



Business Management Pillar

Managerial Level

## P4 – Organisational Management and Information Systems

23 November 2005 – Wednesday afternoon 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 will not be 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 all the question requirements before attempting the question concerned (that is, all parts and sub-questions). The question requirements for Sections B and C are contained in a dotted box.

Answer the ONE compulsory question in Section A. This is comprised of twenty sub-questions and is on pages 2 to 6.

Answer ALL six compulsory sub-questions in Section B on pages 8 and 9.

Answer ONE of the two questions in Section C on pages 10 to 11.

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.

TURN OVER

SECTION A – 50 MARKS

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

ANSWER ALL TWENTY SUB-QUESTIONS

***Instructions for answering Section A***

The answers to the twenty 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 ruled off so the markers know which sub-question you are answering. For multiple choice questions you need only write the sub-question number and the letter of the answer option you have chosen. You do not need to start a new page for each sub-question.

Each of the sub-questions numbered from **1.1** to **1.15** inclusive, given below, has only ONE correct answer, worth two marks.

**Question One**

1.1 The most radical form of organisational change includes a cultural shift and is described as

- A emergent change.
- B transformational change.
- C step change.
- D incremental change.

*(2 marks)*

1.2 Establishing a staff help line when attempting to cope with resistance to change is an example of

- A facilitation.
- B manipulation.
- C coercion.
- D co-optation.

*(2 marks)*

1.3 The processes of job analysis and individual performance appraisal are related in the sense that

- A they are different terms for the same process.
- B performance appraisal is based on job analysis.
- C both form part of the selection process.
- D job analysis is based on performance appraisal.

*(2 marks)*

**1.4** Content theories of motivation tend to focus mainly on

- A** the needs of the group.
- B** feelings of complacency or dissatisfaction.
- C** the needs of individuals.
- D** the use of “carrots” and “sticks” as devices.

*(2 marks)*

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**1.5** Third party consultants, therapy groups and confrontation are normally all associated with

- A** industrial disputes over terms and conditions.
- B** the process of job evaluation.
- C** a firm experiencing severe trading difficulties.
- D** organisational development (OD).

*(2 marks)*

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**1.6** “Market shakeout” involves the weakest producers exiting a particular market and occurs in a period between

- A** growth through creativity and growth through direction.
- B** introduction and market growth.
- C** market growth and market maturity.
- D** market maturity and decline.

*(2 marks)*

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**1.7** It is the role of “outplacement consultants” to

- A** provide help to redundant employees including training and finding jobs.
- B** provide help to employees wishing to gain experience in other roles.
- C** arrange for placing products in an untested market place.
- D** arrange for placing under-used assets at the disposal of start up businesses.

*(2 marks)*

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**1.8** F W Taylor’s thinking on motivation in the workplace involved a belief that

- A** social groups and individuals as part of a culture should be key considerations.
- B** reward for effort and workplace efficiency should be key considerations.
- C** managers had two different sets of assumptions about their subordinates.
- D** “motivators” and “hygiene factors” should be key considerations.

*(2 marks)*

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TURN OVER

- 1.9** The choice to buy a fast-moving consumer good (FMCG) is normally
- A** a personal choice involving relatively low financial outlays.
  - B** a personal choice involving relatively high financial outlays.
  - C** a choice made on behalf of an organisation involving moderate outlays.
  - D** a personal choice influenced by new features, fashions and old product wearout.

*(2 marks)*

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- 1.10** Analysing a market into sub-groups of potential customers with common needs and behaviours in order to target them through marketing techniques is called

- A** market research.
- B** market development.
- C** segmentation.
- D** product adaptation.

*(2 marks)*

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- 1.11** A main aim of electronic data interchange (EDI) is

- A** to improve communication exchanges within an organisation.
- B** to replace conventional documentation with structured electronically transmitted data.
- C** to allow employees to work at home.
- D** to create a shared data resource within an organisation.

*(2 marks)*

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- 1.12** International standard ISO 14001 “Environmental Management Systems” encourages processes for controlling and improving an organisation’s

- A** performance on “green” issues.
- B** performance on quality issues as they relate to the competitive environment.
- C** performance on scanning an industry environment.
- D** performance on its internal investment in people.

*(2 marks)*

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- 1.13** Separate people or groups such as initiators, influencers, buyers and users are all involved in a buying decision in the context of

- A** fast moving consumer goods marketing.
- B** business-to-business marketing.
- C** business-to-consumer marketing.
- D** services marketing.

*(2 marks)*

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- 1.14** In terms of employment CIMA's ethical guidelines require members to
- A** act responsibly in the way that all other professionals do.
  - B** act responsibly but in a way that satisfies organisational demands and pressures.
  - C** act responsibly but in a way that satisfies the individual's own ethical code.
  - D** act responsibly, honour any legal contract of employment and conform to employment legislation.

*(2 marks)*

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- 1.15** 360 degree feedback is part of a system that encourages
- A** organisational appraisal based on feedback from customers and suppliers.
  - B** organisational appraisal based on relative industry and competitor performance.
  - C** personal appraisal based on feedback from peers, subordinates, line managers and even external parties.
  - D** personal appraisal based on line manager feedback and self-appraisal documentation.

*(2 marks)*

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*(Total for sub-questions 1.1 to 1.15 = 30 marks)*

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*Section A continues on the next page*

TURN OVER

**Required:**

Each of the sub-questions numbered **1.16** to **1.20** below requires a brief written response. Each sub-question is worth 4 marks.

Each response should be in note form and should not exceed 50 words.

- 1.16** Explain the relationship between “data independence” and a database approach to flexible data management. *(4 marks)*
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- 1.17** Change occurs when there is organisational growth through takeover. Certain basic “rules” for takeovers to succeed have been suggested which need to be considered before the takeover occurs. Identify what these rules are for an organisation considering a takeover. *(4 marks)*
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- 1.18** Compare and contrast product orientated organisations and production orientated organisations. *(4 marks)*
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- 1.19** Distinguish Quality Assurance (QA) systems from quality control systems. *(4 marks)*
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- 1.20** Briefly explain the main factors management should take into account when choosing computer hardware. *(4 marks)*
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*(Total for these sub-questions = 20 marks)*

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*(Total for Section A = 50 marks)*

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**End of Section A**

**Section B starts on page 8**

*Section B starts on page 8*

TURN OVER

SECTION B – 30 MARKS

[the indicative time to answer this section is 54 minutes]

ANSWER ALL SIX SUB-QUESTIONS.

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**Question Two**

You are a researcher employed by a topical business discussion television show “Round The Table”. Next week’s discussion is about managing supply to achieve quality and customer satisfaction. Invited guests will be a leading academic, public and private sector senior managers and the chief executive of a car producer. You have been asked to prepare an outline briefing that will give some background information to the show’s presenter.

Your research shows that the automobile industry is highly competitive and globally suffers from “overcapacity”. In certain countries however, there is unfulfilled demand for specialist makes and models, implying some under capacity “hot spots”. You understand that for any organisation, whether producing goods or services, effective capacity management is vital. It ensures that customers’ needs are more fully met and that there are fewer unfulfilled delivery date promises. There are several ways of dealing with variations in demand and matching production capacity including:

- concentrating on inventory levels (a “Level capacity” strategy).
- concentrating on demand (a “Demand” strategy).
- adjusting levels of activity (a “Chase” strategy).

As part of your investigation you note that distinctive issues exist for service organisations (such as those found in the public sector) compared with manufacturing organisations (such as car producers).

*The requirement for this question is on the page opposite*



**Required:**

As the show's researcher you are required to produce guidance notes to support the show's presenter which:

- (a) discuss why a level capacity strategy might be difficult for a firm wishing to adopt a just-in-time (JIT) philosophy;  
(5 marks)
- (b) discuss the impact of demand strategies on an organisation's marketing practices;  
(5 marks)
- (c) discuss the relationship between chase strategies and the flexible organisation;  
(5 marks)
- (d) identify the ways that service organisations differ from manufacturing organisations when considering capacity management;  
(5 marks)
- (e) describe the types of software applications a manufacturing firm might introduce to improve its inbound logistics;  
(5 marks)
- (f) describe the types of computerised assistance that could be used by those involved in selling cars and wanting to improve demand.  
(5 marks)

*Notes (a) to (d) should have particular regard to quality, capacity and other organisational issues.*

**(Total = 30 marks)**

Important note: Use a separate page of your answer book for each question (meaning that your responses are contained on no more than six pages in total).

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**(Total for Section B = 30 marks)**

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TURN OVER

SECTION C – 20 MARKS

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

ANSWER ONE QUESTION ONLY

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**Question Three**

NS is a large insurance company. The company is structured into four Divisions and supported by a small headquarters that includes the personnel function (recently renamed the Human Resources (HR) Division). The post of Head of HR is vacant following the retirement of the long serving post holder, and the HR strategy is in urgent need of review and revision.

NS has recently announced a new corporate initiative of continuous improvement through the empowerment of its workforce. The Chief Executive explained: “we value our people as our most prized asset. We will encourage them to think, challenge and innovate. Only through empowering them in this way can we achieve continuous improvement. Staff will no longer be expected just to obey orders, from now on they will make and implement decisions to bring about continuous improvement. We want to develop clear performance objectives and be more customer focused.”

Your line manager is one of the four Divisional directors and will soon form part of a panel that will interview candidates for the vacant role of HR director. She is particularly keen to ensure that the successful candidate would be able to shape the HR Division to the needs of the organisation. She is aware of your CIMA studies and has asked for your help in preparing for the interview.

***Required:***

Produce outline notes for your Divisional director which discuss the main points you would expect candidates to highlight in response to the following two areas she intends to explore with candidates at the interview, specifically:

- (a) The likely role that the HR Division will perform in the light of the changing nature of the organisation; and  

**(10 marks)**
- (b) The aspects of the HR strategy that will change significantly, given the nature of recent developments within NS.  

**(10 marks)**

**(Total = 20 marks)**

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#### Question Four

SX is a growing company that has successfully used local radio advertising for the past few years to raise awareness of its products. It supplies fresh “quality” sandwiches, home baked snacks, the finest coffee and freshly squeezed fruit juices for sale at premium prices in petrol filling stations. Products are produced by traditional methods from very early morning by a team of employees at a central depot and are delivered throughout the day by a few casual workers in a fleet of vehicles.

SX has for the first time undertaken a full strategic marketing planning process. One weakness identified was that the number of deliveries required was increasing, while some of the drivers were becoming increasingly unreliable. The owner is worried that this may create an unfavourable image with customers and lead to delays in delivery.

In terms of opportunities, the owner of SX is now aware that by using technology to a greater degree and identifying customer needs more fully, the firm can grow at an even greater rate. To this end it is proposed that time saving food preparation and packaging equipment be purchased. This will mean considerably fewer people involved in food preparation but the owner feels that some employees could be redeployed as drivers on a permanent basis. The role of driver would be redefined, and in addition to making deliveries, he or she would be expected to:

- get direct feedback from customers;
- persuade petrol stations to take new product lines;
- provide intelligence on competitor’s products and likely future demand;
- hopefully persuade other petrol stations and outlets (such as railway stations and newspaper shops) to stock SX products.

The owner is keen to progress change, consequently:

- The Head of delivery and customer relationships has been tasked with developing new job and person details for the driver posts. These will then be discussed with existing food preparation staff.
- A marketing action plan will soon be prepared based on the strategic marketing plan, which will contain immediate marketing issues and actions required. Some detail is already available on people and price so the main areas to consider are product, place and promotion.

*Required:*

- (a) Based on your understanding of the changes proposed by SX, identify the main issues that will be included in the marketing action plan and discuss the implications of these. Your response should consider issues of product, place and promotion only.

*(10 marks)*

- (b) Based upon the information given to you concerning SX, and your own study and experience, produce a draft job description for the redefined post of driver.

*(10 marks)*

*(Total = 20 marks)*

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*(Total for Section C = 20 marks)*

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*End of Question Paper*

*Business Management Pillar*

*Managerial Level*

*Paper 4 – Organisational  
Management and Information  
Systems*

*November 2005*

*Wednesday Afternoon Session*