

**THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT**

**INTERNATIONAL DIPLOMA IN ADMINISTRATIVE MANAGEMENT**

**PROFESSIONAL ADMINISTRATION**

**5<sup>th</sup> June 2006, Time: 09.30 – 12.30**

<b>Time Allowed: 3 Hours</b> <b>Section A, COMPULSORY &amp; ALL 8 QUESTIONS MUST BE ATTEMPTED</b> <b>(40% of total marks)</b> <b>Section B, TWO QUESTIONS MUST BE ATTEMPTED (60% of total marks)</b>	<b>Allocation of marks as shown on the paper.</b>
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**SECTION A: COMPULSORY**

1. List the responsibilities of the Administrative Manager in today's organisations.
2. What is 'benchmarking'?
3. Define Business Process Re-engineering (BPR).
4. What is Outsourcing?
5. Identify the skills needed by an Administrative Manager to negotiate a Supply Chain Agreement.
6. Briefly describe Total Quality Management.
7. List the main barriers to Communication.
8. Give an example of an IT Protection and Security procedure used in an organisation known to you.

(40 marks)

**SECTION B: TWO QUESTIONS MUST BE ATTEMPTED**

1. As an Administrative Manager you have to introduce flexi-working into your department.
  - a. Select a flexi-working method and describe it  
(20 marks)
  - b. Identify the main headings you will cover in a talk to your staff about the flexi-working method you have selected.  
(10 marks)
2. As an Administrative Manager you have concerns regarding the efficiency of the working practices in your department.
  - a. Discuss **one** method you can use to investigate your concerns  
(20 marks)
  - b. Outline the procedures of your chosen method  
(10 marks)

3. Describe, using an example, a Service Level Agreement with which you are familiar  
(30 marks)
4. 'Business meetings are a necessary part of an organisation's communication system. However, they frequently are badly planned and run'.
  - a. Outline the pre-planning procedures needed, for an effective business meeting  
(15 marks)
  - b. Produce guidelines for the Chair of a meeting, to help ensure that the objectives of a meeting are met.  
(15 marks)

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**ADMINISTRATIVE SYSTEMS & PROCESSES**

**6<sup>th</sup> June 2006, TIME: 14.00 – 16.00**

<b>Time Allowed: 3 Hours</b> <b>Section A, COMPULSORY and ALL 8 QUESTIONS MUST BE ATTEMPTED</b> <b>(40% of total marks)</b> <b>Section B, TWO QUESTIONS MUST BE ATTEMPTED (60%of total marks)</b>	<b>Allocation of marks as shown</b> <b>on the paper.</b>
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**SECTION A: COMPULSORY**

1. Briefly explain the purpose of quality assurance.
2. Provide a brief definition of a system.
3. What is a procedure?
4. Explain the term "organisation value".
5. What is a service level agreement (SLA)?
6. Describe the characteristics of an organisation which has a 'people culture'.
7. Explain briefly what is meant by the control cycle.
8. What is a systems hierarchy?

(40 marks)

**SECTION B: TWO QUESTIONS MUST BE ATTEMPTED**

1. Explain how an organisation structured on a functional basis would differ from one adopting a matrix structure.  
(30 marks)
2. (a) Discuss the main differences between Strategic and Tactical Planning  
(15 marks)  
(b) Provide a SWOT analysis for an organisation with which you are familiar  
(15 marks)
3. Produce a plan of how you would devise a procedures manual for a complaints handling system  
(30 marks)
4. Choosing **one** of the systems listed below, describe the stages which would be involved in developing that system  
  - Accounts / Budget and Payroll System
  - Procurement and Inventory Control System
  - Sales and Order Processing System
  - Internal Communication System  
(30 marks)

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**PEOPLE IN ORGANISATIONS**

**7<sup>th</sup> June 2006: TIME 14.00 – 17.00**

<b>Time Allowed: 3 Hours</b> <b>Section A, COMPULSORY and ALL 8 QUESTIONS MUST BE ATTEMPTED</b> <b>(40% of total marks)</b> <b>Section B, TWO QUESTIONS MUST BE ATTEMPTED (60% of total marks)</b>	<b>Allocation of marks as shown</b> <b>on the paper.</b>
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**SECTION A : (COMPULSORY)**

1. Outline the purpose and value of a Mission Statement
2. What are the characteristics of effective objectives?
3. List the benefits of Continuing Professional Development (CPD)
4. Identify and briefly explain **TWO** practices an organisation could introduce to improve Work-Life Balance
5. Identify the objectives of an induction programme for a new employee
6. Outline the benefits of a formal grievance procedure
7. Identify the areas in which problems may arise in performance appraisals
8. What is transformational leadership?

(40 marks)

**SECTION B: (TWO QUESTIONS MUST BE ATTEMPTED)**

1. Explain the nature of organisation culture, and explore how culture can impact on organisational performance.  
(30 marks)
2. Discuss the approaches than can be used by organisations to reduce stress in the workplace  
(30 marks)
3. 'Training should be regarded as an investment in people,. However, if this investment is to reap benefits for both the individual and the organisation, the management of training needs to be approached in a planned and systematic way'.  
  
Describe the elements in a systematic approach to managing training  
(30 marks)
4. 'Team working is increasingly important in contemporary organisations'.  
Explore the characteristic features of an effective work team.  
(30 marks)

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**INFORMATION FOR DECISION-MAKING**

**8<sup>th</sup> June 2006: TIME: 09.30 – 12.30**

<b>Time Allowed: 3 Hours</b> <b>Section A, COMPULSORY and ALL 8 QUESTIONS MUST BE ATTEMPTED</b> <b>(40% of total marks)</b> <b>Section B, TWO QUESTIONS MUST BE ATTEMPTED (60% of total marks)</b>	<b>Allocation of marks as shown on the paper.</b>
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**SECTION A: COMPULSORY**

1. List the internal and external sources of information for an organisation of your choice.
2. Explain the differences in the decision characteristics at each of the three levels of an organisation.
3. 'Bar charts are very versatile in representing data'. Explain what is meant by this statement.
4. Give a practical example of each of the three measures of central tendency.
5. Illustrate (using a diagram) and explain what is meant by working capital.
6. How is Cost of Sales calculated?
7. Explain how costs can be classified.
8. What is the purpose of a cash budget?

(40 marks)

**SECTION B: TWO QUESTIONS MUST BE ATTEMPTED**

1. 'Effective decisions are virtually impossible without appropriate information'. Discuss. (30 marks)

2. (a) Explain what is meant by the term 'frequency density'. (5 marks)

- (b) Draw a histogram to represent the following data.

Wages (£K)	Frequency
10 – under 15	10
15 – under 20	15
20 – under 25	18
25 – under 30	12
30 – under 40	6

(20 marks)

- (c) Determine and comment on the value of the mode (5 marks)

3. (a) From the following information prepare  
i. a profit and loss account (12 marks)

- ii. a balance sheet (12 marks)

	£		£
Sales	140,000	Debtors	10,000
Creditors	6,000	Purchases	85,000
Closing stock	4,000	Administrative Expenses	4,500
Fixed assets	20,000	Rent	8,000
Bank	1,500	Opening stock	3,500
Wages	35,500		
Share capital	22,000		

- (b) Define and calculate the capital employed. (6 marks)

4. (a) Prepare a six-month cash budget ending June for DSN Enterprises from the following
- (i) Opening balance on 1<sup>st</sup> January £8,000  
(ii) Rent of £500 payable each month  
(iii) Creditors to be paid  
Jan Feb Mar Apr May Jun  
£5,000 £5,500 £6,000 £6,000 £6,100 £6,200  
(iv) Sales in January expected to be £6,000  
(v) Sales expected to increase each month from January at the rate of 10%.  
(vi) Fixed expenses each month of £300  
(vii) Fittings and fixtures of £10,000 to be bought on 1<sup>st</sup> January (20 marks)

- (b) What advice would you offer DSN Enterprises? (10 marks)

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**CASE STUDY 1**

**9th JUNE 2006, TIME: 09.30 - 12.30**

**SCENARIO**

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**Time Allowed: 3 hours**

**Answer all FOUR QUESTIONS.**

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

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

**MORNINGBRIGHT LIGHTING**

Morningbright Lighting is a company producing and distributing stage, stadium and conference lighting and fittings to both established venues and contractors. Employing 400 staff it has been trading for the past 20 years, primarily in its home market. It has not found the need to assure quality through formal management practices, being reactive in its approach to business. More recently, with the growth internationally in its areas of business, accompanied by new products, technologies and entrants to the market, Morningbright has found itself increasingly squeezed in terms of market share (down 0.5% from 6% in the last three years). New developments are urgently needed in its product range to exploit fast moving changes in lighting technology and design if it is to recover and improve on its position. There is little integration of business functions such as between marketing, materials and production.

It is against this background that Paul Thomas, Section Manager of Purchasing, (see Appendix 1 for organisation chart) answered his first phone call of the day. It was from Robbie Curtis, supervisor of Goods Inwards. "Paul, I'm afraid its not good news. There's yet another customer return of a faulty lighting component from one of our suppliers". Robbie added, "Where do we get our suppliers from? After all, each unit gets a basic quality check before they leave the factory. Any more at this rate and the business will dry up completely". Paul responded "Thanks for yet more 'good news!' That's the third return for this supplier, not counting what's been sent back to other suppliers on account of poor quality in recent months." "OK, I'll get onto it". "You'll do more than that," said Robbie in reply. "We seem to deal with so many suppliers, many duplicating the same item, that I sometimes wonder how you control things in Purchasing! It's about time you got a grip on the problem and sorted things out with your suppliers and involved Production in your plans".

Later that day, Paul addressed his four staff at a meeting. He started by reviewing the problems they faced and increasing criticism of the way that Purchasing operated. "It's not as if we don't have enough suppliers. At the last count there were something like 2500, many of which were able to supply the same items. It gives us choice and we can keep them at arms length, though we can't always take advantage of competitive prices. It is more by luck sometimes that they can supply us in the short notice they're given. Of course, we use our personal computer in the office to maintain records and produce orders on suppliers, which we then send out by post, like the one that Alice Ho uses in Stores, it doesn't really tell us any more than the data we input. We've always got along without the need for 'real' information on which to take Purchasing decisions and provide a tight control over orders.

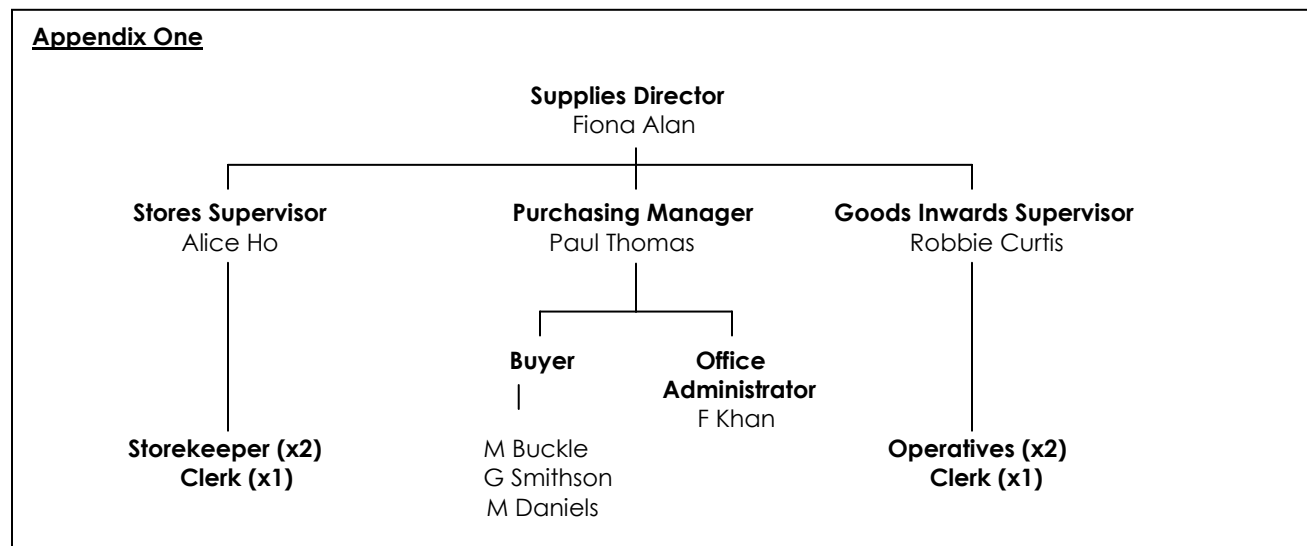
Margie Buckle, a buyer, commented, "It's not really as bad as it seems, we can always send back the faulty items to suppliers and replace them for the customer". George Smithson another buyer, added, "Archive Arc lights work to quality standards in purchasing and insist on their suppliers having them too, but do we really want to get involved in all the paperwork? Would it really make a difference?" Farah Khan

the office administrator, thought for a moment and observed to no one in particular, "We've always worked this way, why should we start doing things differently now?"

At this, Morgan Daniels, a junior buyer, could contain himself no longer. The youngest member of the Purchasing team, he retorted, "Of course there must be changes. We've drifted for far too long in this department without really knowing how our suppliers are really performing. If we go on like this for much longer there won't be a company to buy for!"

The next day, Paul reflected on what had been said. Clearly things had to change if Purchasing was to make a more effective contribution to the company and fulfil its role in the supply chain. Fiona Alan, Paul's boss, required him to come up with ideas the following week on how to improve the performance of Purchasing and its relations with production. Significant changes were called for, though the enthusiasm for change amongst some of the staff was not particularly noticeable.

#### Appendix One



#### NOTES

In dealing with this case you are requested to:-

- (a) Make clear any assumptions you feel necessary
- (b) Make clear any local circumstances if appropriate to your case

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**CASE STUDY 1**

**9<sup>th</sup> JUNE 2006, TIME: 09.30 - 12.30**

**QUESTIONS**

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**Time Allowed: 3 hours**

**Answer all FOUR QUESTIONS.**

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

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

1. Explain how continuous improvement could benefit the company and purchasing in particular.  
(100 marks)
2. How might supplier and company performance be improved through quality assurance?  
(100 marks)
3. What criteria would you use to assess suppliers in order to reduce their number, whilst at the same time ensuring good performance?  
(100 marks)
4. Suggest an approach for managing changes to Purchasing systems and the relation of these changes to Production, Stores and Goods Inwards, to encourage the co-operation of the staff involved.  
(100 marks)