



Victorian Certificate of Education 2004

BUSINESS MANAGEMENT

Written examination

Thursday 11 November 2004

Reading time: 3.00 pm to 3.15 pm (15 minutes)

Writing time: 3.15 pm to 5.15 pm (2 hours)

QUESTION BOOK

Structure of book

<i>Section</i>	<i>Number of questions</i>	<i>Number of questions to be answered</i>	<i>Number of marks</i>
A	7	7	30
B	1	1 (part a., b. or c.)	10
			Total 40

- 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 book of 5 pages.
- One or more script books.

Instructions

- Write your **student number** in the space provided on the front cover of the script book(s).
- All written responses must be in English.

At the end of the examination

- Place all other used script books inside the front cover of the first script book.
- You may keep this question book.

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

SECTION A – Short-answer questions

Instructions for Section A

Answer **all** questions in the script book(s) provided.

PART 1

Read the article below and answer the following questions.



A leading newspaper reported that the phenomenon of ‘outsourcing’ has developed further. Previously, local firms maintained a business structure that did everything for the business from manufacturing products to providing services such as catering and payroll. Australian firms are now concentrating on their core business activity. It reported examples of a major automotive manufacturing company that is outsourcing all its activities apart from final car assembly. It noted that most major banks and government departments are outsourcing their call centre activities and routine clerical work to low labour cost countries.

The *Stamford Times* yesterday reported that the leading automotive manufacturing company, Turlo Motors, would obtain its car components from various businesses around the world instead of making all the components here in Melbourne. The Melbourne plant now would be obtaining its engines from a plant in South America, interior fittings from Fiji and major body components from Africa. For the last 20 years, Turlo Motors has manufactured all the car components at its plant here in Melbourne. Payroll functions may even go to a company located in Asia.

Mr Timothy, representing Turlo Motors, said all the components would be shipped to Melbourne where the Turlo cars would still be assembled.

Unions and Australian companies were shocked and angered at this trend and sought urgent Federal Government intervention to protect Australian jobs.

Question 1

Define these terms and provide an example for each term to demonstrate your understanding.

- a. globalisation
- b. outsourcing

2 + 2 = 4 marks

Question 2

Identify and explain **two** key performance indicators that Turlo Motors could use to determine the success of their outsourcing policy.

2 + 2 = 4 marks

Question 3

Discuss **two** operational management strategies that Turlo Motors will need to implement as a result of these changes.

4 marks

Question 4

List and describe **three** different management skills that the final car assembly plant manager would need to implement these arrangements.

1 + 3 = 4 marks

Total 16 marks

PART 2

Read the case study and answer the following questions.

Simeon Financial Services is a very successful Internet-based stockbroking and marketing company. It has grown remarkably in three years, from only three people to now employing over 180 staff. Its founder and managing director, Jane Simeon, has a disagreement with the company's marketing manager, Allan Houseman, about the performance appraisal that Jane has conducted of Allan's performance. Allan feels that he has met all his objectives soundly over the past year. Jane is happy with the sales goals being met, but very dissatisfied with Allan's leadership of his marketing department and the sales team. Jane and Allan agreed to bring in Susan Gerrard, the company's human resources manager, to resolve the conflicting views. Susan is very experienced in performance appraisal processes, an expert in performance measurement, and is considered an excellent leader in her own right.

Allan is adamant that he is in full control of looking after his staff in the sales and marketing areas of the company. However, Jane insists that there is much more to good leadership. Allan and Jane agree to accept Susan's judgment on the matter.

Question 5

Define these terms and provide an example for each term to demonstrate your understanding.

- a. leadership
- b. performance appraisal

2 + 2 = 4 marks

Question 6

Leading is a key management role. Identify and explain **two** other key management roles that the marketing manager would need to demonstrate to be successful.

2 + 2 = 4 marks

Question 7

- a. Identify a management style that the human resources manager could use to resolve the conflict and describe three features of this style.
- b. Justify your choice of management style.

4 + 2 = 6 marks

Total 14 marks

SECTION B – Extended response**Instructions for Section B**

Answer either **a.**, **b.** or **c.** of Question 8 in this section in the script book(s) provided.

Indicate which part, **a.**, **b.** or **c.** of Question 8 you have answered.

In your answer you should refer to your study of organisations and/or recent research that is relevant to the study of Business Management.

Question 8

- a.** All large organisations face significant contemporary change management issues.
- Describe a significant contemporary change management issue that an organisation may face.
 - What would be the benefits to an organisation of implementing effective change management strategies?
 - Use an example to show how an organisation has incorporated effective change management into its business practices.

OR

- b.** Induction and training are two key elements of the employment cycle.
- Describe what induction and training involve.
 - Why is each of these key elements important in assisting an organisation to achieve its goals?
 - Use an example to show how an organisation has used either of these key elements to motivate and retain its staff.

OR

- c.** Operations managers often use benchmarking as one of their strategies to improve the quality of their processes.
- Describe the key elements or strategies of an operations management system.
 - What are the benefits of using benchmarking as part of its operations management system for an organisation?
 - Use an example to show how an organisation has improved any aspect of its operations management system.

10 marks