
Answers

1 (a) Within a typical organisation, there are many different types of activity being carried out for example (two only required):

- Purchasing materials and components
- Carrying out operations on purchased materials and components
- Research on and development of new products and technologies
- Communicating with customers and potential customers
- Taking and processing sales orders
- Accounting and record keeping
- Employing and managing people
- Planning and controlling all of the above activities to ensure that the organisation reaches its goals

Many of these activities can be grouped under the following broad functions (two only required):

- (i) Production or direct service provision. This is the reason the organisation is in business. It covers the output of factories and farms and also the provision of services. For manufacturing industry, purchasing of components and raw materials are important functions, and research and development expenditure is necessary in order to stay ahead technologically. Over the past few decades, manufacturing has been relocating to parts of the world where labour is cheaper, so a larger proportion of the workforce in a number of countries is now engaged in service industries.
- (ii) Sales and marketing. The sales function covers both retail operations and the activities of the sales force who deal in large orders and contracts. This is a vital function. The outputs of the business are of no value if they cannot be sold. Marketing seeks out prospective customers for the product and looks for the best way to present it to them. Marketing has become increasingly sophisticated over the past decade with customer profiling and use of web-based technologies.
- (iii) Accounting and finance. Sales and purchases give rise to transactions (which must be recorded) and movements of funds (which must be monitored). The accounting and finance functions are there to safeguard the assets of the business, comply with the statutory requirements and provide the information needed by management in order to run the business profitably.
- (iv) Human resource planning and management. For most businesses, personnel are the biggest cost and most valuable asset. This becomes more and more the case as service-based industries replace traditional manufacturing. Recruiting, keeping and training the right people is now a major function in large organisations. Planning and budgeting will also involve calculating future human resource needs.

(b) There are many influences on organisation structure (five only required).

- (i) There are certain internal principles of organisation, which determine some aspects of structure. The scalar chain of authority, span of control and centralisation and decentralisation are all significant influences.
- (ii) The objectives of the organisation and how these are broken down to define the goals of sub-units. Diversified organisations, for example, may require more decentralised structures with autonomous specialist units. Organisations that want to support innovation may need more flexible structures.
- (iii) The task or activity of the organisation, which determine which line and support functions are required, and the relative importance of each.
- (iv) The technology of the task (how it is organised, as well as the tools and techniques used). Technologies require certain forms of organisation to maximise their efficiency and the needs of the people involved.
- (v) The size of the organisation. As structures get larger they tend to get more complex. Formalisation, specialisation and sub-division are required in order to control and coordinate performance more closely. Geographical spread, on the other hand, may require more decentralised structures to take local factors into account.
- (vi) The human resources of the organisation. Their skills and expectations influence how far authority is decentralised (giving them more responsibility) and how work is organised (facilitating team working or utilising multi-skilled workers, for example).
- (vii) The environment of the organisation. Many factors and changes within the business environment represent opportunities and threats to which the organisation structure must be able to adapt. For example, information and communication technology has enabled organisations to adopt looser, more network-style units and to outsource areas of their activities to other organisations.
- (viii) The culture of the organisation. Managerial willingness to delegate authority will support decentralisation and values about 'responsiveness' will lead to a more flexible culture.
- (ix) Geographical location.

2 (a) An integrated system automatically links together the different elements of an accounting package, such as sales, purchases and stock. In this way, data entered into one module can automatically update a database shared by all modules. For example, a sales invoice generated by the system could then update:

- The sales ledger
- The stock module, recording the movement out of the goods
- The sales account in the nominal ledger.

There are a number of potential benefits to this (four only required):

- (i) One entry updates all of the others so there are fewer data inputs and fewer errors.
- (ii) Fewer people need to be involved in the input. This makes it possible to have more restricted access to the computer system, which enhances overall control. (However, this may have some implications for segregation of duties.)
- (iii) Errors in one module are unlikely to go unnoticed because they will impinge upon other areas.
- (iv) Frauds involving just one accounting area are difficult to maintain because queries will tend to arise in other areas.
- (v) All of the above lead to the amalgamation of better information as the basis of improvements via the integrated system and easier generation of reports across a number of module areas.

(b) Typical outputs of a computerised sales ledger are as follows (five only required):

- (i) Day book listing. A list of all transactions posted each day. This provides an audit trail, information which the auditors of the business can use when carrying out their work. Batch and control totals will be included in the listing.
- (ii) Invoices and statements, produced for customers at point of despatch and at the end of the month or a given period.
- (iii) Aged debtors list, typically produced monthly.
- (iv) Sales analysis reports. This will analyse sales according to the sales analysis codes on the sales ledger file.
- (v) Debtors' reminder letters. Letters can be produced automatically to chase up late payments when the due date for payment goes by without payment having been received.
- (vi) Customer lists. This list might be printed onto adhesive labels, for sending out customer letters or marketing material.
- (vii) Responses to enquiries, perhaps output onto a VDU screen rather than as printed copy, for fast response to customer enquiries.
- (viii) Output onto disk file for other modules, e.g. to the stock control module and the nominal ledger module, if these are also used by the organisation, and the package is not an integrated one.

3 (a) The key features of supervision are as follows (four only required):

- (i) A supervisor is usually a front-line manager, dealing with the levels of the organisation where the day-to-day work is done. The supervisor will deal with matters such as staffing and health and safety at the day-to-day operational level, whereas a manager might deal with them at a policy making level.
- (ii) A supervisor does not spend all of his or her time on the managerial aspects of the job. Much of the time will be spent doing technical/operational work.
- (iii) A supervisor is a gatekeeper or filter for communication between managerial and non-managerial staff, both upward (conveying reports and suggestions) and downward (conveying policies, instructions and feedback).
- (iv) The supervisor monitors and controls work by means of day-to-day, frequent and detailed information: higher levels of management plan and control using longer-term, less frequent and less detailed information, which must be 'edited' or selected and reported by the supervisor.
- (v) Supervisors often carry out Fayol's five functions of management (planning, organising, commanding, coordinating and controlling) at a lower, more operational level.

(b) The terms 'management' and 'leadership' are often used interchangeably. However, there have been many attempts to distinguish meaningfully between them (three only required).

- (i) Kotter (2001) argues that leadership and management involve two distinct sets of action. Management is about coping with complexity: its functions are to do with logical structure, analysis and control, and are aimed at producing order, consistency and predictability. Leadership, by contrast, is about coping with change: its activities include creating a sense of direction, communicating strategy, and energising, inspiring and motivating others to translate the vision into action.
- (ii) Yukl (1998) suggests that while management is defined by a prescribed role and position in the structure of the organisation, leaders are given their roles by the perception of others, through election, choice or influence. Leadership is an interpersonal process. Managers have subordinates; leaders have followers.

- (iii) Zaleznik (1992) suggests that managers are mainly concerned with order and maintaining the status quo, exercising their skills in diplomacy and focusing on decision-making processes within the organisation. Leaders, in contrast, direct their energies towards introducing new approaches and ideas. They create excitement and vision in order to arouse motivation and focus with empathy on the meanings of events and actions for people. Leaders search out opportunities for change.
- (iv) Katz and Kahn (1974) point out that while management aims to secure compliance with stated organisational objectives, leadership aims to secure willingness, enthusiasm and commitment. Leadership is the influential increment over and above mechanical compliance with the routine directives of the organisation.
- (v) Management can be exercised over resources, activities, projects and other essential non-personal things. Leadership can only be exercised over people.

4 (a) Interpersonal skills are particular types of communication skills and include (five only required):

- (i) Building a rapport or a sense of 'being in tune with' another person, which draws them into a relationship.
- (ii) Building trust and respect, so that the relationship is maintained and co-operation facilitated.
- (iii) Managing conflict in such a way that the relationship is preserved.
- (iv) Persuading or influencing another person to do what you want them to do or to share your beliefs.
- (v) Negotiating or bargaining in order to reach mutually acceptable or compromise solutions to problems.
- (vi) Communicating assertively, so that you uphold your rights and get your needs met – without violating the rights or ignoring the needs of others.
- (vii) Communicating informally, so that you give (and receive) relevant and timely information.
- (viii) Communicating supportively, so that you encourage the other person and gain their commitment.

(b) Interpersonal skills are particularly important for processes such as (five only required):

- (i) Motivation: persuading and inspiring employees to committed performance.
- (ii) Teamworking and team building: building trust, encouraging communication, forming co-operative relationships and managing conflict.
- (iii) Customer care (including internal customers): winning trust, managing conflict, exchanging information and persuading.
- (iv) Human resource management: negotiating, interviewing, conducting appraisals, managing formal disciplinary and grievance procedures.
- (v) Negotiation: maintaining relationships despite conflicting interests, working towards mutually acceptable solutions.
- (vi) Workload management: being able to delegate effectively, negotiating assistance, saying 'no' assertively.
- (vii) Career development: demonstrating networking, communication and leadership skills – increasingly essential for managerial roles.

5 (a) Costs to the employer may include the following (five only required):

- (i) Productive time lost by the absent employee, and by other employees who stop work at the time of, or following, the accident.
- (ii) A proportion of the cost of employing first aid and medical staff.
- (iii) The cost of disruption to operations at work.
- (iv) The cost of any damage to equipment, including subsequent modifications to make it safer.
- (v) The cost of any compensation payments or fines resulting from legal action following an accident or illness.
- (vi) The costs of increased insurance premiums.
- (vii) Possible reduced output from the employee on return to work.
- (viii) Possible reduced output, increased absenteeism or increased labour turnover as a result of low morale among workers in an environment which has been shown to be unsafe or unhealthy.
- (ix) The cost of recruiting and training a replacement for the absent employee.

(b) Some of the key requirements of a safe and healthy working environment are as follows (five only required):

- (i) Cleanliness. Floors and steps to be cleaned regularly. Clean furniture and fittings. No accumulation of rubbish.
- (ii) Avoid overcrowding. Make sure that each person has an adequate amount of space in which to work comfortably.

- (iii) Ventilation. There must be an adequate supply of fresh or purified air in circulation.
- (iv) Temperature. A reasonable temperature must be maintained.
- (v) Lighting and windows. There must be adequate natural or artificial light. Windows must be kept clean inside and outside.
- (vi) Toilets. There must be enough suitable toilets for all employees. They must be properly ventilated and lit, kept clean and properly maintained.
- (vii) Washing facilities. There should be access to clean hot and cold water, soap and towels, or equivalent.
- (viii) Drinking water. Adequate drinking water must be provided together with cups or a fountain.
- (ix) Seating. Where work must be done sitting down, seats must be suitable in design, construction and size.
- (x) Lifts. Lifts must be safe and maintained regularly.
- (xi) Machinery and equipment. All equipment must be maintained. Dangerous parts of machinery should have appropriate guards. Appropriate training should be given in the use of all machinery.
- (xii) No heavy lifting. People should not be required to lift, carry or move a load likely to cause injury. Appropriate training should be provided for all those required to undertake any lifting.
- (xiii) Fire precautions. Appropriate fire fighting equipment should be provided. Valid fire certificates should be in evidence. Escape routes clearly marked etc.
- (xiv) First aid. A first aid box/room, a trained first aider, and first aid training should all be made available.

1	(a) 1 mark for each functional area identified up to a maximum of 2 marks; 4 further marks for each explanation of the two areas previously identified.	10 marks
	(b) 1 mark for each factor given up to a maximum of 5 marks; a further 1 mark for the explanation of each factor given up to a maximum of 5 marks.	10 marks
		Total 20 marks
2	(a) 2·5 marks for each benefit explained up to a maximum of 10 marks (1 mark only if no explanation offered).	10 marks
	(b) 1 mark for each output identified up to a maximum of 5 marks and 1 further mark for each accompanying explanation.	10 marks
		Total 20 marks
3	(a) 2 marks for each feature explained (1 mark only to be awarded if a feature is identified but no explanation is offered), up to a maximum of 8 marks.	8 marks
	(b) 1 mark for each difference identified up to a maximum of 3 marks. 1 mark for each theorist referenced, up to a maximum of 3 marks. 2 marks for each explanation of the difference up to a maximum of 6 marks.	12 marks
		Total 20 marks
4	(a) 2 marks for each example stated and explained up to a maximum of 10 marks (1 mark only if no explanation offered).	10 marks
	(b) 2 marks for each example stated and explained up to a maximum of 10 marks (1 mark only if no explanation offered).	10 marks
		Total 20 marks
5	(a) 2 marks for each example of cost identified up to a maximum of 10 marks.	10 marks
	(b) 1 mark for each factor identified up to a maximum of 5 marks. 1 further mark for the accompanying explanation.	10 marks
		Total 20 marks