



Business Management Pillar

Managerial Level Paper

P5 – Integrated Management

22 May 2008 – 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, highlight and/or make notes 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 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 not be submitted for marking.
Answer the ONE compulsory question in Section A. This has seven sub-questions on pages 2 to 4.
Answer ALL three compulsory questions in Section B on pages 6 and 7.
Answer TWO of the three questions in Section C on pages 8 to 10.
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 SEVEN SUB-QUESTIONS

Instructions for answering Section A:

The answers to the seven 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 In the hierarchy of objectives, what kind of objective is “increase earnings per share”?

- A Tactical
- B Secondary
- C Primary
- D Operational

(2 marks)

1.2 Which ONE of the following refers to power which is derived from the personal qualities of the individual and the desire of followers to be like that person?

- A Expert power
- B Referent power
- C Reward power
- D Coercive power

(2 marks)

1.3 Which ONE of the following perspectives of strategy is where an organisation avoids radical strategies but instead takes small steps based on what has been done before and worked in the past?

- A Ecological
- B Positioning
- C Bounded rationality
- D Logical incrementalism

(2 marks)

1.4 Which ONE of the following is the term used in project management where the potential for risk cannot be removed, but analysis has enabled the identification of alternative ways to lower risk exposure?

- A** Containment
- B** Transference
- C** Absorption
- D** Reduction

(2 marks)

1.5 Distinguish between the terms “span of control” and “scalar chain”.

(4 marks)

1.6 Identify FOUR characteristics that distinguish a project from “business as usual”.

(4 marks)

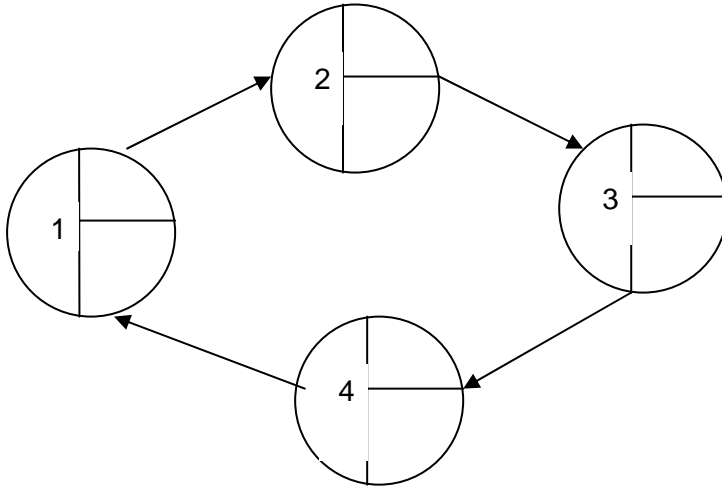
Section A continues over the page

TURN OVER

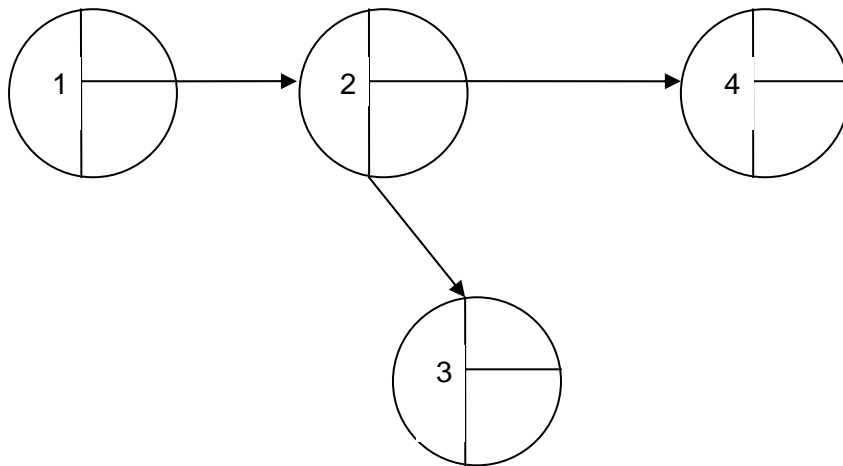
1.7 Identify the reason why diagrams (i) and (ii) shown below do not conform to the accepted conventions of network analysis. (You should provide a different reason for each diagram.)

(4 marks)

(i)



(ii)



(Total for Section A = 20 marks)

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 page 6

[this page is blank]

SECTION B – 30 MARKS

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

ANSWER ALL THREE QUESTIONS - 10 MARKS EACH

Question Two

V plc operates in the leisure and entertainment industry. It has a range of different ventures worldwide including fitness centres, casinos, cinemas and sports bars, each of which operates as a separate business.

Required:

Distinguish between the different levels at which strategy should exist in V plc.

(Total for Question Two = 10 marks)

Question Three

P is the project manager responsible for managing the relocation of H Company's head office to new premises. He thought all was going well with the project and is very surprised when he learns that various project stakeholders are complaining about his poor communication skills.

Some of the complaints made relate to the complex messages he sends and his use of very technical language associated with the project. Whilst he feels he is keeping the project team members up to date, they feel they are overloaded with e-mails covering lots of different issues, not all of which are relevant to them.

Required:

Explain to P what he could do to ensure that his communications with stakeholders about the relocation project are more effective.

(Total for Question Three = 10 marks)

Section B continues on the opposite page

Question Four

S has been working on a major IT project for his client, X Hotel chain. The project brief was to design and implement a customer reservation system, which would enable customers to book on-line for rooms at any of X's hotels worldwide. When commissioning the project, the hotel chain required that the new system should be ready to coincide with the launch of its new flagship hotel opening in six months' time.

The project is now in the final stage of its lifecycle and the customer reservation system is ready to 'go live'. S is from an IT background and this is his first time in the role of project manager. He is finding the whole process of finishing off the final details of the project tedious, and is keen to get started with the next project that he is due to manage.

Required:

Explain to S why project completion is an important activity and explain what is involved during this stage of the project management lifecycle.

(Total for Question Four = 10 marks)

(Total for Section B = 30 marks)

End of Section B

Section C starts on the next page

TURN OVER

SECTION C – 50 MARKS

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

ANSWER ANY TWO QUESTIONS FROM THIS SECTION – 25 MARKS EACH

Question Five

W Company is a fashion retailer which designs and sells its own brand of women's clothes through its chain of shops in F country. However, it is facing tough operating conditions in its home market where strong competition means there is little opportunity for future growth. The Board has taken the strategic decision that expansion can only be achieved through market development abroad.

Initial research has identified L country as offering the potential to be a possible suitable location for W Company to develop a new market. Further information now needs to be collected on the external environment and competition in L country in order to help evaluate the viability of the strategy being proposed.

If the outcomes from the research are positive, W Company intends to find an existing retail chain in L country that it can acquire, rather than set up a new operation through internal development. A senior management team will be sent from W Company to manage the operations in L country. However, the Board is aware that this could create challenges for the managers if there are cultural differences between the two countries.

Required:

(a) Apply appropriate strategic management models/frameworks to explain the key external environmental and competitive factors on which information should be collected to help W Company evaluate its proposed strategy to move into L country.
(13 marks)

(b) Discuss, with reference to appropriate theory, why the management team from W Company will need to take account of cultural differences when managing the new operation in L country.
(12 marks)

(Total for Question Five = 25 marks)

Section C continues on the opposite page

Question Six

T works for J Company which designs and manufactures children's toys. She has recently been appointed as the project manager of a project to design a new range of educational toys for children aged 3 – 6 years. She is currently thinking about the issues that will face her in delivering the objectives of the project. She is confident that she has a good understanding of what needs to happen at the various stages of the project lifecycle and has strong technical skills which will help her in using some of the project management tools and techniques.

T realises that this will not be enough to ensure successful project outcomes and knows that it will be important to have a good project team. However, she is also concerned that people working in teams can sometimes be problematic, particularly since the project team will be made up of people from different parts of the organisation, who have not worked together before. The team members will come from finance, marketing, production, IT and sales.

Required:

- (a) Describe the stages of group formation, as suggested by researchers, that T's project team should pass through if it is to become effective in performing the project task.

(10 marks)

- (b) Explain the potential problems that could hinder the effectiveness of T's project team and explain how they might be overcome.

(15 marks)

(Total for Question Six = 25 marks)

Section C continues over the page

TURN OVER

Question Seven

E Company, established over ten years ago, designs interactive games software. Up until two years ago it was very successful, performing well in the market place and returning high dividends to its shareholders. However, in recent years, E Company has lost significant market share. The Board decided to employ a consultant to try to help it determine what it needs to do to re-establish the company as market leader.

The findings from the consultant's initial investigation reported that as the company has grown, bureaucratic controls have been put in place which are stifling the creativity and innovation needed to be at the forefront of games software design and to compete in the current competitive conditions.

Employees no longer feel inclined to contribute new ideas because of the lengthy decision making processes needed to gain approval. In addition, they are unwilling to try out new ways of working because now, when things go wrong, they are blamed for making mistakes. Rather than adopting an open and flexible approach, managers conform to E Company rules. This has led to the organisation failing to exploit potential new ventures because they are considered to have too great a risk. People are rewarded for achieving their personal objectives but this often means that they are not encouraged to think beyond the boundaries of their current activities.

In making her recommendations to the Board, the consultant has suggested that the company needs to encourage greater entrepreneurial spirit within the organisation and reduce the barriers to creativity and innovation.

Required:

- (a) Explain the characteristics / qualities that people who exhibit an entrepreneurial spirit have, which might make it difficult for them to work in the environment of E Company. (10 marks)
- (b) Explain what could be done to encourage greater creativity and innovation in E Company. (15 marks)

(Total for Question Seven = 25 marks)

(Total for Section C = 50 marks)

End of Question Paper

[this page is blank]

[this page is blank]

[this page is blank]

[this page is blank]

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
1 KNOWLEDGE 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
2 COMPREHENSION 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
3 APPLICATION 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
4 ANALYSIS 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
5 EVALUATION 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

Business Management Pillar

Managerial Level Paper

P5 – Integrated Management

May 2008

Thursday Morning Session