

### General Comments

This represented the fifth examination diet and the first with revised weighting between sections of the paper. Section A has been reduced by ten marks (5x2 mark multiple choice questions) and Section C reflecting questions weighted at 30 marks rather than 20 marks.

Candidates again scored heavily on Question 1 with a mixed performance in the remainder of the paper. It is curious that where responses were limited by word count or space in questions 1 and 2, many candidates exceeded those limits and in questions 3 and 4 where there were no such limits, there was, in a large number of cases, a paucity of response.

#### SECTION A – 40 MARKS

##### ANSWER ALL FIFTEEN SUB-QUESTIONS

- Questions 1.1 to 1.10 are worth 2 marks each (20 marks in total)
- Questions 1.11 to 1.15 are worth 4 marks each (20 marks in total)

#### Question 1.1

Entity life histories, data flow diagrams and decision tables are all examples of

- A** requisite variety and system entropy.
- B** evaluation techniques when appointing a preferred supplier.
- C** recording techniques used during the analysis and design of a system.
- D** software considerations in project design.

(2 marks)

The answer is **C**

#### Question 1.2

An organisation's credit policy represents a variable within

- A** the price marketing mix.
- B** the product marketing mix.
- C** product placement.
- D** the matrix of potential sales and growth.

(2 marks)

The answer is **A**

#### Question 1.3

According to Porter's value chain, the final primary activity is referred to as

- A** marketing and sales.
- B** outbound logistics.
- C** procurement.
- D** service.

(2 marks)

The answer is **D**

**Question 1.4**

The TQMEX model is a framework that integrates processes associated with

- A** total quality management experience through accreditation.
- B** supply chain management.
- C** both operations and quality management.
- D** organisational development.

*(2 marks)*

The answer is **C**

**Question 1.5**

Input devices are communication links

- A** between the user and the computer.
- B** between hardware and software.
- C** between processing devices.
- D** within data processing.

*(2 marks)*

The answer is **A**

**Question 1.6**

In systems theory a sensor is

- A** the person who acts on “results”.
- B** sensitive personal data used as input.
- C** the process of being sensitive to (mindful of) the wider environment.
- D** any device that measures and records the output of a system.

*(2 marks)*

The answer is **D**

**Question 1.7**

Approval of documentation, procedures manuals and work instructions is associated with

- A** registration under the standards required for quality certification.
- B** total quality management (TQM).
- C** lean production methods.
- D** job evaluation.

*(2 marks)*

The answer is **A**

**Question 1.8**

“Centralised” and “distributed” are examples of

- A** hard systems approaches to change.
- B** star networks.
- C** value chain approaches.
- D** systems configurations.

*(2 marks)*

The answer is **D**

**Question 1.9**

Rodger’s seven-point plan refers to

- A** quality targets for world class operations.
- B** implementation guidelines for introducing new hardware.
- C** the likely headings to be found as part of a person specification.
- D** lean production processes.

*(2 marks)*

The answer is **C**

**Question 1.10**

The main advantages of a database include

- A** the development of separate data sources.
- B** unlimited access and open communication.
- C** end user flexibility and devolution of responsibility.
- D** data integrity and elimination of duplication.

*(2 marks)*

The answer is **D**

**Question 1.11**

Explain why a firm might choose **not** to engage in market segmentation after conducting appropriate research.

*(4 marks)*

**Answer:**

- The market is so insubstantial that the effort is not justified
- Market life cycle in decline therefore little future potential
- Difficulty (and cost) in analysing market
- Homogenous market making segmentation unnecessary
- Competitors already established in all profitable segments

### Question 1.12

Briefly explain **two** techniques that might be useful in forecasting future market demand for an organisation's products or services.

(4 marks)

**Answer:**

Use linked variables

Determine variable. Identify past trends. Project demand accordingly.

Examples:

- DIY retailer: likely home ownership growth
- Ice cream producer: temperature forecasts

Sales force forecasts

More reliable if sales force is paid commission:

- Ask each region to estimate
- Aggregate figures
- Adjust for over-optimism, etc.

*(Note: only two techniques are required. Answers reasonably might have concentrated on quite different techniques such as:*

- Buyer survey of intentions
- Expert opinion/judgement
- Statistical techniques using historical sales data
- Market testing of products
- Assessing total market potential/sales and relative market share, etc.)

### Question 1.13

Identify **eight** important documents and information an interviewer should have access to when conducting a job selection interview.

(4 marks)

**Answer:**

*Organisational*

- Job description
- Person specification
- Structure and other detail
- Standard assessment form
- Pay scales
- Policies
- Terms and conditions of service

*Individual candidates*

- Completed application form
- CV
- References
- Letter of application

*(Note: only eight documents/information are required. Answer shows in excess of this to illustrate the potential range. Others not listed here might reasonably be identified also.)*

#### Question 1.14

Compare and contrast Kaizen and Business Process Re-engineering (BPR).

(4 marks)

#### Answer:

Both:

- Associated with quality
- Aim for beneficial change and enhanced performance
- Customer-focused
- Involve learning

#### Kaizen

Continuous improvement  
Small incremental steps  
Longer term  
Providing workforce with tools and techniques

#### BPR

One-off exercise  
Radical changes  
Short term  
About business processes and structures and creative use of IT

#### Question 1.15

When identifying the requirements of a new system explain what “functional” and “physical” aspects should be taken into account.

(4 marks)

#### Answer:

#### “Functional” requirements

- Each system function (data flow, user needs, etc.)
- Input, output, file (volume, frequency, purpose, etc.)
- Editing, file maintenance controls, backup, etc.

#### “Physical” requirements

- Data storage
- Access, updating, growth
- Peripherals and communication
- Processing (centralised, distributed, etc.)
- Outputs, formats
- Screen layouts

#### Rationale

**Question One** parts 1.1 – 1.10 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 One** parts 1.11 – 1.15 provide further objective testing through limited word responses. These sub-questions (valued at 4 marks each) test knowledge and understanding.

Sub-questions 1.11 and 1.12 test aspects of Marketing (learning outcome D(ii)), 1.13 relates to learning outcome E(iii) of Managing Human Capital, 1.14 relates to learning outcome (iv) of Operations Management and finally 1.15 learning outcome A(vi) of Information Systems.

Responses to each sub-question are expected to conform to the word limit indicated.

Suggested Approach/Marking Guide	Marks
Sub-questions 1.1 – 1.10. 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 1.11 – 1.15. Responses should be in note form and should not exceed 50 words per sub-question. The use of bullet points, tables 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.	3.5 to 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.	2.5 to 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.	1.5 to 2
A weak response that nevertheless may contain some valid point(s). Demonstrates little understanding and application of subject matter.	0.5 to 1
A failure to achieve the standard suggested above.	0
<b>Examiner's Comments</b>	
Most scored heavily in sub-questions 1.1 – 1.10 but gaps in knowledge cost marks in the other sub-questions. A number of scripts continued to exceed the 50 word limit. Those scoring lowly on this section did so because of a lack of knowledge.	
<i>Common Errors</i>	
<ul style="list-style-type: none"> <li>Explaining more than two techniques in sub-question 1.12</li> </ul>	

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

**Question 2**

Prepare brief notes for the new Chief Executive for each of the sub-questions she has identified below.

- (a) Explain how XX can address any **two** of the issues identified by the management team. (5 marks)
  - (b) Explain why delayering is more appropriate than downsizing in helping to turnaround XX. (5 marks)
  - (c) Explain the disadvantages of using the internet as XX's sole marketing tool. (5 marks)
  - (d) Describe the factors that need to be considered by XX when deciding whether to invest in a product. (5 marks)
  - (e) Identify the types of software application that would produce most advantage to a manufacturing firm trying to improve its production operations. (5 marks)
  - (f) Describe the potential benefits of XX resuming its investment in training. (5 marks)
- (Total for Section B = 30 marks)**

**Rationale**

**Question two** tests candidates' knowledge, understanding and application across a breadth of the syllabus with parts (a) and (b) relating to Change Management (B(iv)), (c) and (d) relating to Marketing (D(v) and (vi)), (e) relating to Information Systems (A(i)) and finally (f) which is concerned with Managing Human Capital (E(iii)).

**Suggested Approach/Marking Guide**

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 are called for and hopefully prevents candidates from spending a disproportionate amount of time on each sub-question. All sub-questions require application of knowledge to the scenario.

	Marks
<p><i>Part (a)</i></p> <ul style="list-style-type: none"> <li>Identify two of the management team's issues</li> <li>Explain each issue more fully if necessary</li> <li>Identify factors arising from the scenario that represent an address of the item</li> <li>Identify other reasonable approaches</li> <li>Identify potential limitations including costs</li> </ul> <p>Limited answer: Identification of a number of relevant actions/limitations in an unstructured way, none developed sufficiently.</p> <p>Pass standard answer: Appropriate structure identifying a number of actions/limitations that may address the first two issues identified.</p> <p>Strong answer: Comprehensive well structured evaluation of several ways in which organisational responses might address each of the two issues identified by the management team with consequent limitations.</p> <p><i>Additional Note: Normally answers for each issue chosen will be capped at 2.5 marks each. If response does not make clear which issue is the subject of explanation no credit will be given.</i></p>	<p>1 max</p> <p>3 max</p> <p>5 max</p>
<p><i>Part (b)</i></p> <ul style="list-style-type: none"> <li>Explain layering</li> <li>Explain downsizing</li> <li>Apply layering to the facts of the scenario analysing the contribution it can make to the turnaround.</li> </ul> <p>Limited answer: Correct identification of either with weak/no linkages to the scenario.</p> <p>Pass standard answer: Correct identification of both processes with the establishment of some links to the scenario.</p> <p>Strong answer: Comprehensive explanation of the differences between layering and downsizing and sustained reasoned argument for layering as being appropriate in helping turnaround XX.</p> <p><i>Additional note: No more than 2 marks for defining and explaining both terms.</i></p>	<p>1 max</p> <p>3 max</p> <p>5 max</p>
<p><i>Part (c)</i></p> <ul style="list-style-type: none"> <li>Identify and list disadvantages of using the internet as XX's sole marketing device viewed externally to XX</li> <li>Identify and list internal factors e.g. investment required (both financial and otherwise) to operate</li> </ul> <p>Limited answer: Identification of a few relevant points, issues undeveloped.</p> <p>Pass standard answer: Identification of some relevant points developed to some degree.</p> <p>Strong answer: Identification and explanation of several (5 or more) disadvantages of using the internet as a sole marketing device.</p>	<p>1 max</p> <p>3 max</p> <p>5 max</p>
<p><i>Part (d)</i></p> <ul style="list-style-type: none"> <li>Identify and list factors</li> <li>Explain each in turn</li> </ul> <p>Up to 1 mark per well made relevant point up to the overall maximum of 5 marks.</p>	



*Part (e)*

- Identify, list and explain applications
- Explain advantage of each in turn

Limited answer: Identification of two to three relevant applications with little or no explanation or amplification. 1 max

Pass standard answer: Identification of several relevant applications with some explanation or identification of advantages. 3 max

Strong answer: Identification and explanation of several relevant applications with a clear and extensive listing of potential advantages of each. 5 max

*Part (f)*

- Identify benefits in terms of employee perception
- Identify benefits in terms of strategic HR considerations
- Identify benefits in terms of turnaround strategy

Up to 1 mark per relevant discrete and well described point up to the overall maximum of 5 marks.

**Examiner's Comments**

A number of candidates exceeded the one page limit.

*Common Errors*

- A failure to make clear which issues were being dealt with in 2(a).
- A failure to deal with the address of the issues in 2(a), instead concentrating on the reasons for them arising.
- A failure to identify types of software applications in 2(e), instead discussing the relative merits of bespoke versus off the shelf solutions.

SECTION C – 30 MARKS  
ANSWER ONE QUESTION ONLY

**Question 3**

- (a) Evaluate the way in which MX is proposing to manage its suppliers as part of a value system. (10 marks)
- (b) Discuss the requirements for achieving total quality within YO. (10 marks)
- (c) Describe how YO must change in order to meet MX's new requirements. In your answer you should only consider how YO's human resource practices and the attitude and behaviour of its employees must change. (10 marks)
- (Total for Question Three = 30 marks)**

**Rationale**

**Question Three** tests candidates' understanding of issues associated with Operations Management (C(viii), (ix)) in parts (a) and (b) and Managing Human Capital (E(ii)) in part (c). The question requires an application of knowledge and understanding to a scenario involving two companies in a supplier relationship and a change of operating emphasis and stresses quality.

**Suggested Approach/Marking Guide**

**Marks**

*Part (a)*

- Explain the value system or network and the relationship of suppliers using illustrations from the scenario
- Evaluate MX's supplier management both present and future
- Evaluate the likely outcomes of MX's new approach and its likely contribution to TQM and improved customer satisfaction

Limited answer: Some unstructured or theoretical points relating to the value system and supplier management. 3 max

Pass standard answer: Some worthwhile commentary on MX's supplier management arrangements properly contextualised within the framework of the value system. Maybe lacking in depth of evaluation. Up to 2 marks per well made substantive point 5 max

Strong answer: Clear, purposeful evaluation of MX's current and proposed management of supplier arrangements as part of a value system. Up to 2 marks per well made substantive point. 10 max

*Part (b)*

- Explain the underlying concept of quality in generic terms before relating to scenario, explaining key quality developments necessary for YO
- Explore definitions of quality and identify one that may be suitable given the scenario context
- Discuss the requirements for achieving quality in YO using an appropriate quality framework/theory or model (e.g. Commitment from the top; Competence; Communication; Continuous improvement)

Limited answer: Some mainly unstructured but relevant points relating to quality issues and/or YO's position.	3 max
Pass standard answer: Some worthwhile insights into the meanings and concepts associated with total quality and some linkages made to YO's position. Maybe lacking in depth or failing to establish linkages between theory and the scenario.	5 max
Strong answer: Clear, purposeful explanation of total quality using academic reference points well grounded within the scenario context. Discussion of implied concepts using academic reference points but strongly related to the scenario context.	10 max
<i>Part (c)</i>	
<ul style="list-style-type: none"> <li>Identify groups of employees and describe the change in emphasis required by each group (e.g. buyers should now concentrate on purchasing better quality cloth; fashion designers should now seek to create an attractive clothing range that will be seen by the buyer as being of a higher quality. Clothing machinists and tailors should now concentrate on getting it 'right first time' and the sales force should find new customers for the 20% of production that will not be taken up by M etc.)</li> <li>Identify key HR practices and describe the change in emphasis required (e.g. training in quality, recruitment practices, retention of workers who produce consistently high quality work, new employment packages, revised performance measures to encourage quality, cultural re-engineering, reporting mechanisms etc.)</li> <li>Describe the way in which these overall changes might support a quality approach throughout YO</li> </ul>	
Limited answer: Some mainly unstructured but relevant points relating to HR practice not well related to the scenario.	3 max
Pass standard answer: Some realistic worthwhile points made that are relevant to the scenario and have implications for either HR practice or certain groups of employees.	5 max
Strong answer: Detailed description of many realistic and worthwhile areas of HR practice and changes required by several different employee groups clearly related to achieving a quality orientation and relevant to the scenario.	10 max
<b>Examiner's Comments</b>	
<i>Common Errors</i>	
<ul style="list-style-type: none"> <li>Not writing enough. Some answers were nothing more than outline notes when the question had more substantial requirements (e.g. part (a) required an evaluation of supplier management).</li> </ul>	

Question 4	
(a) Explain the stages involved in the development for ZnZ of a systematic approach to the training and development of professionally qualified staff.	(10 marks)
(b) Discuss the potential advantages of the individual career coach scheme for ZnZ.	(10 marks)
(c) Discuss the potential disadvantages of the individual career coach scheme for ZnZ.	(10 marks)
<b>(Total for Question Four = 30 marks)</b>	
Rationale	
<p><b>Question Four</b> tests candidates' understanding of issues associated with Managing Human Capital (E(v)) using the context of a large publicly funded body with a strong commitment to training, development and equal opportunities.</p>	
Suggested Approach/Marking Guide	Marks
<i>Part (a)</i>	
<p>Provide some systematic framework or process (such as the identification of key stages) in order to determine a systematic approach to the training and development of qualified staff. Use each stage to identify key points that need to be addressed or work that needs to be undertaken. The following issues are of significance in this context:</p> <ul style="list-style-type: none"> <li>• Agree responsibilities</li> <li>• Establishing ZnZ's present position</li> <li>• Establishing professional, organisational and personal requirements</li> <li>• Identify and evaluate options for training and development provision</li> <li>• Costing of options and agreement of a budget</li> <li>• Establish feedback and monitoring mechanisms</li> </ul>	
Limited answer: Some mainly unstructured but relevant points.	3 max
Pass standard answer: A structured answer indicating means of establishing a systematic approach but lacking in detail or some realistic worthwhile points made that are relevant to the scenario but lack cohesion.	5 max
Strong answer: A purposeful explanation of a systematic approach to the training and development, identifying key points that need to be addressed or work that needs to be undertaken set within an appropriate framework or process.	10 max

*Part (b)*

Evaluate the proposal within the context of the positive role the scheme could play, specifically the potential advantages, for example:

- Culture: Reinforcing ZnZ's corporate commitment to people development and being an equal opportunity employer, strengthen organisational communication etc.
- HR: Enhancing total employment package, enhance future human resource plan, offer new career challenges, increase the effectiveness of investment in training, support middle managers, help vulnerable groups etc.
- Groups: Evaluate positive impact on key groups who are recipients of career coaching.
- Cost: Identify and describe cost advantages (increase the effectiveness of expenditure on professional training, increase job satisfaction and hence productivity, avoid turnover negating the need to undertake expensive recruitment of replacement staff, etc.)
- Conclude as to whether the scheme is worthwhile or not.

Limited answer: Some mainly unstructured but relevant points. 3 max

Pass standard answer: Some realistic worthwhile points made that are relevant to the scenario and relate to the advantages of the scheme. Possibly lacking in cohesion. 5 max

Strong answer: Cohesive evaluation of the proposal containing good discussion of the positive role the scheme could play. Many realistic points considered across all areas. 10 max

*Part (c)*

Identify the main areas of difficulty and potential disadvantages (e.g. negative attitudes, excluded groups, tensions, setting up the scheme, running the scheme, reviewing the scheme, etc.) Discuss the detail of each in turn.

Limited answer: Some mainly unstructured but relevant points. 3 max

Pass standard answer: Some realistic worthwhile points made that are relevant to the scenario and relate to the likely potential disadvantages of the scheme described in the scenario. Possibly lacking in cohesion of discussion. 5 max

Strong answer: Lucid discussion of the likely potential disadvantages of the scheme. Many realistic points considered and discussed in a mature fashion. 10 max

**Examiner's Comments**

*Common Errors*

- Not writing enough. Some answers were nothing more than outline notes.
- A number of candidates failed to appreciate that the requirement in 4(a) related to qualified staff and not trainees.