival ice cream business, Natural Flavas, for four years. Darryn previously worked in IT but thought it would be an exciting opportunity. Recently, Darryn installed a self-service ordering kiosk that allows customers to choose their own combinations and pay at the kiosk in order to speed up the ordering system. Despite the initial expense and employees expressing concerns regarding the change, Geraldine feels the new ordering system will be successful.

- a)** Outline the type of business of Ice Ice Babies.

2 marks

- b)** Discuss why Ice Ice Babies may have decided to use the type of business identified in part a).

4 marks

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- This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

- b) Outline how **two** principles of Senge's learning organisation can help Colin increase Body Repair's market share.** **4 marks**

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Question 3 (5 marks)

With reference to a contemporary case study, discuss corporate social responsibility considerations within the operations system of a business.

[illegible]

Question 4 (8 marks)

Describe how the following could be used to improve both efficiency and effectiveness within a business.

- Total Quality Management

[illegible]

- Materials Requirements Planning (MRP)

[illegible]

Question 5 (13 marks)

Nails by Alex is a business that allows customers from all around the world to create and order custom nails designs online and receive acrylic nails, glue and instructions for application in the mail. With the recent increase in online shopping and the closure of many nail salons in 2020 due to COVID-19, Nails by Alex has increased its sales by 120% and is now looking to open a store in the Melbourne suburb of Alphington. To minimise expenses, the business is looking to use an overseas manufacturer for her acrylic nails and glue, rather than her local supplier.

a) Outline **two** elements of the operations system at Nails by Alex.

3 marks

- b) Evaluate the effect of change on **two** current stakeholders of Nails by Alex. Describe **one** corporate social responsibility consideration for each stakeholder. 10 marks

[illegible]

Question 6 (4 marks)

Compare quality assurance and quality control as methods of improving a business's effectiveness.

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.

The recent need for flexible work conditions has seen businesses forced to rethink their operations in order to survive. Fruity All Year (FAY) Pty Ltd supplies businesses across three cities with fresh fruit for their employees. FAY were forced to comply with stay-at-home orders issued by the Australian Government during the last 12 months, compelling the business to overhaul its traditional office-based working model for their sales department.

FAY's sales department now has a remote workforce of 23 staff across three cities. In doing so, they had to make redundancies to manage costs, as well as purchase energy saving laptops and work stations for all employees to ensure the department could still function.

To counter disastrous key performance indicators in 2020, FAY is looking for global opportunities to grow sales.

	2019	2020	2021
No. of sales (\$million)	20.9	13.8	21.2
Rate of Staff Absenteeism (%)	12%	7%	3%
Workplace Accidents	12	2	1
Percentage of Marketshare	16%	15%	18%

With the slow return to office-based working in 2021, FAY surveyed its employees to discover their interest in hybrid workplace environments, which could involve both office-based days and working from home days. FAY understands the need to reevaluate its workplace arrangements to reflect the results of the survey.

Staff Feedback Survey Data

- 40% of employees stated that they preferred working at home compared to working in the office.
- 65% of employees stated they believed their productivity would increase if they were allowed to work in 'flexible' working situations (both in-office and from-home).
- 56% of employees stated they had searched for employment elsewhere in 2020.
- 79% of employees stated that they felt FAY could have done more to support them throughout the 2020 COVID-19 pandemic.

Question 1 (3 marks)

Identify and describe **one** driving force behind FAY's switch to flexible working conditions.

[illegible]

Question 2 (6 marks)

Analyse the KPI data provided. Propose **one** management strategy to respond to **one** of the KPI's.

[illegible]

Question 3 (3 marks)

Explain **one** strategy that FAY could use to seek new business opportunities globally.

Question 4 (2 marks)

Outline the method of determining wages and working conditions at FAY.

Question 5 (5 marks)

Describe an appropriate management style to address the feedback from the employee survey. Explain the relationship between the chosen management style and the management skills needed to address the survey data.

Evaluate **one** theory of motivation that could be used to improve employee motivation at FAY.

[illegible]