BUSINESS MANAGEMENT UNIT 4

Outcome 1 assessment task: structured questions and case study

**PRACTICE SAC**

ASSESSMENT TASK DETAILS

Name of task

Case study and structured questions

Unit/area of study

Unit 4: Transforming a business

Area of Study 1: ‘Reviewing performance—the need for change’

Outcome 1

‘Explain the way business change may come about, use key performance indicators to analyse the performance of a business, discuss the driving and restraining forces for change and evaluate management strategies to position a business for the future.’

Source: *VCE Business Management Study Design* (2017-2021), VCAA, page 21INSTRUCTIONS AND CONDITIONS

Answer **all** questions in this answer book. The marks for each question are indicated after each question. Additional space is available following the questions if you need extra paper to complete an answer. Clearly label all answers with the appropriate question number.

**Conditions:** Closed book

**Time allowed:** 70 minutes

**Marks allocated: 28** marks

Questions

Question 1

a. Businesses are under constant pressure to adapt and change. Explain why businesses need to change. 2 marks

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Question 2

Read the following case study and answer the questions below.

Maryann McDudley is the owner and chief executive officer of a very busy small chain of 12 dine-in and takeaway burger restaurants throughout Melbourne called McDudley’s. Maryann wants to attract some customers away from her competitors and towards McDudley’s and has set an objective to increase her market share of the takeaway burger market by 5 per cent in 2017. In addition, she has also set an objective to increase her net profit figure by 10 per cent per annum for the next two years.

Each restaurant employs staff in three areas:

i. taking orders at the front counter

ii. cooking and making the burgers

iii. assembling the orders to give to the customers.

Currently customers approach the front counter and place their order with a counter employee who enters the order onto a computerised touch screen and takes payment. The employee prints a receipt with an order number on it and gives it to the customer who then moves to the ‘collection’ section of the bench. The customer waits for their order number to be called and then picks up their food from the employee who assembled it.

The order is also printed for the burger cooks and a copy is printed at the collections counter for an employee to assemble the order.

Maryann has been observing that supermarkets have adopted automated checkouts and other burger restaurants have introduced self-ordering options. She now wants to introduce a similar system throughout McDudley’s. Her plan is to introduce a system where a customer places their order on a touch screen located near the front counter (without employee assistance). They then pay via an automated cash-handling device (cash receipt and dispensing machine) or EFTPOS and receive their order number on a printed receipt. The customer then moves to the collection shoot located at the end of the front counter, waiting for their order.

The customer’s order is printed onto a large paper bag in the restaurant’s kitchen and the cooks simply add the items to the bag as they cook them. Once the bag is complete, a cook pushes it down the collection shoot where the customer compares the order number printed on the bag with the number on their receipt and takes their bag of food. The customer has never seen or spoken to an employee. Maryann thinks that although it will be a large initial capital expense for the technology, the savings in employee wages will make it worthwhile.

1. Define the term ‘business change’ and provide an example of change. (2 marks)

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| 1. Explain why business change is necessary for businesses to stay competitive. (2 marks)
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c. Explain why it would be useful for Maryann to conduct a Force Field Analysis. 2 marks

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d. Define the following terms: 2 marks

i. driving forces for change

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ii. restraining forces for change

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e. Explain **three** specific driving forces and **three** specific restraining forces that might exist when Maryann changes to the touch-screen ordering system. 6 marks

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f. Choose **two** of the restraining forces identified in your answer to **part g.** and propose strategies that Maryann could use to overcome them. 4 marks

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g. With reference to Porter’s Generic Strategies:

i. Outline the Cost Leadership Stratey 2 makrs

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 ii Outline the Differentitaion Strategy 2 marks

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 iii. identify which strategy Maryann is using. 1 mark

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iv. analyse how well Maryann’s plans will satisfy the strategy you identified in your answer to **part iii**. 3 marks

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**Extra space for responses**

**Clearly number all responses in this space**

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