



Victorian Certificate of Education 2012

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

STUDENT NUMBER

Figures

Words

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

<i>Number of questions</i>	<i>Number of questions to be answered</i>	<i>Number of marks</i>
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.

a. Define 'market share'.

1 mark

b. Identify and explain **two** methods from the strategy of managing quality that Websters could use to ensure a high-quality chocolate product.

- e. Describe one difference between the operations management of a manufacturing organisation, such as Websters, and a service organisation.

2 marks

