

**NAME:**

# **BUSINESS MANAGEMENT**

## **Unit 3&4 Examination 1**

**Reading time: 15 minutes**

**Writing time: 120 minutes**

### **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              | 4                          | 4                                         | 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 permitted.

#### **Materials supplied**

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

#### **Instructions**

- Write your **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 room.**

## SECTION A

## Instructions for Section A

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

### Question 1 (14 marks)

*Safe Install* connects various items into new houses, such as ovens, rangehoods, and air conditioners. It is owned and operated by two brothers, Jerry and Fred.

- a. Identify the type of business that *Safe Install* is and outline one of its characteristics. 3 marks

[illegible]

b. Explain how the elements of operations apply to service businesses such as *Safe Install*. 6 marks

[illegible]

c. Below is an extract of some key performance indicator data for *Safe Install* over the past two years.

| Key performance indicator     | 2020      | 2021      |
|-------------------------------|-----------|-----------|
| Number of workplace accidents | 7         | 24        |
| Net profit                    | \$110 000 | \$130 000 |

Analyse each of these key performance indicators in relation to *Safe Install*.

5 marks

[illegible]

**Question 2** (10 marks)

*Pots Galore* manufactures pots and garden decorations which are sold to customers and retail outlets. Employees are given specific instructions about how to design and decorate these items. Management does not seek any feedback from employees due to concerns it will slow down operations.

a. Outline how an autocratic management style is being used at *Pots Galore*. 2 marks

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b. Discuss the suitability of an autocratic style being used at *Pots Galore*. 5 marks

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c. Explain how stakeholder conflict can lead to reduced productivity in businesses such as *Pots Galore*. 3 marks

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### Question 3 (6 marks)

Describe how the following strategies can result in long term motivation for employees.

Investment in training

[illegible]

### Career advancement

[illegible]

### Question 4 (6 marks)

Referring to a business you have studied this year, explain how one motivation theory can be used to increase employee motivation.

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

*“Unless products are made properly, there is no potential for business success”.*

[illegible]

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**Question 6 (4 marks)**

Compare how one global strategy and one domestic strategy can result in more opportunities for businesses.

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**SECTION B – CASE STUDY****Instructions for Section B**

Use the stimulus material provided to answer the questions in this section. Answers must apply to the stimulus material. Answer **all** questions in the spaces provided.

2020 has been the year of disruption. For the accounting and finance sector, it's dramatically shifted how firms manage their teams, how they interact with their clients and how they plan for the future. But despite the challenges the pandemic has caused, smart organisations and future-looking leaders are embracing the disruption and using it to their advantage. Here are five ways the accounting industry has changed in 2020.

**1. Firms are managing staff entirely remotely**

In addition to government-mandated rules around social distancing, proper hygiene, and even mandatory masks in states like Victoria, businesses have had their traditional environments turned upside down due to COVID-19.

The accounting sector, while not as heavily impacted as solely customer-facing industries like retail and hospitality, has still had to take steps to abide by these restrictions. The largest of which is office closures – or at the very least, only a certain number of people allowed in a building at any one time. That means firms must equip their staff with the right tools and software to work from home and offer support from management to ensure they are getting the most out of their teams.

**2. Both organisations and staff are enjoying cost savings and unexpected benefits**

While remote working has been a struggle for many, it's had positive knock-on effects in the form of greater work-life balance – although not for all – and cost savings for both employees and the firms themselves.

Staff, for example, no longer have to endure lengthy commutes and the associated costs of working in an office (e.g. fuel, public transport fees, takeaway coffees and lunches). And firms can do away with unnecessary meetings – which cost businesses approximately \$400 billion in 2019 – while also seeing increased productivity across the board.

**3. Accountancy firms are embracing cloud-based workflow solutions**

If there is one thing mandatory remote work has shown organisations, it's that staff need to be given the right tools in order to transition to work-from-home. Not only that, but they need to be supported by their leaders.

If there is any winner to come out of this pandemic, it's the cloud. Businesses are accelerating their digital transformations just to stay competitive, and they are looking to cloud-based workflow solutions to help them.

For example, according to the *CommBank Accounting Market Pulse – June 2020 report*, accounting firms now understand the true value of workflow products for increased productivity and efficiency. It is why “almost 60% of firms use cloud-based computing and storage”, with the same report showing cloud tools have the second-highest growth rate across firms (after cybersecurity).

Whether that is a Sydney firm poaching someone from Perth and not requiring them to travel across the country for a better role or looking abroad to reduce payroll while still being able to onboard and train up new staff digitally. These are exciting times for HR and hiring managers, but it is key to approach hiring with due diligence, and in a similarly methodical way as before.

Describe how two driving forces can encourage businesses to change.

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**Question 2** (7 marks)

a. Define ‘rate of staff absenteeism’. 2 marks

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b. Evaluate how an increased investment in technology can impact this key performance indicator. 5 marks

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### Question 3 (10 marks)

- a. Outline one of Porter's generic strategies and discuss its ability to help generate a competitive advantage. 5 marks

[illegible]

[illegible]

Describe the importance of businesses reviewing key performance indicators to evaluate the effectiveness of business transformation. Include an example of a key performance indicator to support your answer.

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**Clearly number all responses in this space.**

[illegible]

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