

VCE Business Management Units 3&4

Question and Answer Booklet

2024 Trial Examination

Reading time: 15 minutes

Writing time: 2 hours

Student's Name: _____

Teacher's Name: _____

Materials supplied

- Question and Answer Booklet of 20 pages

Instructions

- Write your responses in English.
- Write **your name** and your **teacher's name** in the spaces above on this page.

Students are **not** permitted to bring mobile phones and/or any unauthorised electronic devices into the examination room.

Contents	pages
Section A (5 questions, 40 marks)	2–9
Section B (5 questions, 35 marks)	10–17

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Section A

Instructions

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

Question 1 (5 marks)

- a. Define the term private limited company.

2 marks

- b. Explain why business objectives are important and outline **one** business objective. 3 marks

Question 2 (13 marks)

Sofia and Juan established their partnership Vintage Trips in 2021. The business hires out caravans for trips around regional Victoria. They initially purchased and refurbished two vintage caravans. Demand for their caravans increased and by the end of 2023 they had purchased and refurbished another 10 caravans. Sales and bookings have continued to increase throughout 2024, and Sofia and Juan have added another two caravans to their fleet.

Sofia is responsible for managing the business's financial records; customer bookings and enquiries; and marketing and social media. She also developed and maintains the business's website. Juan works with a mechanic and cabinet maker to refurbish the caravans, and sources a lot of the required materials from other local businesses.

- a.** Outline how the key performance indicator 'number of website hits' could enable Sofia and Juan to analyse the business's performance.

2 marks

- b.** Sofia and Juan are considering introducing new technology into the business to improve the efficiency and effectiveness of its operations.

Discuss how Sofia and Juan could implement **one** technological development to improve business operations.

4 marks

- c. Propose and justify how Sofia and Juan could use the management strategy of innovation to seek new business opportunities.

3 marks

- d. A competitor has approached Sofia and Juan with an offer to buy the business. Identify **two** stakeholders that could be impacted if the business is sold and explain **one** possible impact for **each** stakeholder.

4 marks

Question 3 (14 marks)

Dinner in a Minute is a business that produces and delivers high-quality, fresh meals to Melbourne's inner suburbs. The business has expanded rapidly during the past two years and has continued to make changes to its delivery processes. Some employees are feeling overwhelmed by the continual changes. One employee told a manager last week, 'It's hard to cope with the constant changes. I'm working really hard, but I don't feel that my effort is appreciated or recognised, so I don't know how long I can keep working like this'.

- a.** Distinguish between proactive and reactive approaches to change. 3 marks

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- b. Explain the key principles of **one** motivation theory and discuss how this theory could assist Dinner in a Minute to motivate its employees.

5 marks

- c. Evaluate **one** motivation strategy that Dinner in a Minute could implement to motivate and retain employees. In your response, refer to the strategy's effect on short- and long-term employee motivation.

6 marks

[illegible]

Describe how managers and employees can be both driving **and** restraining forces for change in a business.

[illegible]

Question 5 (4 marks)

With reference to a contemporary business that you have studied this year, explain **two** of the key principles of the Three-step Change Model (Lewin).

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End of Section A

Section B – Case study

Instructions

- 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

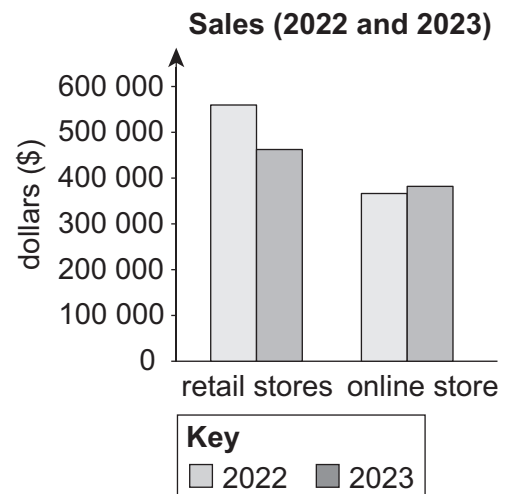
Ready to Run is a privately owned company with 25 shareholders. It was established 15 years ago and has retail stores across Victoria as well as an online store. The business focuses on activewear clothing and has built a reputation for selling high-quality products and providing excellent customer service.

In January 2022, the company appointed a new chief executive officer (CEO), Zac Rivers, who has extensive experience working in finance and sales. Zac Rivers presented a report to shareholders in June 2022, recommending ways that the business could expand, reduce costs, and increase profits and market share. The key changes that were recommended included:

- focusing on the online store and closing two retail stores in Victoria
- changing the wages and conditions of work of some staff
- sourcing products from an overseas manufacturer
- moving towards a reduced range and less after-sales service
- investigating the possibility of outsourcing the call centre to Asia
- applying for quality assurance accreditation.

The shareholders accepted the recommendations, although some of them had concerns. Most of the changes had been implemented by the end of 2023. As part of an evaluation of the changes, the shareholders were presented with the following information.

Key performance indicator (KPI)	Dec 2021	Jun 2022	Dec 2022	Jun 2023	Dec 2023
percentage of market share (%)	35	38	35	28	25
rate of staff absenteeism (days per month)	1	2	5	7	9
level of staff turnover (%)	5	7	13	15	19.7
Note: All values are as at the end of each month.					



Throughout 2023, Ready to Run conducted stakeholder surveys and focus groups. The following quotes are representative of the views and opinions of many of the stakeholders.

- 'The quality of my last purchase was poor, and I had trouble getting anyone to return my calls.' Angie B, Melbourne, customer
- 'Every time I tried to pay for my online order, the system locked me out! I gave up and went to another retailer instead.' Paddy C, customer
- 'I used to love working here and always felt part of the company. Now I feel that I am no longer valued. The volume of work has increased, and there has been no recognition of this from the CEO.' Abdul J, employee
- 'I am considering trying to find another job. I get yelled at by customers all day, and my pay and conditions aren't improving.' Charlie C, retail store employee
- 'It is impossible to keep up with the changes made here. I am not sure what to do.' Elisha A, operations manager
- 'I was always proud of the way that the business focused on customer service and quality. I have concerns about how the changes have damaged the company's reputation.' Jelena S, shareholder
- 'There is a lack of a shared vision, and there has not been enough training for employees. I feel frustrated by the lack of consultation and communication, especially from the CEO.' Elijah W, human resource manager

Compare quality control and quality assurance and justify how they could improve Ready to Run's operations.

[illegible]

Question 2 (9 marks)

The CEO, Zac Rivers, uses a persuasive management style.

- a. Describe **two** features of the persuasive management style and analyse Zac Rivers' use of this style during the implementation of the changes in the business. 6 marks

[illegible]

- b.** Assess whether the persuasive management style was appropriate in relation to the experience of employees at Ready to Run.

3 marks

Question 3 (4 marks)

CEO Zac Rivers believes that changing the employees' wages and conditions of work will motivate them to work harder. He wants to move to an agreement.

Distinguish between an award and an agreement, and outline the effects that an agreement would have as a method of determining wages and conditions of work at Ready to Run.

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Question 4 (10 marks)

Ready to Run's shareholders are concerned about the motivation levels of employees and managers, as well as the business's corporate culture.

Propose and justify:

- **two** strategies that the business could implement to improve motivation and develop its corporate culture
- **two** management strategies that the business could implement to improve business performance and seek new business opportunities.

[illegible]

Question 5 (6 marks)

Ready to Run is still considering outsourcing its call centre.

Analyse how the key principles of weighting, ranking and evaluating a response in Lewin's Force Field Analysis theory could assist in this decision.

[illegible]

End of examination questions

Clearly number all responses in this space.

[illegible]

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[illegible]