

**Victorian Certificate of Education
2014**

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

STUDENT NUMBER

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Letter

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BUSINESS MANAGEMENT

Written examination

Monday 3 November 2014

Reading time: 11.45 am to 12.00 noon (15 minutes)

Writing time: 12.00 noon to 2.00 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>
6	6	65

- Students are to write in blue or black pen.
- 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 19 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 (10 marks)

Welham Consulting is a large accounting firm with an excellent reputation. Welham Consulting takes pride in hiring the best university graduates. It is also well known for paying its staff high salaries that are above the industry average. Despite this, staff turnover is unacceptably high and the Senior Manager believes that not all staff are working to their full potential.

- a. Define 'staff turnover'.

1 mark

DO NOT WRITE IN THIS AREA

b. Explain, with reference to Maslow’s hierarchy of needs, why the high salaries at Welham Consulting do not appear to be motivating staff.

4 marks

DO NOT WRITE IN THIS AREA

c. Identify and explain a practice or process from the maintenance phase of the employment cycle that may assist in improving employee performance at Welham Consulting.

3 marks

d. Explain how the management role of leading would be important in the management of staff in a large-scale organisation.

2 marks

DO NOT WRITE IN THIS AREA

Question 2 (18 marks)

In response to an increased customer demand for air conditioners, AusClean Air's CEO, Hilary Lopez, has announced that 'environmentally friendly and noiseless units' will be produced in the company's manufacturing plant to gain a substantial competitive advantage and increase AusClean Air's market share. Employees have heard rumours that AusClean Air will be introducing new technologies and many of them do not welcome the change. The Human Resource Manager has been called in to help the employees cope with the transition. The Operations Manager welcomes the change.

- a. Describe **one** driving force or **one** restraining force for change that is affecting AusClean Air. 2 marks

DO NOT WRITE IN THIS AREA

- b. Identify **two** stakeholders of AusClean Air. Explain their interest in the organisation and how this should be taken into account by AusClean Air when considering its ethical and social responsibilities. 6 marks

DO NOT WRITE IN THIS AREA

- c. Hilary is considering altering AusClean Air's mission statement to include its commitment to the environment and consumer expectations.

Describe the relationship between the mission statement and the planning undertaken by Hilary as the CEO of AusClean Air.

4 marks

DO NOT WRITE IN THIS AREA

Question 3 (19 marks)

Shackleton Pty Ltd is a large-scale business producing and installing state-of-the-art security systems. Its headquarters is in Melbourne and it has numerous offices across Australia. The organisation employs 1000 people. Shackleton has grown into a leader in its field. Shackleton believes in using products of the highest possible quality to ensure that the customer has many years of problem-free use. Shackleton's CEO, Zac Shackleton, believes that if he employs capable staff, they will motivate themselves to do a good job. However, last month Zac noticed a drop in productivity and a rise in the number of customer complaints. Zac knows he must act swiftly or face competitors gaining a larger market share.

a. Define the following performance indicators.

2 marks

- Percentage of market share _____

- Number of customer complaints _____

DO NOT WRITE IN THIS AREA

Question 3 – continued
TURN OVER

b. Discuss a management style that would best suit Zac in overcoming the drop in productivity that he has identified.

4 marks

DO NOT WRITE IN THIS AREA

c. Identify and explain **two** management skills that Zac could use to address the issue of customer complaints.

4 marks

DO NOT WRITE IN THIS AREA

- d.** Zac is evaluating Shackleton’s management structure to see if it best suits the needs of the organisation.

Identify and describe an appropriate management structure for Shackleton. Justify how this management structure best supports the organisation.

5 marks

DO NOT WRITE IN THIS AREA

e. Explain **two** ways in which Shackleton can ensure that it is operating ethically in terms of the management of its human resources.

4 marks

DO NOT WRITE IN THIS AREA

TURN OVER

Question 4 (4 marks)

Under a decentralised approach, explain the role of the Human Resource Manager in employee relations.

DO NOT WRITE IN THIS AREA

Question 5 (4 marks)

Management in a large-scale organisation is faced with the challenge of managing change effectively.

Describe **two** possible effects that change may have on the internal environment of a large-scale organisation. In your response, refer to a significant change issue that you have studied this year.

DO NOT WRITE IN THIS AREA

TURN OVER

Question 6 (10 marks)

Ready-Made Meals is a manufacturing organisation that produces pre-packaged frozen meals. The business was established in 2010 in response to increased consumer demand for pre-packaged meals. Ready-Made Meals has not achieved the same growth as its competitors. The owner has called in a consultant, Ms North, to address this situation. Following her preliminary investigations, Ms North has identified the following problems:

- Customers think Ready-Made Meals’ products are inferior to those of its competitors.
- There are unacceptable levels of waste in the production process.
- Current recruitment practices are not addressing future staffing needs.

Ms North has recommended the following:

- a renewed focus on materials management
- improvements to the management of quality
- a review of current practices in the establishment phase of the employment cycle

Outline methods that Ready-Made Meals could use to implement Ms North’s recommendations. Discuss how the use of these methods could overcome the problems identified by Ms North.

DO NOT WRITE IN THIS AREA

Extra space for responses

Clearly number all responses in this space.

DO NOT WRITE IN THIS AREA

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An answer 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 answer book. **At the end of the examination, place the answer book inside the front cover of this question and answer book.**