

**Victorian Certificate of Education**  
**Year**

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

STUDENT NUMBER

										Letter
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## BUSINESS MANAGEMENT

### Written examination

Day Date

Reading time: \*.\* to \*.\* (15 minutes)

Writing time: \*.\* to \*.\* (2 hours)

### QUESTION AND ANSWER BOOK

#### Structure of book

Section	Number of questions	Number of questions to be answered	Number of marks
A	8	8	50
B	5	5	25
			Total 75

- 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 correction fluid/tape.
- No calculator is allowed in this examination.

#### Materials supplied

- Question and answer book of 20 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.**

**SECTION A**

**Instructions for Section A**

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

**Question 1** (2 marks)

Define the term 'social enterprise' and give **one** example of a distinguishing feature of a social enterprise.

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**Question 2** (3 marks)

Explain how following a change model can assist a business with implementing a change successfully.

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**Question 3** (6 marks)

Use an example to demonstrate the application of Lewin's Three-Step Change Model.

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**Question 4** (4 marks)

The best-performing businesses are those that have a positive corporate culture.

Explain **two** strategies that a business can implement to develop a positive corporate culture.

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**Question 5** (4 marks)

Read the information in the table below relating to Dazzle Painting and Decorating, a Victorian business specialising in both interior and exterior house painting.

Key performance indicator	2015	2016
level of wastage	↑ 2%	↑ 3%
net profit	\$520 000	\$145 000

Explain how the principles of lean management could assist Dazzle Painting and Decorating with improving its performance. In your response, refer to the data provided.

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**Question 6 (6 marks)**

‘Some employees reach their targets and pursue excellence while others just show up to work each day and count the hours until the end of their shift.’

Compare Maslow’s theory of motivation with Lawrence and Nohria’s theory of motivation. In your response, refer to the statement above.

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**Question 7** (15 marks)

Grocer Plus is a well-established supermarket chain with more than 5000 stores worldwide. Its human resources training program provides all staff with opportunities to become multiskilled. This, in turn, provides Grocer Plus' management with greater flexibility in managing the business as staff develop a greater breadth of skills. Grocer Plus' management is also very open to suggestions from staff and listens to what they have to say, while still maintaining final decision-making power for the business.

- a. Explain **one** training option that would be appropriate for Grocer Plus to continue to multiskill its employees.

2 marks

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- b. Employee observation is one type of performance management strategy.

Propose a different performance management strategy that you believe would be effective in improving employee performance at Grocer Plus. Justify your choice.

4 marks

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c. Identify the management style that is being used by the management at Grocer Plus and explain **one** benefit of using this style.

3 marks

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d. Grocer Plus’ management is planning for the future of the business.

Discuss **two** options available to Grocer Plus in terms of Porter’s Generic Strategies.

6 marks

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**SECTION A – continued**  
**TURN OVER**

**Question 8** (10 marks)

Using a business case study from the past four years, illustrate how corporate social responsibility considerations can influence the decisions taken by management in relation to an operations system. Evaluate the potential effects that these decisions may have on **one** stakeholder of the 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.

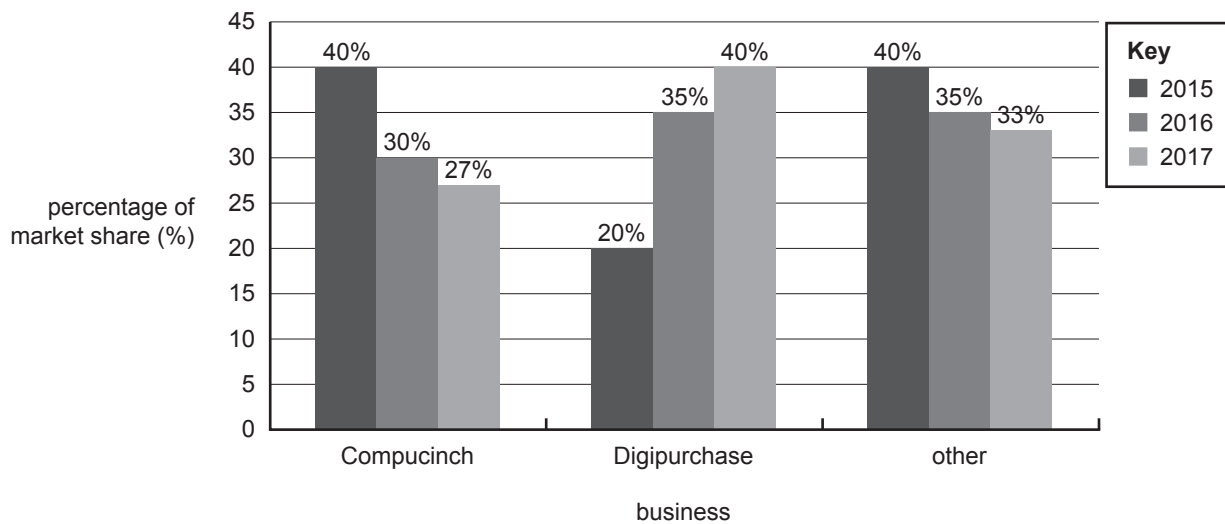
**Case study**

Compucinch Pty Ltd is an IT consultancy business established 15 years ago by its CEO, David Myles. The company specialises in the provision of expert advice, assistance and support to clients making IT software and hardware purchases. Step-by-step instructions and advice are provided to clients while they are making these purchases.

Compucinch has grown to employ 30 full-time employees since the establishment of the business. All of Compucinch’s employees are currently working under award pay and conditions.

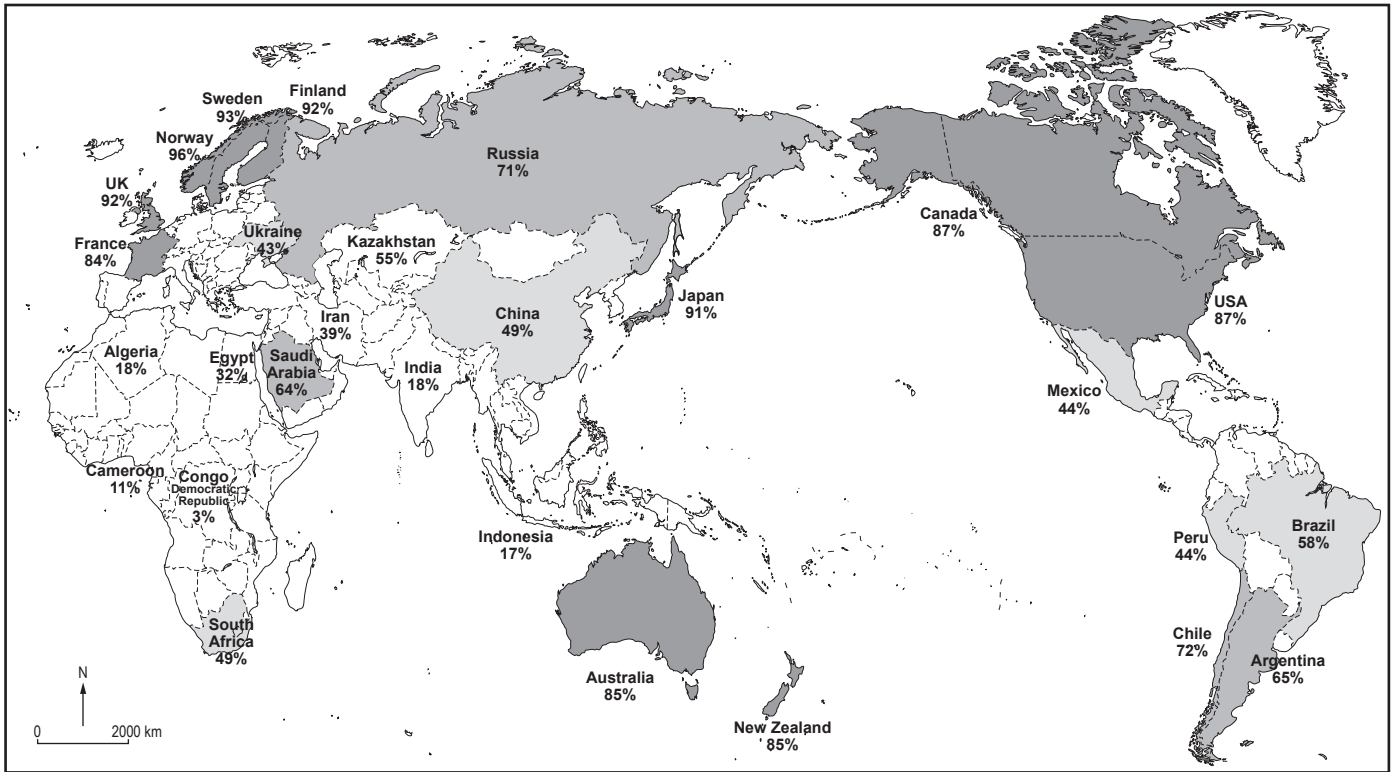
Digipurchase Pty Ltd is a competitor of Compucinch and offers a similar product range. Over the past six months, three of Compucinch’s employees have resigned to take up positions with Digipurchase. Exit interviews have shown that the departing employees have been attracted by the more generous pay and conditions offered in the Digipurchase enterprise agreement.

**Market share – Australian information technology purchase consultancy businesses**

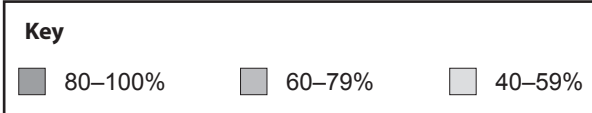


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Percentage of individuals using the internet



Data: UNdata (<http://data.un.org>)



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**Question 1** (6 marks)

Explain the key elements of the operations system at Compucinch.

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**Question 2 (4 marks)**

As the CEO of Compucinch, David will need to possess and apply many management skills.

Explain how David might utilise planning skills and decision-making skills in order to manage Compucinch effectively.

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**Question 3 (8 marks)**

David wants the business to grow, initially in the Australian market, but potentially overseas as well.

Discuss the management strategies that David and senior management might investigate to seek new opportunities both domestically and globally.

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**Question 4** (3 marks)

Explain why David will need to review key performance indicators (KPIs) to evaluate the performance of Compucinch. Refer to **one** relevant KPI, other than market share, to illustrate your response.

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**Question 5** (4 marks)

Describe **one** advantage and **one** disadvantage for Compucinch that are associated with changing from an award to an enterprise agreement as a means of establishing wages and conditions of work.

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