

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT

INTERNATIONAL ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT

STRATEGIC ISSUES IN ADMINISTRATION

5TH DECEMBER 2005, Time: 09.30 – 12.30

Time Allowed: 3 hours to answer FOUR questions. This paper is divided into four sections. ONE question must be attempted from each section.

Allocation of marks as shown on the paper.

Graph paper is included in the centre of the exam script.

SECTION A: THE ORGANISATION ENVIRONMENT

1. (a) How does an organisation's structure affect its capacity to adapt to the demands of a rapidly changing environment?
(40 marks)

- (b) Assess the benefits and limitations of any one of the following organisational models in overcoming the disadvantages of traditional hierarchical approaches:
 - (i) a project or task-based organisation
 - (ii) a federal or 'shamrock' organisation
 - (iii) a virtual organisation.(60 marks)

2. (a) Explain the concept of a 'change driver', and outline the main change drivers impacting on business organisations in the recent past.
(40 marks)

- (b) Analyse the ways in which information and communication technologies have impacted on administration in recent years, providing evidence and examples from case studies or experience.
(60 marks)

SECTION B: INTRODUCTION TO STRATEGIC THINKING

3. (a) What is distinctive and important about 'strategic' thinking within a business organisation?
(40 marks)

- (b) Discuss the ways in which you, as an administrative manager, can ensure that everyday operations support the organisation's strategic objectives?
(60 marks)

4. (a) Explain the main steps in the 'strategic planning' process.
(40 marks)

- (b) Discuss why and how administrative managers might involve their staff in strategic planning, and what benefits they would anticipate.
(60 marks)

SECTION C: THE CUSTOMER-FOCUSED ORGANISATION

5. You intend to start up your own business as a provider of professional administration services.
- (a) Explain why an understanding of your target market is important to your future success.
(40 marks)
- (b) Discuss the types of secondary and primary research you would need to use, indicating their advantages and limitations, to assess the feasibility of such a project.
(60 marks)
6. (a) Briefly outline what it means for an organisation to adopt a 'marketing philosophy' and the differences that would make.
(40 marks)
- (b) How would an understanding of the needs of internal and external customers affect the administrative manager's role in ensuring effective communication within and outside of the organisation?
(60 marks)

SECTION D: MANAGING CHANGE AND CULTURE

7. (a) Explain the role of an organisational change agent.
(40 marks)
- (b) Assess the benefits and drawbacks of using an external or internal change agent in leading an administrative change programme.
(60 marks)
8. (a) What is 'stress', and how might it impact upon the effectiveness of your staff?
(40 marks)
- (b) Using at least one model of the causes of stress, explain why a major change programme can be stressful, and how you as an administrative manager would seek to prevent or reduce the impact of stress on your staff.
(60 marks)

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT
INTERNATIONAL ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT
ADMINISTRATIVE MANAGEMENT OF RESOURCES

5th December 2005, Time: 14.00 – 17.00

Time Allowed: **3 hours to answer FOUR questions. This paper is divided into four sections. ONE question must be attempted from each section.**
Graph paper is included in the centre of the exam script.

Allocation of marks as shown on the paper.

SECTION A: MANAGING PROJECTS

- 1 a. Explain the difference between total float and free float. (20 marks)

- b. Draw a network to represent the following project details

Activity	Preceding activity	Duration (Weeks)
A	-	3
B	-	2
C	-	8
D	A, B	6
E	A	4
F	D	6
G	A, B	6
H	E	4
I	C, G, H	2
J	F, I	2

(50 marks)

- c. Determine and comment on the critical path.

(30 marks)

- 2 a. 'Risk management is one of the main areas of event management'.
 Discuss

(50 marks)

- b. Explore the steps necessary for effective time management.

(50 marks)

SECTION B: MANAGING FINANCIAL RESOURCES

3 Examine the main sources of finance available to

(i) private sector organisations and

(50 marks)

(ii) public sector organisations

(50 marks)

4. The cost of a new machine is £80,000 which will be sold at the end of the fifth year when its scrap value will be £3000.

Installing this new machine will result in the following costs and benefits as detailed below:

Year	Costs (£)	Benefits (£)
1	12,000	24,000
2	12,400	36,000
3	12,600	38,000
4	12,200	35,800
5	9,000	30,000

a. Find the payback period.

(20 marks)

b. Calculate the internal rate of return and advise on the purchase of the machine if management require a return of 10%.

(60 marks)

c. Suggest what other factors need to be considered before purchase.

(20 marks)

DISCOUNT FACTORS

Number of Years	4%	6%	8%	10%	12%
1	0.962	0.943	0.926	0.909	0.893
2	0.925	0.890	0.857	0.826	0.797
3	0.889	0.840	0.794	0.751	0.712
4	0.855	0.792	0.735	0.683	0.636
5	0.822	0.747	0.681	0.621	0.567

SECTION C: MANAGING EXPENDITURE

5. Extract from a standard cost card for part no 345Y

	Standard cost per unit
Raw materials 90kgs @ £10 per kg	£900
Direct labour hours 16@£8 per hour	£128
Actual cost for the period	
Production	£540
Actual materials used	48,200 kgs at a cost of £457,900
Direct wages paid	£68,000 for 8,000 hours

- a. Calculate the Direct Material Total, Price and Usage Variances. (30 marks)
- b. Calculate the Direct Labour Total, Rate and Efficiency Variances. (30 marks)
- c. Provide reasons for these variances calculated. (20 marks)
- d. Briefly explain the benefits of variance analysis. (20 marks)
6. a. Examine the objective of inventory control. (40 marks)
- b. Assess the contribution of ABC analysis in inventory management. (30 marks)
- c. Calculate the Economic Order Quantity (E.O.Q.) from the following:
The demand for an item is constant at 3,600 per year. Its purchase price is £30. The cost of processing an order and arranging delivery is £96 and the carrying cost is 20% of the purchase price. (30 marks)

SECTION D: MANAGING FACILITIES

7. Explore how Computer Aided Facilities Management (CAFM) packages can assist the facilities manager. (100 marks)
8. 'Effective facilities management, combining resources and activities, is vital to the success of an organisation.'
- Evaluate this statement (100 marks)

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT
INTERNATIONAL ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT
HUMAN RESOURCE MANAGEMENT AND PRACTICE

6th December 2005, Time: 09.30 – 12.30

Time Allowed: **3 hours**

Answer **FOUR questions**. This paper is divided into four sections.
ONE QUESTION MUST BE ATTEMPTED FROM EACH SECTION.

**Allocation of marks as
shown on the paper.**

SECTION A: HRM in Context and Practice

1. In recent years several factors have influenced the development of HRM. Identify these factors and critically evaluate the impact they have had on the practice of HRM in the organisation. (100 marks)
2. a) 'The management of diversity is an important function in the 21st century organisation'. Why is this the case? (60marks)
b) Discuss the various ways equality of opportunity can be promoted in organisations. (40marks)

SECTION B: Leading & Motivating Teams & Individuals

3. 'Trait theory assumes that certain individuals have inherent personal characteristics that enable them to be leaders'. Discuss. (100 marks)
4. Compare and contrast the differences between process and content theories of motivation. Use examples to support your answer. (100 marks)

SECTION C: Learning & Development

5. Use workplace examples to critically evaluate the methods that can be used to enhance learning. (100 marks)
6. According to Pedler, Burgoyne and Boydell (1991), a learning organisation is one that "facilitates the learning of all its members and continuously and consciously transforms itself and its context." Using an organisation of your choice, critically analyse how it can transform itself and its context using learning organisation principles. (100 marks)

SECTION D: Performance & Reward

7. Critically evaluate the strategies that can be used to reward individuals for their performance.
(100 marks)
8. a) Identify the techniques that can be used to measure
i. Individual Performance
ii. Organisational Performance
(40 marks)
- b) Why is it important for individual and organisational performance to be aligned?
(60 marks)

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT
INTERNATIONAL ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT
ADMINISTRATIVE SYSTEMS IN THE ORGANISATION

6th December 2005, Time: 14.00 – 17.00

Time Allowed: **3 hours to answer FOUR questions. This paper is divided into four sections. Graph paper is included in the centre of the exam script.**
ONE QUESTION MUST BE ATTEMPTED FROM EACH SECTION.

Allocation of marks as shown on the paper.

SECTION A: Problem Solving and Analysis

1. Provide a comparative evaluation of Checkland's soft systems methodology versus a traditional methodology for problem resolution.
(100 marks)
2. Compare and contrast 'idea generation' and 'image generation' within the creative phase of problem solving using examples to support your answer.
(100 marks)

SECTION B: Designing Effective System

3. 'Dissatisfied customers provide opportunities for business improvement that might otherwise be missed.'

Discuss
(100 marks)
4. Evaluate and compare the contributions that two quality guru's (such as Juran and Deeming) continue to make in the 21st Century.
(100 marks)

SECTION C: Performance Improvement and Monitoring

5. Evaluate the contribution of the Balanced Scorecard principles for business improvement activities.
(100 marks)
6. Your organisation is intending to introduce a performance improvement programme. Prepare a briefing document for this programme to be circulated to staff as a supplement to a presentation.
(100 marks)

SECTION D: Systems Approaches and Models

7. Apply the principles of feedback control to a process within an organisation known to you, demonstrating the control available for the process. Use appropriate theory to support your answer.
(100 marks)
8. Provide a model of information flows between interacting sub-systems within an organisation. Use the model to demonstrate the effects of close coupling and decoupling on performance of the organisation
(100 marks)

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT

INTERNATIONAL ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT

CASE STUDY

8th December 2005, Time: 09.30 – 12.30

Time Allowed: 3 hours

Answers all FOUR QUESTIONS.

Graph paper is included in the centre of the examination script.

Allocation of marks as shown on the paper.

Candidates MUST answer all FOUR questions.

STARRI NITE

Starri Nite, a private limited company employing 80 staff, has been operating in the outdoor leisure market for over 10 years, manufacturing and selling a mid priced range of tents for the walker, cyclist, family and adventure expedition. Established in the early 90s at a time of growth in the outdoor leisure market, the company has in the last couple of years experienced sustained and relentless competition in all areas of its product range from very competitively priced and innovative products manufactured overseas. Located in an industrial area on the outskirts of a large town, the business owns and occupies fairly old factory premises with relatively little room for the expansion of office accommodation, and production capacity beyond the 9000 units currently produced in 2004, to exploit a growing market.

Judith Knight has earned a reputation as a forceful but fair employer, whilst managing Starri Nite since the death of her original business partner and co-owner two years ago. She now retains a controlling interest of 55% of the shares with the remainder split evenly between her three co-directors:

- Harry Block, a not noticeably forward looking Director of Operation's handles the research and development, production, procurement and inventory sides of the business.
- Sales and Marketing is handled by a somewhat indecisive Hilary Pace. Under her guidance, the company's share of a national market which is expanding at 3% per annum has declined from 5% to 4.5% in the last year.
- Meredith Heart adopts a robust approach to directing Administrative Services, combining a company secretarial role with finance, personnel, IT and Office Services.

It is noticeable that existing systems, though currently just about coping, are under strain from requirements to satisfy new business and employment legislation, both procedurally and technologically. In fact the company makes little use of e-business beyond communication through e-mail and having a web site, and maintaining customer records on a database, which is about the limit of Meredith's expertise. 'Off-the-shelf' software packages are used for production control, financial and HR systems.

Actual production techniques of cutting, machining and finishing make only modest use of computer-aided equipment. Although quality conscious with materials and inspection, Starri Nite does not possess formal quality standards for either its production operations or staff development and Hilary has had to deal with an increasingly worrying number of complaints over the last year, up 25% from 16 to 20, from retailers and customers dissatisfied with product performance and durability.

It is against this background that Judith has called a directors meeting to review present company performance, declining profitability and take action to identify the way ahead to ensure the viability of the company.

As usual Judith's more dynamic way of going about things contrasted with the more complacent attitude of her co-directors. She opened the meeting by over-viewing the current business environment and the way the company had been performing, tabling financial information to support her arguments (see appendix 1) "We just can't continue along present lines, our competitors are outsmarting us on technological developments, production costs and imaginative marketing. New markets are opening up in leisure such as large outdoor events and lightweight touring overseas which we really haven't begun to exploit. Hilary, you try to keep your pulse on sales trends, what should we be doing that we aren't at present. What plans are you tabling?"

Hilary was silent for a moment, and then replied, "You all know our current product lines and the markets they're aimed at. We need to think ahead; we could go in this direction or that. Unfortunately, we don't really have an effective marketing information system that allows us to take those sorts of strategic decisions with any great confidence."

Feeling exasperated, Judith cut in, "Yes I know that, but what should we be doing. Don't you have plans for the coming year and some thoughts about a new system?" "It's something I'm thinking about" replied Hilary. "I'll need to formalise some ideas and think about how to present them, then we can take it from there, as well as addressing the complaints we're receiving. " "Don't leave it too long" Judith replied cuttingly.

Harry added, "Although it's really important to look at the markets both at home and international, we also need to examine the new materials our competitors are using to see if we can incorporate them in our products. Also Hilary there's a need to reduce our inventory and improve production quality. Meredith, you look after systems and IT, what do you think?" Meredith had listened intently to the discussion and was ready with his reply. "We're basically deficient in exploiting new technology and whilst I've been reading up on e-commerce, I'm not really familiar with the detail, though it's not something we can ignore".

At this point Judith felt the meeting couldn't really be taken further without more information. Tidying her papers she said, "Right let's close the meeting and meet again in two weeks with a clearer picture of how the company is performing, and more specific proposals for taking the company forward through the development of a more focussed corporate strategy. Meantime, make sure you provide each other with whatever information are required and if necessary make use of outside sources if you're uncertain or need further details".

SUPPLEMENTARY INFORMATION

Planned output for 2004 – 9400 units

Sales turnover (000's): 2003 - £1152, 2004 - £1068

Sales costs (000's): 2003 - £800, 2004 - £820

Gross Profit (000's): 2003 £352, 2004 - £248

Share capital – authorised and issued (000's): £250

Long term bank loan – 15 years (000's): £200

Fixed assets (est. value including depreciation) (000's): £900

Current assets (000's): £215

Current liabilities (000's): £160

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT
INTERNATIONAL ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT

CASE STUDY 2

8th December 2005, Time: 09.30 – 12.30

Time Allowed: 3 hours

Answers all FOUR QUESTIONS.

Graph paper is included in the centre of the examination script.

**Allocation of marks as
shown on the paper.**

**Candidates MUST answer
all questions.**

NOTES

In dealing with this case you are required to:-

- (a) Make clear any assumptions you feel necessary
 - (b) Make clear any local circumstances if appropriate to your case
-
- 1. What advice would you give Hilary on how to provide strategic marketing information to aid planning and decision-making?
(100 marks)
 - 2. How might accounting and production measures be used by the directors to analyse and assess the company's performance?
(100 marks)
 - 3. Suggest actions the directors could take to achieve competitive advantage for the company.
(100 marks)
 - 4. Discuss strategic options for the future direction of Starri Nite that the directors should consider when developing corporate strategy.
(100 marks)