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	STUDENT NUMBER									Letter
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# **BUSINESS MANAGEMENT**

# Written examination

Thursday 15 November 2012

Reading time: 3.00 pm to 3.15 pm (15 minutes) Writing time: 3.15 pm to 5.15 pm (2 hours)

# QUESTION AND ANSWER BOOK

#### Structure of book

Number of questions	Number of questions to be answered	Number of marks
4	4	65

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

#### **Instructions**

- Write your **student number** 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.

#### **Instructions**

Answer all questions in the spaces provided.

#### **Question 1**

In the chocolate industry, four large-scale organisations dominate the market, collectively accounting for 92% of all chocolate sales. Currently these four organisations compete on price. The smallest of the four organisations, Websters, is less able to take advantage of economies of scale than the three larger organisations. As a result, Websters has decided to focus on competing on quality rather than price to ensure its long-term success.

Sam Webster, grandson of the founder of the business, is currently the CEO and has identified that numerous changes must be made.

As the focus of Websters shifts to quality, it will need to measure quality as part of its operations management. A human resources audit has identified that the current staff do not have the necessary capabilities to implement this change. To allow the staff to develop the necessary capabilities, Mr Webster has identified two preferred options.

- improve the capabilities of the current staff
- purchase and import state-of-the-art equipment from Belgium

While the purchase of equipment will be more expensive initially, it will improve productivity and reduce waste and carbon emissions in the longer term.

Define 'market share'.
1 ma Identify and explain <b>two</b> methods from the strategy of managing quality that Websters could use to ensure a high-quality chocolate product.

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Identify ar	d iustify <b>two</b> p	erformance in	dicators that	Websters could	d use to measu	are the success of t
business's	change in focu	IS.		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		

Describe and justify one management practice or process from <b>each</b> of the <b>three</b> phases of the employment cycle that could apply to Websters as it changes its focus to compete on quality.				

	rence between the operations management of a manufacturing organisation, sucreice organisation.	ch as
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f.

## **Question 2**

a.

Glass Transport is a long-established bulk transport provider, which has recently taken a decision to invest in becoming a national parcel delivery service. The opportunity that CEO Catherine Glass seized on arose from fast-growing online sales. In order to build the expanded business, a significant number of new staff will be required. Some of these staff could be relocated from the bulk transport division and some will need to be recruited. Service standards will need to be set and new vehicles purchased. Further decisions will be made to determine whether parcel pick-up from residential and business premises will be offered.

The major existing competitor in parcel delivery is a government-owned postal service. Its business of delivering mostly letters is declining because of emails and texting. Its delivery infrastructure is mostly suited to letters, not parcels. The growing parcel sector is a highly profitable business opportunity for the organisation that 'gets it right'.

As Glass Transport is becoming more complex in its service offerings, Ms Glass is considering changing the management structure of her organisation.

iscuss an appropriate management structure for Ms Glass's expanding business.					

b.

dentify <b>two</b> characteristion of using this style.	ics of this management style, and explain one advantage and one disadvantage

Define each rol national parcel	e and explain how the delivery service.	use of these role	es will contribute	to the success of	her new

Describe Locke's theory of motivation and explain how Ms Glass could use this theory to motivate staff.	

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a.

scuss how they	rs from the internal and/or external environments of large-scale organisations are impacted on an organisation that you have studied this year.	

c.

Explain a significant change issue that you have studied this year and describe <b>two</b> ways in which it impacts on large-scale organisations.		

## **Question 4**

Change management theories provide a template for successful change in large-scale organisations.

Explain how Kotter's change management theory could be used to

- promote driving forces for change
- reduce restraining forces for change
- promote the use of low-risk practices.

In your response, include an example from a large-scale organisation or significant change issue that you have studied this year.		

10 marks

Extra	space	for	resp	onses
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Clearly number all responses in this space.

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.** 

