



Business Management Pillar

Managerial Level Paper

Paper 5 – Integrated Management

26 May 2005 – Thursday Morning Session

Instructions to candidates

You are allowed three hours to answer this question paper.

You are allowed 20 minutes reading time **before the examination begins** during which you should read the question paper and, if you wish, make annotations on the question paper. However, you are **not** allowed, **under any circumstances**, to open the answer book and start writing or use your calculator during this reading time.

You are strongly advised to carefully read the question requirement before attempting the question concerned. The requirements for the questions in Sections B and C are contained in a dotted box.

Answer the ONE compulsory question in Section A. This is comprised of eight sub-questions on pages 2 to 4.

Answer the THREE questions in Section B on pages 5 and 6.

Answer TWO of the three questions in Section C on pages 7 to 9.

Write your full examination number, paper number and the examination subject title in the spaces provided on the front of the examination answer book. Also write your contact ID and name in the space provided in the right hand margin and seal to close.

Tick the appropriate boxes on the front of the answer book to indicate which questions you have answered.

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SECTION A – 20 MARKS

[the indicative time for answering this section is 36 minutes]

ANSWER ALL EIGHT SUB-QUESTIONS

Instructions for answering Section A:

The answers to the eight sub-questions in Section A should ALL be written in your answer book.

Your answers should be clearly numbered with the sub-question number and then ruled off, so that the markers know which sub-question you are answering.

Question One

1.1 Identify which ONE of the following perspectives of strategic management is defined by Mintzberg as “patterns or consistencies realised despite, or in the absence of, intentions”?

- A** Rational
- B** Logical Incrementalism
- C** Emergent
- D** Positioning

(2 marks)

1.2 State which ONE of the following represents the four phases of negotiation:

- A** Preparation, opening, bargaining, closing
- B** Opening, bargaining, decision, closing
- C** Preparation, bargaining, negotiating, closing
- D** Opening, negotiating, decision, closing

(2 marks)

1.3 Which ONE of the following organisational forms is best suited to a project which requires integration from a number of different functions?

- A** Functional
- B** Network
- C** Divisional
- D** Matrix

(2 marks)

1.4 Identify which ONE of the following best describes the scope of a project?

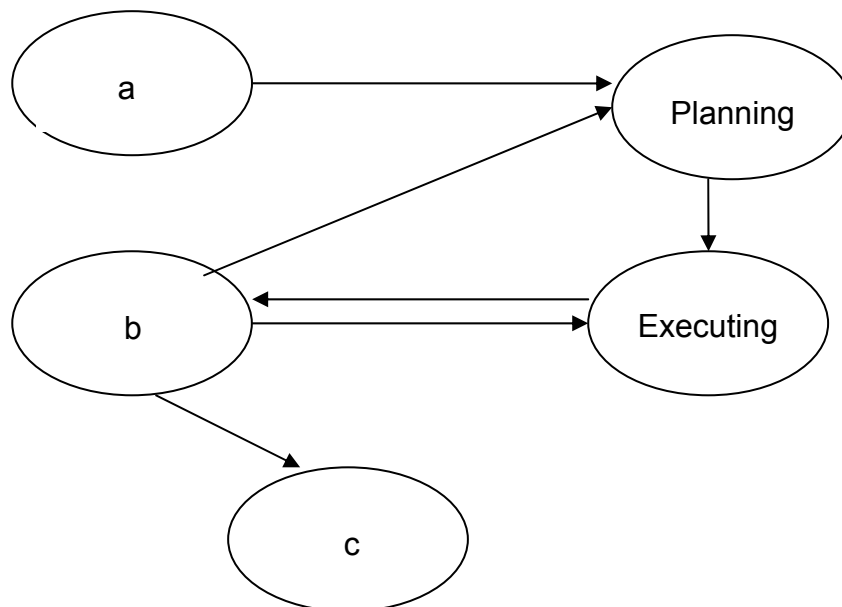
- A A statement of client needs
- B The extent of work needed to produce the project's deliverables
- C The specification of resources required
- D The sequence of activities

(2 marks)

1.5 Porter's work on industry competition suggests that the strength of market entry depends on the existence of barriers to entry against the entrant. Identify **three** factors that create barriers to entering an industry.

(3 marks)

1.6 Identify **three** missing words (using a, b and c) to complete the diagram of the five process areas of project management proposed by the Project Management Institute.



(3 marks)

1.7 List **three** types of feasibility study that might be undertaken as part of project planning.

(3 marks)

TURN OVER

- 1.8** Blake and Mouton developed the managerial grid to provide a framework for applying effective management. Draw the managerial grid labelling the horizontal axis and vertical axis and identify on the grid where the team management style is located.

Note: graph paper is not required.

(3 marks)

(Total for Section A = 20 marks)

End of Section A

SECTION B – 30 MARKS

[the indicative time for answering this Section is 54 minutes]

ANSWER ALL THREE QUESTIONS

Question Two

T, the HR manager of X Investment Bank is keen to develop and introduce policies that will enhance the relationship between managers and their subordinates. Having recently attended a conference on workplace stress, T has recommended that the Bank should introduce a stress management programme. He feels that the introduction of such a programme would not only minimise the harmful impact that stress can have on organisational performance, but could also improve working relationships.

Required:

Discuss the measures that T could introduce as part of the proposed stress management programme to minimise stress related problems.

(Total for Question Two = 10 marks)

Question Three

Many organisations now include explicit reference to their commitment to act in a socially responsible manner in their mission statement. This then forms an integral part of organisational strategies and policies. However, some shareholders see social responsibility as conflicting with their main interest in the company which is that of creating maximum shareholder wealth.

Required:

Explain the main arguments for and against the view that socially responsible business decisions can achieve sustainable competitive performance and improve shareholder value.

(Total for Question Three = 10 marks)

Section B continues on the next page

TURN OVER

Question Four

R has taken on the responsibility for organising the annual conference for the local Society of Management Accountants. Remembering the project management techniques she came across when studying for her professional qualification, R has decided that critical path analysis may be helpful in planning the conference.

As a start, R has drawn up a list of the activities she must complete in preparation for the conference, she has identified the dependency between the different activities and the time she thinks each will take.

Activity		Dependency	Time (weeks)
Determine conference theme	A	-	3
Research alternative venues	B	-	6
Identify and book guest speakers	C	A	4
Book venue	D	B	2
Print conference papers	E	C	8
Print and send out invitations	F	D	4
Confirm final arrangements with venue and deliver documents	G	E,F	2

Required:

Using the information from the scenario, construct a network diagram and explain how information from this could be useful to R in planning the conference.

(Total for Question Four = 10 marks)

Total for Section B = 30 marks

End of Section B

SECTION C – 50 MARKS

[the indicative time for answering this section is 90 minutes]

ANSWER TWO QUESTIONS FROM THIS SECTION

Question Five

A is the Chief Executive Officer (CEO), of L Company, which manufactures and sells electrical appliances such as vacuum cleaners, washing machines and dish-washers. She founded the company fifteen years ago, along with W who provided the financial backing for the business. Whilst A is the CEO, her main interest is inventing new product designs. The company's competitive advantage has, in the past, been achieved through innovative technological and design features that have been difficult for other companies to copy. This has allowed the company to charge premium prices for its products.

Over the years the company has grown significantly, and it now employs over 1,000 staff. It has diversified into producing televisions and media equipment and has more recently moved into the PC market. The company has manufacturing plants around the world, but the headquarters remains in country G.

When the company was first established it was very much based on an entrepreneurial structure with no formal control systems in place. Staff joined the company because it provided an exciting and creative environment in which to work. Teamworking and lateral communications to solve problems were encouraged. Everyone was on first name terms and the company invested in the development of staff.

However, over time the company has changed to a functional structure and bureaucratic and rigid control mechanisms have been put in place. In recent months sales have slowed down. A is concerned that the company may have lost its ability to be creative and innovative, as well as its entrepreneurial spirit. This could mean disaster in the future.

Required:

- (a) (i) Compare and contrast an entrepreneurial structure and a functional structure.

(7 marks)

- (ii) Advise A why a functional structure may no longer be appropriate for L Company.

(6 marks)

- (b) Discuss the different approaches that could be used to encourage creativity and innovation in L Company.

(12 marks)

(Total for Question Five = 25 marks)

TURN OVER

Question Six

S Company is a major retailer selling mobile phones. In recent years the Company has opened new outlets and taken on more support staff at the head office. As a result the Company has outgrown its existing headquarters and so the decision has been taken to relocate to a larger purpose-built building.

Although the building work is complete, there are a number of different initiatives associated with the relocation. These include making sure that the premises are ready to move into on time and within budget and setting up a customer service contact team to support the retail outlets dealing with customer enquiries and complaints. In addition, an up graded office IT support system is to be designed and must be ready for installation in the new premises.

P, the head of facilities management, has decided to establish a project team to ensure that all of the activities associated with the move to the new premises are co-ordinated and within budget. She has the formal role of project sponsor working on behalf of the Board and has appointed D to manage the project.

Required:

- (a) Identify and explain the activities that D would need to undertake in the planning phase of the project for re-location.
(15 marks)
- (b) Compare and contrast the roles of P, as the project sponsor and D, as the project manager.
(10 marks)

(Total for Question Six = 25 marks)

Question Seven

V is the Chief Executive of M Company, a manufacturer of prepared frozen foods. The company is facing difficult business conditions with strong competition from supermarket own brand products and consumer demand for variety and new products as their tastes change.

However, V is aware of the problems the company has encountered when undertaking new product development (NPD) in the past. Whilst collaboration is essential, instead there have been disagreements and arguments between the various departments.

The marketers complain that the Research and Development (R&D) department is very slow in responding to their proposals for new recipes and the whole process of R&D takes too long. The production department has protested that R&D does not consider the implications for the production process when coming up with new recipes and product packaging. The sales team is frustrated by the length of time the whole NPD process takes. The lack of new products puts it at a disadvantage when negotiating with retailers to sell M Company's products.

The Finance department is concerned that the investment in NPD does not provide adequate returns, and both the marketing and R&D departments are always over budget. However, other departments see Finance as controlling and sanctioning spend rather than supporting new product development.

V knows that to remain competitive, changes need to be made to the NPD process in the company. He has decided to establish a cross-functional team to work on a new range of ready prepared frozen foods to appeal to the luxury end of the market.

Required:

- (a) Analyse the nature and sources of conflict between the different departments in M Company.

(10 marks)

- (b) Describe the factors that V should consider in building a successful cross-functional project team

(15 marks)

(Total for Question Seven = 25 marks)

Total for Section C = 50 marks

End of Question Paper

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