



**Victorian Certificate of Education  
2010**

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

**STUDENT NUMBER**

Figures

Words


Letter

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**BUSINESS MANAGEMENT**  
**Written examination**

**Friday 12 November 2010**

**Reading time: 3.00 pm to 3.15 pm (15 minutes)**

**Writing time: 3.15 pm to 5.15 pm (2 hours)**

**QUESTION AND ANSWER BOOK**

**Structure of book**

<i>Number of questions</i>	<i>Number of questions to be answered</i>	<i>Number of marks</i>
7	7	65

- Students are permitted to bring into the examination room: pens, pencils, highlighters, erasers, sharpeners and rulers.
- Students are NOT permitted to bring into the examination room: blank sheets of paper and/or white out liquid/tape.
- No calculator is allowed in this examination.

**Materials supplied**

- Question and answer book of 16 pages.
- Additional space is available at the end of the book if you need extra paper to complete an answer.

**Instructions**

- Write your **student number** in the space provided above on this page.
- All written responses must be in English.

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

**Instructions**

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

**Question 1**

The Global Financial Crisis has led to a substantial reduction in the number of customers for Flyalot Airlines. Management is predicting that a further drop in customer numbers will occur over the next twelve months. As a result management is reviewing all areas of the organisation.

- a. Define the term performance indicator.

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1 mark

- b. Identify and explain how **two** stakeholder groups of Flyalot Airlines would have been adversely affected by the Global Financial Crisis.

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4 marks

- c. Identify **two** management functions. For each function discuss **one** strategy that Flyalot Airlines could use to overcome the problems caused by decreasing customer numbers.

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4 marks







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6 marks







**Question 6**

Allen's Advertising Agency has recently employed six graduates. After six months, three of the graduates have resigned due to low job satisfaction.

- a. Explain Locke's theory of motivation. Discuss how using this theory might assist the Human Resource Manager to motivate the remaining three graduates.

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4 marks

- b. In addition to improved job satisfaction, discuss **two** other benefits to Allen’s Advertising Agency that could be achieved through the use of Locke’s motivational theory.

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4 marks

- c. The Human Resource Manager at Allen's Advertising Agency also considers using reward management. Discuss how reward management is linked to motivation in an organisation. In your answer identify and explain the way one financial and one non-financial reward could improve motivation.

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A script book is available from the supervisor if you need extra paper to complete your answer. Please ensure you write your **student number** in the space provided on the front cover of the script book. **At the end of the examination, place the script book inside the front cover of this question and answer book.**