



Business Management Pillar

Managerial Level Paper

## P5 – Integrated Management

22 November 2007 – Thursday Morning Session

### ***Instructions to candidates***

You are allowed three hours to answer this question paper.
You are allowed 20 minutes reading time <b>before the examination begins</b> during which you should read the question paper and, if you wish, highlight and/or make notes on the question paper. However, you are <b>not</b> allowed, <b>under any circumstances</b> , 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/or sub-questions). The requirements for the questions in Sections B and C are contained in a dotted box.
ALL answers must be written in the answer book. Answers or notes written on the question paper will <b>not</b> be submitted for marking.
Answer the ONE compulsory question in Section A. This has eight sub-questions on pages 2 and 3.
Answer ALL three compulsory questions in Section B on pages 4 and 5.
Answer TWO of the three questions in Section C on pages 6 to 8.
The list of verbs as published in the syllabus is given for reference on the inside back cover of this question paper.
Write your candidate number, the 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.

## P5 – Integrated Management

TURN OVER

## SECTION A – 20 MARKS

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

ANSWER ALL EIGHT SUB-QUESTIONS

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### *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 ruled off so that 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.

### Question One

- 1.1 Which ONE of the following types of flexibility is described as the ability to redeploy employees to different tasks through multi-skilling?
- A Numerical flexibility
  - B Organisational flexibility
  - C Temporal flexibility
  - D Functional flexibility
- (2 marks)*
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- 1.2 At which stage of group formation and development does establishing standards and agreeing ways of working occur?
- A Storming
  - B Performing
  - C Norming
  - D Forming
- (2 marks)*
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- 1.3 At what stage in the project lifecycle is the scope of a project determined?
- A Planning
  - B Initiation
  - C Growth
  - D Control
- (2 marks)*
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1.4 Decisions about acquisitions, mergers and sell-offs occur at which ONE of the following levels?

- A Functional level
- B Corporate level
- C Business level
- D Competitive level

(2 marks)

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1.5 Explain briefly what the *critical path* is in relation to a project.

(2 marks)

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1.6 Strategy, style, structure and systems are all Ss in the McKinsey 7 S framework. Identify the **three** missing Ss needed to complete the model.

(3 marks)

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1.7 Mintzberg's organisational configuration is made up of the strategic apex, operating core and which **three** other components.

(3 marks)

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1.8 Identify, in the correct order, the **four** main stages in the negotiation process.

(4 marks)

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(Total for Section A = 20 marks)

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### *Reminder*

**All** answers to Section A must be written in your answer book.

Answers to Section A written on the question paper will **not** be submitted for marking

*End of Section A*

*Section B starts on the next page*

TURN OVER

## SECTION B – 30 MARKS

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

ANSWER ALL THREE QUESTIONS - 10 MARKS EACH

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### Question Two

Up until two years ago, E Company enjoyed a monopoly position in the energy industry. However, a change in government policy has meant that new competition has been encouraged to move into the industry, with E Company losing its monopoly. The Company now finds itself facing severe difficulties.

E Company has developed a strong culture over the years which can be typified as a role culture. This is now acting as a barrier to the organisation's ability to change, to become more flexible and to be able to respond more quickly to changes in the environment and initiatives by its competitors.

E Company is falling behind its competitors when it comes to innovations in energy services. Developments in new services require staff to work together across functional boundaries. However, this is unheard of in E Company, where people fiercely protect their functional specialism and will only work on the tasks specified in their job descriptions.

*Required:*

- (a) Discuss why a role culture may no longer be appropriate for E Company.

*(5 marks)*

- (b) Recommend, with reasons, the type of culture to which the company now needs to move.

*(5 marks)*

*(Total for Question Two = 10 marks)*

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### Question Three

Whilst Z Company has a policy and a code of conduct on health and safety, the results from a recent survey suggest that many senior managers are not aware of their responsibilities for health and safety in the workplace.

The Board has nominated H, the finance director, to deliver a seminar to help senior managers appreciate the importance of health and safety at work. He is currently considering what he should include in the seminar.

*Required:*

Explain the key areas that H should cover in the health and safety seminar.

*(Total for Question Three = 10 marks)*

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*Section B continues on the page opposite*

#### **Question Four**

S Company operates in the leisure industry and already has a number of different business interests including ice skating rinks and an outdoor artificial ski slope. At the last Board meeting, a suggestion was put forward to convert the “dry” ski slope into an indoor Snow Dome to compete with rival companies who have successfully introduced similar facilities in other parts of the country, and which customers of S Company are now travelling to use.

Such a development for S Company would involve using the latest snow making technology to create real snow in a controlled environment. This would provide a better experience for customers than the “dry” ski slope, which currently uses plastic matting in place of the snow.

A project team has been set up to develop the idea. Having set out the scope for the Snow Dome project, the project team is now at the stage of investigating the feasibility.

***Required:***

Explain the purpose of a project feasibility study, making reference to the different types of feasibility that should be considered for the Snow Dome project.

*(Total for Question Four = 10 marks)*

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*(Total for Section B = 30 marks)*

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***End of Section B***

***Section C starts on the next page***

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## SECTION C – 50 MARKS

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

ANSWER ANY TWO QUESTIONS FROM THIS SECTION – 25 MARKS EACH

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### Question Five

X is the project manager responsible for the implementation of the new customer information database in Y Company. He was selected to take on the role of project manager because of his strong technical capability.

The project represents an important development and financial investment for Y Company. A number of different business areas in the company have interests in the project and are dependent on the new customer information database going live on the due date.

Unfortunately, the project is not going well and the project steering committee wants answers from X. He feels he is under pressure to keep on schedule but lacks the support of his project team, who keep complaining that they do not know what they are supposed to be doing. It would appear that some members of the project team are not completing tasks on time and are not providing the information needed to progress with the system development. At the same time, the project sponsor is pushing X to make short cuts to make sure the system goes live on time.

X feels that many of the problems he faces are due to lack of project controls.

**Required:**

- (a) Explain the responsibilities of X in his role as project manager.

**(12 marks)**

- (b) (i) Discuss the purpose of project control.

**(4 marks)**

- (ii) Explain the controls that should be set up for the customer information database project in order to help X manage the various stages of the project.

**(9 marks)**

**(Total for Question Five = 25 marks)**

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*Section C continues on the page opposite*

### Question Six

C Chocolate Company makes and supplies high quality hand made chocolate products. Since the launch of its internet business, it has experienced huge success and is currently enjoying its position as market leader and has built up a strong brand.

The owner of the business attributes much of the success to a combination of factors, including the unique recipes and the skills of staff associated with hand made chocolates and the procurement of high quality cocoa beans. The company's marketing capability and use of IT in developing the company's website has enabled it to track and quickly spot trends in changes to consumer buying patterns. It is clear from the company's research information, that to prosper in the industry, constant product innovation is critical in building and maintaining the customer relationship. The flexible approach to new product development allows the company to quickly come up with new chocolate products.

*Required:*

- (a) Explain the extent to which C Chocolate Company is adopting this strategic approach to gain competitive advantage, making reference to the principles of the Resource Based View.

*(13 marks)*

- (b) Demonstrate how the value chain framework would assist C Chocolate Company in understanding its internal position.

*(12 marks)*

*(Total for Question Six = 25 marks)*

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*Section C continues over the page*

TURN OVER

### Question Seven

J has worked for P Accountancy and Consultancy firm for over fifteen years. For the last five years she was the team leader for client support. J has a vast amount of experience and her overall outlook to work is positive. She takes a keen interest in the performance of individual members of her team, holding regular team meetings and encouraging her staff to contribute their ideas and to participate in target setting and decision making. The team always achieves its targets.

Six months ago, J gained a well deserved promotion which meant moving to another department. Her replacement is T, who has just completed his professional accountancy qualifications and has recently joined P Accountancy and Consultancy. This is his first leadership role and he is keen to impress his departmental manager. T feels that J's approach had been too soft. His view is that too much time had been spent in meetings and consultation and that staff would have been better just 'getting on with their work' since it is his job to make all the decisions.

T expects people to respect his position and authority without question. All his communications are sent by email or memo and he does not see the point of holding team meetings. He has recently introduced new performance targets without consultation. Most of the team feel the targets set are unreasonable. T has little time for people who need support in performing their role. Morale within the team is at an all time low and absenteeism has increased. Some staff are now looking to move out of the client support department.

T's line manager, F, is aware that T is very ambitious and hopes to progress in the firm. When T was recruited he was identified as having the potential to move quickly up the career ladder within P Accountancy and Consultancy. F feels that T might benefit from the mentoring system operated by the firm. However, F is also aware that there are problems in the client support department since T took over as team leader. He feels that T needs training to help him become more effective in his leadership role.

#### *Required:*

- (a) Explain the different approaches to leadership demonstrated by J and T, making reference to leadership theories.  
(12 marks)
- (b) Describe how the concept of action-centred leadership would help in identifying the training T needs to become a more effective leader.  
(7 marks)
- (c) Explain how a mentoring system could help T.  
(6 marks)

*(Total for Question Seven = 25 marks)*

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*(Total for Section C = 50 marks)*

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*End of Question Paper*



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## LIST OF VERBS USED IN THE QUESTION REQUIREMENTS

A list of the learning objectives and verbs that appear in the syllabus and in the question requirements for each question in this paper.

It is important that you answer the question according to the definition of the verb.

LEARNING OBJECTIVE	VERBS USED	DEFINITION
<b>1 KNOWLEDGE</b> What you are expected to know.	List State Define	Make a list of Express, fully or clearly, the details of/facts of Give the exact meaning of
<b>2 COMPREHENSION</b> What you are expected to understand.	Describe Distinguish Explain Identify  Illustrate	Communicate the key features Highlight the differences between Make clear or intelligible/State the meaning of Recognise, establish or select after consideration Use an example to describe or explain something
<b>3 APPLICATION</b> How you are expected to apply your knowledge.	Apply Calculate/compute Demonstrate  Prepare Reconcile Solve Tabulate	To put to practical use To ascertain or reckon mathematically To prove with certainty or to exhibit by practical means To make or get ready for use To make or prove consistent/compatible Find an answer to Arrange in a table
<b>4 ANALYSIS</b> How you are expected to analyse the detail of what you have learned.	Analyse Categorise Compare and contrast  Construct Discuss Interpret Produce	Examine in detail the structure of Place into a defined class or division Show the similarities and/or differences between To build up or compile To examine in detail by argument To translate into intelligible or familiar terms To create or bring into existence
<b>5 EVALUATION</b> How you are expected to use your learning to evaluate, make decisions or recommendations.	Advise Evaluate Recommend	To counsel, inform or notify To appraise or assess the value of To advise on a course of action

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