



**Victorian Certificate of Education  
2005**

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

**STUDENT NUMBER**

Figures  
Words


Letter

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**BUSINESS MANAGEMENT**  
**Written examination**

**Thursday 10 November 2005**

**Reading time: 11:45 am to 12.00 noon (15 minutes)**

**Writing time: 12.00 noon to 2.00 pm (2 hours)**

**QUESTION AND ANSWER BOOK**

**Structure of book**

<i>Number of questions</i>	<i>Number of questions to be answered</i>	<i>Number of marks</i>
3	3	60

- 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 and answer book of 11 pages.
- A script book is available from the supervisor if required.

**Instructions**

- Write your **student number** in the space provided above on this page and on the front cover of any script book used.
- All written responses must be in English.

**At the end of the examination**

- If a script book is used, place it inside the cover of this question and answer book.

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

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**Question 1**

*Dave Rodgers, Manager of the Marketing Division at Hume and Weston Ltd, has been called by the Human Resources Manager, Ms Wilson, to explain the high number of recent resignations from his department. Most resignations have been from the younger graduates who have complained about the lack of direction, no sense of belonging and no support given by Dave. Dave does not see a problem with the high staff absenteeism, and would rather not discuss his department with Ms Wilson. Ms Wilson demands that he solve these problems immediately.*

**a.** Define the following terms

**i.** staff absenteeism

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**ii.** corporate culture

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2 marks

**b.** Explain how **two** of the key management roles (planning, organising, leading and controlling) could be used by Ms Wilson in her position as Human Resources Manager.

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4 marks

- c. Identify and explain an appropriate motivational theory and discuss its benefits for the Marketing Division.

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4 marks

- d. How would Dave Rodgers apply this motivational theory (in **part c.** above) to the Marketing Division?

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2 marks

e. What management style has Dave Rodgers been using in the Marketing Division?

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1 mark

f. Recommend a more appropriate management style Dave could use to improve staff morale. Describe **two** features of this style. Justify your choice.

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5 marks

Total 18 marks

**Question 2**

*Blue Berry Jam is a publicly listed company located 90 kilometres from Melbourne. It relies on fresh farm produce to supply its fruit and employs people from the local area. The business started selling its jam to retailers in Melbourne, but has quickly expanded its market overseas to Hong Kong and Indonesia. It has a strong reputation for reliability, nutritional value and support for the environment.*

*However, the CEO has identified the following areas of concern for future growth.*

- *Falling reputation if ethical and social responsibility management is not maintained. Local residents are complaining that a new plant will become an environmental nightmare. The residents are particularly worried about Blue Berry Jam using valuable land resources. They are also concerned about more waste material polluting the nearby rivers.*
- *Shareholders are complaining about the cost of the new plant necessary for the extra production.*
- *Low price imports that may reduce Blue Berry Jam’s sales and force it to close.*

a. Distinguish between shareholders and stakeholders.

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2 marks

b. Explain the term macro environment and describe **two** pressures affecting large-scale organisations.

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3 marks

- c. Blue Berry Jam contributes in many ways to the Australian economy. Identify **two** economic contributions that would be lost if Blue Berry Jam was forced to close.

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4 marks

- d. Identify one financial and one non-financial key performance indicator that would measure Blue Berry Jam's performance.

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2 marks

- e. Explain how each of these key performance indicators (in **part d.** above) could be used to improve Blue Berry Jam's performance.

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4 marks

Total 15 marks

**TURN OVER**

**Question 3**

*Fierce competition in the mobile phone industry has forced Logically, a Melbourne-based mobile phone manufacturer, to examine its operational management system.*

- a.** Describe **three** strategies the operations manager could use to improve Logically's competitiveness.

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6 marks



- b. Explain the **three** key elements of an operational management system with reference to an organisation that you have studied this year.

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6 marks

*Rapidly changing technology means that Logically may one day be forced to merge with, or be taken over by, a global telecommunications company.*

c. Define the following terms and give an example for each term to demonstrate your understanding.

i. merger

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ii. multinational corporation

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2 + 2 = 4 marks

*There are several contemporary change management issues that Logically may have to deal with in the future.*

d. Select one of these change issues and explain the impact it would have on Logically.

These may include

- technological development
- mergers
- globalisation

**or**

another change management issue for large-scale organisations which you have studied.

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3 marks

*The media have strongly criticised the mobile phone industry for its lack of social responsibility about*

- *radiation from mobile phones*
- *material wastage from discarded phones and batteries*
- *the alarming number of young people with financial problems due to their high mobile phone bills.*

*Logicall have decided to address these issues. Logicall have implemented strategies that include – recyclable phones and batteries, low radiation phones, and contracts that clearly explain their billing structure.*

- e. Evaluate the impact on Logicall of implementing these socially responsible strategies.

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8 marks

Total 27 marks

A script book is available from the supervisor if you need extra paper to complete your answer. Please ensure you write your **student number** in the space provided on the front cover of the script book. At the end of the examination, place the script book inside the front cover of this question and answer book.

**END OF QUESTION AND ANSWER BOOK**