

## Business Management

### Unit 3 – Chapter 1

#### Exam Questions

#### **SOLUTIONS**

#### Key knowledge point –

#### Business Objectives & Areas of Management Responsibility

#### 2018 End of Year Exam

123 Childcare Centre is a business operating as a partnership. It provides childcare services for children aged five and under. Mary Kidd, one of the partners at the centre, wants to meet the demand for high-quality and reliable childcare in her local area. However, employees complain of long hours and their motivation is low. Staff turnover is a problem and Mary is unsure of how to address this.

**Business Objectives Question 1 b.** Describe a business objective (other than 'to make a profit') that would be relevant to 123 Childcare Centre. **2 marks**

*123 Childcare Centre would have the objective to fulfil a market need, which is a gap in the industry that has not been satisfied by existing businesses. 123 Childcare Centre wish to provide a reliable childcare in their local area and meet the demand for high-quality which has not been fulfilled.*

#### 2017 End of Year Exam –

**Area Mgt Responsibility – Section B. Questions 1 a.** Other than operations, identify one area of management responsibility. **1 mark**

**Area Mgt Responsibility – Section B. Questions 1 b.** Explain how the area of management responsibility identified in part a. can contribute to the achievement of business objectives. **2 marks**

*Financial managers are able to budget for new and upcoming technology such as solar power that will enable the business to reduce its energy usage. By enabling Shamdra's Dairy to have the funds to purchase solar panels they're able to decrease their economic footprint and make use of natural forms of energy.*

#### 2018 Insight –

**Business Objectives Question 1 a.** Define the term 'business objective'. **1 mark**

*A business objective is a defined goal that a business sets as a target for achievement over a given period of time.*

#### 2017 Insight -

**Business Objectives Question 4 a.** Explain what is meant by a social enterprise and outline what it means for a business to fill a social need. **3 marks**

*A social enterprise is a business that produces goods and services for the market but operates with the primary objective of fulfilling a social need. The business will want to make a profit, because that profit will be reinvested back into the business so that it can continue to fulfil the social need.*

*Filling a social need means producing and/or selling goods and services for the purpose of making the world a better place.*

**Mark allocation: 3 marks**

- 2 marks for defining a social enterprise
- 1 mark for outlining what it means to fill a social need

#### Insight 2019

**Area Mgt Responsibility - Question 1 c.** Strategies to minimise waste at Dollhouse Pty Ltd are managed by the operations area of management responsibility.

Identify and describe one other area of management responsibility that could contribute to waste minimisation. **3 marks**

*Another area of management responsibility that could contribute to waste minimisation is technology support, which monitors and manages the technology within a business. This area can minimise waste by ensuring the technology used is operating efficiently – for example, there are no faults that waste electricity, or issues that cause the equipment/technology to create defective products that must be discarded. Regular maintenance can lead to efficient operations of technology so that waste is not created.*

**Mark allocation: 3 marks**

- 1 mark for identifying the area of responsibility
- 2 marks for explaining how the selected area can minimise waste – technology operating efficiently, not creating defective goods

**COMPAC 2018 -**

**Business Objectives Questions 4 a. Define the term 'percentage of market share'. 1 mark**

*Percentage of market share is the percentage of sales volume in a market that is captured by one particular business.*

**Marking guide:**

**1 mark** for stating the meaning of the term and providing the essential qualities of percentage of market share