Year 12 *Trial Exam Paper*

2018

BUSINESS MANAGEMENT

Written examination

Reading time: 15 minutes
Writing time: 2 hours

STUDENT NAME:

QUESTION AND ANSWER BOOK

Structure of book

Section	*Number of questions*	*Number of questions to be answered*	*Number of marks*
A	6	6	50
B	5	5	25
			Total 75

- Students are permitted to write in blue or black pen.
- Students are permitted to bring the following items into the examination: pens, pencils, highlighters, erasers, sharpeners and rulers.
- Students are NOT permitted to bring sheets of paper or white-out liquid/tape into the examination.
- Calculators are NOT permitted in this examination.

Materials provided

- The question and answer book of 23 pages
- Additional space is provided at the end of this book if you require more space to complete an answer.

Instructions

- Write your **name** in the box provided.
- You must answer the questions in English.

Students are NOT permitted to bring mobile phones or any other unauthorised electronic devices into the examination.

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SECTION A

Instructions for Section A

Answer **all** questions in the spaces provided.

Question 1 (9 marks)

Take Care is a small business operating as a social enterprise. Founder and Senior Manager Emma Cain announced a 12% increase in profit for the most recent financial period and stated that the business was on track to meet its long-term objective of an annual profit of $10 million by 2020.

a. Define the term 'business objective'.

1 mark

b. Long-term objectives are set by managers during planning. Describe planning as a management skill.

2 marks

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c. Describe **two** features of a social enterprise and distinguish this form of business structure from a private limited company.

6 marks

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Question 2 (13 marks)

The Human Resource Manager of Rosefest Ltd, Ann Daniels, is planning to meet representatives of Rosefest's employees to continue discussions regarding the move from award conditions to an agreement. The move was part of employee demands made when the business announced plans to downsize some of its operations, leading to a small number of redundancies.

a. Explain what is meant by 'redundancy' and describe **one** other form of termination.

3 marks

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b. Compare awards and agreements as methods of determining wages and conditions of work.

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c. Explain the role of a union and an employer association during the negotiations for an agreement.

4 marks

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Question 3 (10 marks)

Beechey Ltd is a medium-sized business operating in a highly competitive market. Pressure for change has been building for some time, but poor financial results have stalled any attempt to change.

a. Describe Lewin's Force Field Analysis and outline **two** benefits for a business, such as Beechey Ltd, in preparing such an analysis.

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b. Having decided to undergo change, provide a reason why Lewin's Three Step Change Model may assist a business to undertake change. In your response, describe the steps in Lewin's model.

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Question 4 (4 marks)

Employees are generally considered a restraining force for change. Explain why employees are considered a restraining force and describe **one** strategy the manager could implement to overcome employee resistance to change.

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Question 5 (4 marks)
When disputes arise in the workplace, managers often implement a means of dispute resolution. Compare mediation and arbitration as means of resolving disputes relating to wages and working conditions in the workplace.

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Question 6 (10 marks)

Change is one of the main constants in the life of a business. How a business deals with change is an important task for its management.

Managers can be proactive and be prepared for change, or they can be reactive and deal with change only when it has occurred.

Examine the approaches to change theorised by Senge and Porter. In your response, explain why it is important for management to review key performance indicators to evaluate the effectiveness of business transformation.

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END OF SECTION A
TURN OVER

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SECTION B – Case study

Instructions for Section B

Use the case study provided to answer the questions in this section. Answers must apply to the case study.

Answer **all** questions in the spaces provided.

Case study

Dell's Foods is an Australian-owned manufacturer of packaged meats (smallgoods). The business has been operating for a number of years and has a very loyal staff, reflected in very low rates of absenteeism and turnover.

However, not all areas of the business have been performing as well as management would like. Recent expansion into the global market has seen an increase in sales but also some worrying signs from other key performance indicators.

The Finance Manager produced the following data:

	2016	2017	2018
Sales	$17.4m	$22.1m	$29.6m
Net profit	$3.8m	$4.2m	$6.6m
Level of wastage (% of inputs)	3%	5%	11%
Number of customer complaints (per 1000 sales)	15	87	142

Senior Managers have become concerned about these figures and would like to see a 10% decrease in the level of wastage and in the number of customer complaints for 2019, and further reductions over the subsequent five years back to 2016 levels.

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Question 1 (3 marks)

Define 'number of customer complaints' and explain how the trend in this key performance indicator may affect the percentage of market share.

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Question 2 (3 marks)

Analyse **one** global consideration that Dell's Foods could adopt to reduce the number of customer complaints.

Question 3 (3 marks)

Analyse **one** other strategy Dell's Foods could implement to reduce the number of customer complaints.

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Question 4 (6 marks)

A second key performance indicator showing a negative trend is the level of wastage. Evaluate **two** technology strategies Dell's Foods could implement to reduce the level of wastage.

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Question 5 (10 marks)

To improve the performance of employees, the owner of Dell's Foods is considering adopting a motivation strategy and introducing a performance management system.

a. Evaluate a motivation strategy the business could adopt.

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b. Discuss a performance management system that Dell's Foods could implement to improve employee performance.

4 marks

END OF QUESTION AND ANSWER BOOK

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Extra space for responses

Clearly number all responses in this space.

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