



**2004 Business Management GA 3: Written examination**

**GENERAL COMMENTS**

**Use of the Study Design**

The Business Management Victorian Certificate of Education Study Design and other relevant documents are available on the VCAA website ([www.vcaa.vic.edu.au](http://www.vcaa.vic.edu.au)), and it is very important that students are familiar with the requirements listed within these documents. Students need to be familiar with the vocabulary of the Study Design, as well as the Areas of Study. Students could use the Study Design as a guide for organising notes during the year and to keep track of the material they are studying in class. A clear understanding of the content of the course and organisational strategies should provide a good basis for thorough examination preparation.

**Preparation for the examination**

The best responses used specific details to answer the questions asked, rather than providing prepared answers to questions asked in past examinations. Students who had studied all areas of the course were able to provide relevant and detailed answers. It was evident that many students had consulted previous Assessment Reports and used the advice provided to prepare for the examination. It is good preparation to practise past examination questions; however, students must be able to adapt their knowledge to questions that ask for information in a different way, or with a different emphasis.

**Following instructions**

Schools are provided with an example of the front page of the examination (which instructs students on how to complete the examination) prior to November, and it is important that students see this. Most students complied with the instructions on the examination and answered all questions in Section A and one question in Section B; however a few students attempted all questions in Section B, and scored poorly because they only covered the questions briefly. Thus it is very important that all examination instructions are followed correctly.

**Presentation of answers**

Students should leave a space between answers and between sections and should label clearly their answers with the appropriate question number, especially where a question has multiple parts.

**SPECIFIC INFORMATION**

**Section A – Short answer questions**

**Part 1**

**Question 1a**

Marks	0	1	2	Average
%	32	40	28	1.0

Globalisation refers to the removal of trade barriers across countries to allow organisations to move their competitive boundaries from a national to an international stage. Many organisations globalise to increase their competitiveness, expand their operations and take up opportunities to gain access to new markets. It also allows organisations to create economies of scale.

Weaker responses answered with comments such as, 'Organisations that sell their products in international markets'.

**1b**

Marks	0	1	2	Average
%	30	33	37	1.1

Outsourcing is a commercial arrangement where one business provides services to another business. It allows large scale businesses to concentrate on their core business and let other organisations run aspects of the business which are not seen as core. Outsourcing involves an outside specialist who operates certain facets of the business. This aspect of the business is likely to have been provided in-house previously.

Students generally answered this question well.

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## Question 2

Marks	0	1	2	3	4	Average
%	18	24	29	19	10	1.8

Key performance indicators measure internal and external business comparisons over a set time period. Measures include (but are not limited to) financial performance, industrial relations, on-time completion and performance levels. Inter-business comparisons such as comparing businesses by size, location, profit and inventory were also appropriate.

Weaker responses mentioned customer satisfaction without giving any details as to how this indicator was to be measured.

## Question 3

Marks	0	1	2	3	4	Average
%	49	12	14	13	12	1.3

Students could have chosen any two of the following four strategies:

- facilities design and layout
- materials management
- management of quality
- the extent and impact of the use of technology.

The most popular responses included facilities design and layout and management of quality. The following is a response that scored full marks:

*Turlo Motors would need to evaluate its facilities design and layout and to improve quality management procedures as a result of its outsourcing. Since many functions have been outsourced to various businesses globally, the design of the facilities need to be changed to suit the activities which still remain – the final car assembly, and facilities for storing the inputs. Layout should revolve around the most efficient and effective approach to car assembly to maximise productivity.*

*Also new quality management procedures and approaches need to be adopted to ensure quality components are manufactured. Components need to be tested for problems and defects (quality control), perhaps receive endorsement and certification that they have achieved set standards (quality assurance) or Total quality management to promote continuous improvement in its car assembling, worker participation and teamwork and improved customer focus to deliver the highest quality products to consumers.*

## Question 4

Marks	0	1	2	3	4	Average
%	16	15	27	28	13	2.1

The skills described needed to be clearly recognised management skills – not general, made up ones. They should also have been different skills, not all 'soft'/personal skills. Students who selected communication, listening and people skills were rarely able to distinguish any difference and as a result did not score full marks.

Communication/interpersonal, delegation, time management and problem solving were the skills most often given in response to this question.

## Part 2

### Question 5a

Marks	0	1	2	Average
%	28	51	20	0.9

Leadership is the process through which leaders influence the attributes, behaviours and values of others. It involves such activities as communication, negotiation and innovation and is a key management role that is an essential element of successful managers.

Leadership is the process of providing direction in order to achieve an organisation's objectives. It involves the use of power or influence and the ability to motivate staff. The role is particularly important in times of change.

The term 'leadership' was generally well defined; however, some students did not score full marks as no example was given, thus they had not completed the question.

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5b

Marks	0	1	2	Average
%	29	43	28	1.0

A performance appraisal is a process to evaluate work performance and identify areas in need of improvement. It provides employees with regular feedback about how their work performance is viewed by the business they work for. Performance appraisals identify training needs and suitable staff for promotion. This system can be either formal and conducted periodically or informal, based on normal work activities.

This question was well answered. Students used the example of their own work experience in large organisations and the performance appraisal system that they had been involved in. These responses pleased the assessors as students related the theory of the subject with practical experience.

## Question 6

Marks	0	1	2	3	4	Average
%	16	19	33	23	9	1.9

The other three roles of management include:

Planning: the process of defining goals and establishing an overall strategy for achieving them.

- step 1 – setting objectives
- step 2 – analysing the present situation and future opportunities (SWOT)
- step 3 – developing and evaluating alternatives
- step 4 – implementing the plan
- step 5 – monitoring and reviewing results.

Organising: the process of defining the relationship between staff and tasks so that all the resources of an organisation are working towards its objectives.

- organising the structure of the organisation
- determining what is needed
- establishing staff in productive working environments
- assigning responsibilities to staff
- delegating authority
- communicating
- arranging plant and machinery.

Controlling: the establishment by management of ways to compare actual performance with planned performance.

- establishing performance standards
- determining methods of measuring performance
- measuring actual performance
- comparing actual performance with established standards
- taking corrective action when necessary
- reviewing performance standards.

Planning and organising were the more favoured roles to explain. Students needed to relate the roles to the marketing manager to score full marks. Some students described the roles generally and thus did not complete the question asked.

## Question 7a

Marks	0	1	2	3	4	Average
%	19	12	31	27	10	2.0

Students were required to select any of the three styles below and describe the features:

- persuasive: the manager makes the decisions but presents them in a positive manner and endeavours to sell the ideas to staff
- consultative: communication and consultation takes place between the parties, a process which encourages dialogue
- participative: decisions are made democratically and the manager consciously shares the decision-making process with staff, encouraging full participation in the decision making process.

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7b

Marks	0	1	2	Average
%	42	41	16	0.8

Some students chose to combine parts a and b of this question together, or used a justification as their description of the features of the management style. The justification was then repeated in part b. In order to score full marks, this question required students to name the style, give three features of that style and provide a justification for the selection of the style.

## Section B – Extended response

### Question 8

Question chosen	0	a	b	c
%	3	37	48	12

Marks	0	1	2	3	4	5	6	7	8	9	10	Average
%	5	5	11	14	15	15	12	11	7	3	2	4.6

Presentation of the extended response is important. In order to assist the assessors, students should clearly state whether they are answering part a, b or c. The use of paragraphs for such a question also assists assessors when issuing marks.

Students should spend some time **planning** the extended response and break down the question into components to ensure that each part of the question is responded to.

Some students unfortunately did not read the instructions carefully and answered all three parts of the question, thus they were unable to give enough details to score well.

#### 8a. Corporate Management (change)

Contemporary change management issues include:

- technology
- globalisation
- social responsibility
- business ethics
- legislative compliance
- mergers and acquisitions
- privatisation.

Some students did not name the contemporary management issue they were discussing, while others discussed a number of issues, making the response very generalised with not enough detail.

#### 8b. Human Resource Management

Induction is the process of familiarising new members of staff with the business and its culture. A program for a new employee can be informal or highly structured. It should include the company's facilities, physical layout, key personnel, organisational rules, procedures and culture and also an evaluation of the program itself.

Training is the process of using planned activities designed to improve the job performance of employees in accordance with organisational objectives. The process includes providing employees with opportunities to gain, develop and enhance skills to improve their performance on the job, and attempts to help employees keep their skill levels current and up to date.

The whole employment cycle is important to the life of any business and involves not only the stages of induction and training but also a number of other processes, including recruitment, selection, induction, training, new skills, career development, counselling and advice, exit interviews and departure.

Some students confused recruitment and induction in this question, or gave descriptions of induction and training but did not state why they were important in assisting an organisation to achieve its goals.

This question was a popular choice that was answered well and students were able to use their own work experiences as an example to support their response.



**8c. Operations Management**

Three key elements of an operations system are:

- inputs: resources used in an operations system; human skill and effort, raw materials, facilities, machinery and equipment
- process: transformation or conversion activities; activities that transform or convert inputs into valued outputs
- outputs: valued goods and services available to consumers as a result of the production process.

Four strategies that could be adopted to optimise operations are:

- facilities, design and layout
- materials management
- management of quality
- the extent and impact of the use of technology.

Benchmarking is a process where an organisation compares their outcomes and measures their performance against similar types of businesses and identifies ways to improve business performance. Benefits of benchmarking include:

- providing realistic targets for production/outputs for staff and management
- assisting in measuring against best practice
- encouraging ideas for improvement.

Students generally answered this question well and were able to use either the key elements or the strategies of an operations management system. Weaker responses did not include benchmarking and as a result did not score high marks because part of the question remained unanswered.