

General Comments

Although the same performance levels as May 2005 were not achieved, most candidates appeared to have coped with the requirements of the paper. Overwhelmingly, candidates scored heavily on Question 1 with a mixed performance in the remainder of the paper. In terms of Part C (the elective section) Question 4 proved to be the more popular choice.

SECTION A – 50 MARKS

ANSWER ALL TWENTY SUB-QUESTIONS

- Questions 1.1 to 1.15 are worth 2 marks each (30 marks in total)
- Questions 1.16 to 1.20 are worth 4 marks each (20 marks in total)

Question 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)

The answer is **B**

Question 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)

The answer is **A**

Question 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)

The answer is **B**

Question 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)

The answer is **C**

Question 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)

The answer is **D**

Question 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)

The answer is **C**

Question 1.7

It s 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)

The answer is **A**

Question 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)

The answer is **B**

Question 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)

The answer is **A**

Question 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)

The answer is **C**

Question 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)

The answer is **B**

Question 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)

The answer is **A**

Question 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)

The answer is **B**

Question 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)

The answer is **D**

Question 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)

The answer is **C**

Questions 1.16 to 1.20. For guidance, the Examiner has given a fuller answer than would normally be expected from a well prepared candidate.

Question 1.16

Explain the relationship between “data independence” and a database approach to flexible data management.

(4 marks)

Answer:

A database approach involves collecting integrated common data that is then shared throughout the organisation.

Data Independence is an essential feature of a database approach. It means that data exists independently of the programs that use it. The flexibility it gives includes:

- Data or programs can be amended without changing the other.
- Multiple users, using different programs, can access the same data at the same time
- Data being wholly shared represents an expanded collective resource allowing a greater potential for flexible and enhanced usage.

Question 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)

Answer:

Drucker (1982) feels that there are five basic rules/guidelines which involve asking is there:

- Contribution? What contribution can it make (other than money) to the acquired company?
- Common core? Both companies should have common markets, production operations or technology.
- Value? (of the products, services and customers).
- Available management cover? (If key managers leave the acquired company.)
- Linkage? Within a year there should be promotion of staff across the two previously separate companies.

Question 1.18

Compare and contrast product orientated organisations and production orientated organisations.

(4 marks)

Answer:

	Product Orientated	Production orientated
Main focus	Product features	Production efficiency
Quality	May be high	May be low
Cost	May be high	Low
Sales	Not sufficiently considered	Low quality may lead to lower sales

Neither organisation:

- Has researched market demand
- Is in touch with customers and their requirements

Both risk products not selling sufficiently.

Note: An alternative valid interpretation of the organisations could be as follows:

Production orientated companies have a production department budget (excluding purchasing)) representing the largest percentage of company turnover, whereas a product orientated company is one where the design department budget represents the largest proportion of turnover. Examples of the former include a subcontract painter or Rolls Royce and examples of the latter include an Architect's practice or Amstrad with their E phones.

Question 1.19

Distinguish Quality Assurance (QA) systems from quality control systems.

(4 marks)

Answer:

Both have a different philosophy on quality:

- Quality Control (QC) systems attempt to **control** quality areas.
- Quality Assurance (QA) systems attempt to **create** quality.

QC involves managing each stage of production to minimise errors (a third party, negative intervention process). QC inspects inwards.

QA checks quality in a positive way encouraging worker ownership for quality and "zero defects". QA prevents beforehand.

Question 1.20

Briefly explain the main factors management should take into account when choosing computer hardware.

(4 marks)

Answer:

Main factors when choosing computer hardware include:

- Suitability: cost, user requirements.
- Acceptability: manufacturer’s reputation, computer specification, built in features (e.g. security).
- Feasibility: compatibility with existing systems, computers used elsewhere within the organisation’s industry, etc

Rationale

Question One parts 1.1 – 1.15 test candidates’ knowledge of a wide variety of topics within the syllabus through the use of objective test questions in a conventional “multiple choice” format. Question 2 parts 1.16 – 1.20 provides further objective tests requiring a short answer response. These sub-questions (valued at 4 marks each) test knowledge and understanding. Sub-questions 1.16 – 1.19 test various aspects of the Information Systems topic of the syllabus (learning outcomes A (ii), (v), (vi) and (vii)) while 1.20 tests the Operations Management learning outcome C (iv).

Suggested Approach/Marking Guide

Marks

Sub-questions 1.1 – 1.15. These sub-questions have been constructed on the basis that there is only one correct answer. Marking is therefore on the basis of 2 marks for a correct answer and 0 marks for an incorrect answer. 0 or 2

Sub-questions 1.16 – 1.20. Responses should be in note form and should not exceed 50 words per sub-question (approximately half a page of the answer book). The use of bullet points and short definitions as part of notes is perhaps the most effective approach.

An excellent response containing the majority of the points suggested in the examiner’s answers or with alternative valid points instead. An excellent demonstration of understanding and application of subject matter 4

A good/very good response containing a substantial number of the points suggested in the examiner’s answers or with valid alternative points instead. A good demonstration of understanding and application of subject matter 3

A sound response containing some points suggested in the examiner’s answers or with valid alternative points instead. Demonstrates understanding and application of subject matter. 2

A weak response that nevertheless may contain some valid point(s). Demonstrates little understanding and application of subject matter. 1

A failure to achieve the standard suggested above. 0

Examiner’s Comments

Most candidates coped well with the requirements of this question. Pleasingly more scripts conformed to the 50 word limit. (Only the first 50 words of the candidates’ response attracted marks.)

Common Errors

- Poor level of knowledge.

SECTION B – 30 MARKS
 ANSWER ALL PARTS OF THIS QUESTION.

Question 2

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)

(Total for Section B = 30 marks)

Rationale

Question two offers a plausible scenario from which a series of sub-questions arise.

Parts (a) to (f) test candidates' knowledge and understanding by the application of thinking mainly from Information Systems, Operations Management and Marketing topics to the scenario. Learning outcomes A(iv), C(i), C(iv), D(ii) and E(v) are tested.

Responses for each sub question are expected on a single side of A4 and in a form that might include a few sentences and bullet points. This limit simulates a real life scenario in which accuracy, brevity and clarity is called for and also hopefully prevents candidates from spending a disproportionate amount of time on each sub-question. When answering a sub-question candidates might use purposeful illustrations based upon aspects of the scenario.

Suggested Approach/Marking Guide

Marks

Responses were expected in the form of bullet points with some elaboration in the form of a few short sentences, brief definitions and examples.

Part (a)

Level Capacity Strategy

- Explanation of level capacity strategy.
- Explanation of JIT philosophy.
- Identification of key aspects of both that are inconsistent/difficult to achieve practically.

Limited answer: Limited or some recognition of either level capacity strategy or JIT.

1 max

Pass standard answer: Understanding of both aspects and some relationship relevant to the scenario established.

2-3 max

Strong answer: Explanation of both aspects relationship/mismatch clearly identified and strongly related to the scenario.

4-5 max

Part (b)

Demand Strategy

- Explanation of demand strategies and their impact.
- Outline relevant marketing practices.
- Establish a relationship between both, identifying key points.

Limited answer: Limited or some recognition of demand strategies. 1 max

Pass standard answer: Understanding of both aspects and some relationship relevant to the scenario established with some points arising. 2-3 max

Strong answer: Clear discussion including explanation of both aspects with key points arising strongly related throughout to the scenario. 4-5 max

Part (c)

Chase Strategies

- Explanation of chase strategies.
- Explanation of the flexible organisation.
- Identification of key relevant issues within the context of the scenario.
- Discussion of the relationship between both

Limited answer: Limited or some recognition/description of chase strategies or the flexible organisation. 1 max

Pass standard answer: Solid attempt with recognition and understanding of both concepts and some relationship between the two established by citation of key aspects. 2-3 max

Strong answer: Clear explanation of both concepts and discussion with purposeful examples and key points identified consistent with the scenario. 4-5 max

Part (d)

Service and Manufacturing Organisations

- Establish differences for a service organisation.
- Identification of features/examples relevant to the concept of capacity management.

Limited answer: Limited listing of features of a service organisation. 1 max

Pass standard answer: Listing of “different” features of a service organisation. Some purposeful examples of issues relevant to capacity management. 2-3 max

Strong answer: Identification of “different” features of a service organisation, several purposeful examples of issues relevant to capacity management. 4-5 max

Part (e)

Software Applications

1-2 marks per discrete application that establishes its value to inbound logistics. 5 max

Part (f)

Computerised Assistance

1-2 marks per discrete type that establishes its value in selling/improving demand. 5 max

Examiner’s Comments

A variable performance by candidates. Some handled most sub-questions well and scored heavily. Others did not understand the concept of capacity management (despite prompts in the question) and failed to relate their thinking to other aspects of the syllabus specifically, IS. More positively most candidates contained their responses to the requested single page.

Common Errors

- A lack of basic knowledge.
- In some cases poor application of knowledge.
- There was a common misunderstanding under 2(b) of what demand strategies mean in the given context.

SECTION C – 20 MARKS
ANSWER ONE QUESTION ONLY

Question 3

- (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 for Question Three = 20 marks)**

Rationale

Question Three tests candidates' understanding of issues associated with Managing Human Capital and requires an application of knowledge to the scenario set of change within a large insurance company.

Part (a) explores the candidates' understanding of the likely role the human resource management function will perform in the future and in so doing tests learning outcome E(i)

Part (b) concentrates on the features of the human resource strategy that will change given the circumstances and likely future issues for the given organisation. This sub-question tests learning outcome E (v).

Suggested Approach/Marking Guide	Marks
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<i>Part (a)</i>	
<ul style="list-style-type: none"> • Analysis of the changing nature of the company. • Distinguish between HR and Personnel roles. • Identification of HR roles relevant to scenario. 	
Limited answer: Limited description of HR function. Identification of some. Little or superficial relationship to scenario established.	3 max
Pass standard answer: Solid analysis of the changing nature of the company. Clear differentiation of HR and Personnel roles. Some relevant roles clearly related to the scenario.	5 max
Strong answer: Purposeful analysis of the changing nature of the company. Insightful differentiation of HR and Personnel roles. Many clearly related wholly relevant examples of HR roles drawn from the scenario.	10 max

Part (b)

- Identification of relevant aspects of the HR strategy (e.g. structure and job roles, job content, education and training, reward systems, target setting and appraisals, review mechanisms, communication systems etc.).
- Discussion of change required to each in the light of developments.

1-2 marks per relevant aspect of the HR strategy clearly related to the scenario and identifying changes required/implied.

10 max

Examiner's Comments

This was not a popular choice and few attempting this question performed to a high standard. A substantial number of scripts were muddled and lacked structure and cohesion.

Common Errors

- A tendency to adopt an "all I know about..." approach.
- A muddling of responses to the requirements of part (a) (the role of the future department) and the HR strategy (part (b)) with some candidates repeating the same comments.

Question 4

(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 for Question Four = 20 marks)

Rationale

Another short scenario forming the basis for two separate questions.

Question Four part (a) tests understanding of strategic marketing planning and plans and requires a conceptualisation of this understanding to the organisation described in the scenario. The sub-question directs candidates to restrict their responses to three specified areas of the marketing mix. In this way candidates are assisted in scoping their answers. The learning outcome D(vi) is tested through this sub-question.

Part (b) tests one dimension of learning outcome E(iii) and requires the drafting of a job description based upon the scenario. Candidates are encouraged to draw on their knowledge, understanding and personal experience when completing this requirement.

Suggested Approach/Marking Guide

Marks

Part (a)

- Identify relevant marketing framework for discussing issues (e.g. "Ps" framework).
- Identify practical issues arising from scenario and their implication upon marketing.

1-2 marks per relevant issue clearly arising from scenario and requiring address through the marketing action plan.

10 max

Part (b)

- Draft job description layout including main headings (e.g. Job Title, Responsible to, Posts responsible to the jobholder, Brief description and overall purpose, Special requirements, Physical location of job, Special circumstances, Other responsibilities etc.).
- Complete job description drawing from what is known/implied from the scenario.

Note: The layout of job descriptions vary and the headings suggested are indicative rather than prescriptive. Credit would be given for alternative relevant headings.

Limited answer: Job description with appropriate headings and some detail relevant to the scenario. Answers that mix person and job details are unlikely to attract more than 3 marks. 3 max

Pass standard answer: Job description with mainly appropriate headings/layout and containing some detail relevant to the scenario. 5 max

Strong answer: Clearly laid out job description with wholly appropriate headings/layout and containing detail clearly drawn from the scenario or potentially relevant to it. 10 max

Examiner's Comments

This was a popular question and most candidates answered part (a) in particular, well. Part (b) however, exposed a basic lack of knowledge of the structure and content of a job description.

Common Errors

- Part (b) contained some poor responses including development of person specifications and job advertisements rather than job descriptions.
- Poor levels of knowledge.
- Poor application of knowledge.