

## Year 12 *Trial Exam Paper*

# 2017

## BUSINESS MANAGEMENT

### Written examination

Reading time: 15 minutes

Writing time: 2 hours

**STUDENT NAME:**

### QUESTION AND ANSWER BOOK

#### Structure of book

<i>Section</i>	<i>Number of questions</i>	<i>Number of questions to be answered</i>	<i>Number of marks</i>
A	7	7	50
B	6	6	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 writing 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 (12 marks)

Glen Hardy and Aimee Callinan are in talks to establish a restaurant business in a local shopping centre complex. They are currently discussing the type of business ownership structure they will adopt.

- a.** Describe **two** features of a partnership as a form of business ownership.

4 marks

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- b.** Compare **two** aspects of Glen and Aimee operating as a private limited company rather than a partnership.

4 marks

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c. In establishing their business, Glen and Aimee will need to utilise the management skill of planning.

Describe this skill and explain how Glen and Aimee may use it in establishing the business.

4 marks

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**Question 2** (3 marks)

In undergoing change, a business may adopt Lewin's Three Step Change model.

Describe the key features of this model.

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**Question 3** (4 marks)

Describe the 'drive to defend' as proposed by Lawrence and Nohria and explain how it may apply to a business.

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**Question 4** (9 marks)

Andrew Thomas is CEO of Thomas and Sons, a private limited company started by Andrew's father 47 years ago. The business has made significant profits in recent years and Thomas thinks that the time is right for him and the business to consider other objectives.

Andrew has decided to step down as CEO, sell his share of the business to his son and commence a new business with a social focus.

- a.** Explain what is meant by a social enterprise and outline what it means for a business to fill a social need.

3 marks

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**b.** Describe the interests that **two** stakeholders, other than Andrew, may have in the new business.

4 marks

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- c. Describe a key performance indicator that Andrew could use to assess whether the commencement of his new business has been successful.

2 marks

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**Question 5** (4 marks)

Explain and justify a management style that a business owner may adopt when starting a new business.

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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**

Michaels Holdings is a small private limited company that manufactures baby prams, strollers and other such items.

Recent performance of the business has seen mixed results. Some data of concern to shareholders are summarised below:

	<b>2016</b>	<b>2017</b>
<b>Sales</b>	\$17.4m	\$19.2m
<b>Net profit</b>	\$3.8m	\$3.6m
<b>Level of wastage (% of inputs)</b>	4%	5%
<b>Number of customer complaints (per 1000 sales)</b>	25	32

CEO Mark Edwards has identified operations as a key area where changes need to be made in order to improve performance.





**Question 2** (4 marks)

Business performance can be improved by implementing various strategies.

Propose **one** quality management strategy and evaluate how its implementation would improve the efficiency of Michaels Holdings.

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**Question 3** (4 marks)

Propose **one** material management strategy and evaluate how its implementation would act to improve the overall performance of Michaels Holdings.

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**Question 5** (2 marks)

Outline a corporate social responsibility consideration associated with overseas manufacturing that Michaels Holdings may face.

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**Question 6** (4 marks)

Describe how an area of management responsibility, other than operations, could assist in improving the performance of Michaels Holdings in one of the KPIs identified in the case study.

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**END OF QUESTION AND ANSWER BOOK**





