



## Victorian Certificate of Education 2003

# BUSINESS MANAGEMENT

## Written examination

Thursday 13 November 2003

Reading time: 3.00 pm to 3.15 pm (15 minutes)

Writing time: 3.15 pm to 5.15 pm (2 hours)

## QUESTION 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	7	7	30
B	1	1 (part a., b. or c.)	10
			Total 40

- 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 white out liquid/tape.
- No calculator is allowed in this examination.

#### Materials supplied

- Question book of 4 pages.
- One or more script books.

#### Instructions

- Write your **student number** in the space provided on the front cover of the script book(s).
- All written responses must be in English.

#### At the end of the examination

- Place all other used script books inside the front cover of the first script book.
- You may keep this question book.

**Students are NOT permitted to bring mobile phones and/or any other electronic communication devices into the examination room.**

**SECTION A – Short-answer questions****Instructions for Section A**

Answer **all** questions in the script book(s) provided.

**PART 1**

Read the case study below and answer the following questions.

Kay Tee is a large organisation that has been making fresh fruit products for a number of years. The business has had several years of sales and profitability growth. In response to this growth Kay Tee changed its strategic direction and, to increase its market share, planned to expand distribution networks across Australia. As part of this plan Kay Tee increased its workforce and spent thousands of dollars on upgrading its equipment.

The executive management at Kay Tee has since learned of two developments that will affect its future business.

1. The local council will change the food handling regulations to meet new international production standards. This will require Kay Tee to install new hygienic processing methods and achieve higher levels of cleanliness in the factory.
2. The major supplier of fresh fruit has gone bankrupt. Because of this Kay Tee has recently signed a contract with a new interstate supplier. As a result, delivery of fresh fruit to the factory will take longer.

**Question 1**

Define these terms and provide an example for each term to demonstrate your understanding.

- a. profitability
- b. strategic direction

2 + 2 = 4 marks

**Question 2**

- a. List and explain **two** management roles that the executive management of Kay Tee should perform in response to the changes in regulations and supplier.
- b. Describe **two** key performance indicators Kay Tee could use to measure its future performance.

4 + 2 = 6 marks

**Question 3**

Discuss **two** issues for the Operations Manager because of the new developments affecting Kay Tee.

2 + 2 = 4 marks

Total 14 marks

**PART 2**

Read the case study and the table below and answer the following questions.

Silverstone Insurance Limited is a large organisation employing 600 people across Australia.

At Silverstone we believe our customers deserve the most efficient service and should be treated as individuals.

We believe our employees provide our competitive advantage. Their imagination, creativity, and dedication to service will deliver growth and market share.

We believe our systems produce quality outcomes through highly efficient processes and the elimination of errors.

An extract from Silverstone's vision statement

Following a period of high staff turnover and absenteeism, John Burnside, the Human Resources Manager, conducted an opinion survey of the 600 employees.

**Results of employee opinion survey**

Statement	Employees who agreed with the statement
• employees who understand the company's strategy and values	176
• employees who trust the company's executives	285
• employees who are actively looking for another job	430
• employees who feel well paid and appreciated by their boss	148
• employees who care about customers	205

**Question 4**

Define these terms and explain how they relate to Silverstone Insurance Limited.

- a. vision statement
- b. staff turnover

2 + 2 = 4 marks

**Question 5**

Identify and explain **three** management skills John Burnside would have used to survey the staff.

3 marks

**Question 6**

Discuss **two** Human Resource strategies that could be used to address the employee attitudes that were identified in the survey.

2 + 2 = 4 marks

**Question 7**

- a. Identify and explain a management style that could address issues of employee morale at Silverstone Insurance Limited.
- b. Justify your choice of management style.

3 + 2 = 5 marks

Total 16 marks

**SECTION B – Extended response****Instructions for Section B**

Answer either **a.**, **b.** or **c.** of Question 8 in this section in the script book(s) provided.

Indicate which part, **a.**, **b.** or **c.** of Question 8 you have answered.

In your answer you should refer to your study of organisations and/or recent research that is relevant to the study of Business Management.

**Question 8**

- a.** Operations Management is concerned with delivering effective outcomes for business.
- Discuss how a service organisation may use at least **two** operations management strategies to produce effective outcomes.
  - Illustrate your answer by referring to a current example of a large-scale organisation.

**OR**

- b.** In business, an important way to create a sustainable, competitive advantage is to employ the right people and maximise their skills and abilities.
- Discuss how a Human Resource Manager would attract and retain talented and motivated people.
  - Illustrate your answer by referring to a current example of a large-scale organisation.

**OR**

- c.** Large-scale organisations deal with contemporary management issues by introducing change strategies.
- Discuss how managers could successfully overcome resistance to the change strategies they introduce.
  - Illustrate your answer by referring to a current example of a large-scale organisation.

10 marks

**END OF QUESTION BOOK**

