



**Victorian Certificate of Education  
2019**

Name: \_\_\_\_\_

Teacher's name: \_\_\_\_\_

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STUDENT NUMBER

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# BUSINESS MANAGEMENT

## Written examination

2019

Reading time: 15 minutes

Writing time: 2 hours

## 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	5	5	50
B	4	4	25
			Total 75

- Students are to write in blue or black pen.
- Students are permitted to bring into the assessment 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 booklet.
- 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.**





- d. Describe and justify **two** management skills Archie and Flynn could use while establishing their new business. 4 marks

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**Question 4** (16 marks)

In today’s business world, business owners and managers are reporting that their single greatest challenge is retaining talent. The answer for many companies is to ‘throw money’ at the problem: bonuses, incentive pay, and salary increases are often seen as motivators that will entice greater effort and loyalty out of workers. However, using cash as a ‘carrot’ is not always the best answer, according to new research by Harvard Business School Assistant Professor Ashley Whillans. The research found that more than 80 percent of employees reported that they do not feel recognised or rewarded, despite the fact that companies are spending more than a fifth of their budgets on wages.

Excerpt from ‘Forget Cash. Here Are Better Ways to Motivate Employees’. Dina Gerdeman, 28 Jan 2019

- a. Explain how the business objectives of companies might be different from those of a social enterprise. 2 marks

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- b. Explain the relationship between employee motivation and **one** business objective. 2 marks

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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

#### *'The Grange Hotel Group' becomes 'Grange Resorts'*

'The Grange Hotel Group' Ltd. runs 4-star hotels which offer beachfront accommodation and restaurant services in Sydney, Perth, Bali and Fiji. It also operates a range of water sports and activities including jet skiing, surfing, snorkelling and parasailing.

In response to increasing competition from local and global hotels, management at 'The Grange' have conducted market research and discovered the following:

- Families with young children are seeking 'all inclusive' resort-style accommodation options, especially in Bali and Fiji;
- 'The Grange' is highly rated by its customers (4.3/5 stars) but its restaurants are not as well reviewed (only 2.2/5 stars);
- Customers would like to see better in-hotel entertainment including an outdoor cinema, live bands, and a 'Kids Club' for families travelling with young kids;
- Customers feel 'The Grange' is inferior to 'high end' hotels in massage, fitness and wellbeing services. Its gym is rated 'poor' and it does not have an on-site spa centre;
- Customers feel 'The Grange' could promote more sustainable practices in its hotels.

In response to this feedback, management have decided to rebrand the Hotel Group and become Grange Resorts Ltd., expanding each of the four hotels into five-star luxury, family-friendly resorts. Each resort will include:

- 8 new restaurants, serving the highest-quality cuisines from around the world
- Two bars, with live local and international performers from Thursday-Sunday
- Private beach access
- Waterslide and pools
- Spa and wellness centre
- All-inclusive package options
- A 'Kids Club' for children aged 4-12
- New lean management processes in order to increase their level of corporate social responsibility.

This expansion is expected to cost Grange Resorts more than \$4 billion to complete over five years. New staff will need to be hired, and existing staff trained in five-star hotel standards. Senior management know this will be a significant change; however, they believe the real corporate culture of its existing 2,500 staff will help it succeed and become a world leader in luxury resort living.













