

Trial Examination 2019

VCE Business Management Units 3&4

Written Examination

Question and Answer Booklet

Reading time: 15 minutes Writing time: 2 hours

Student's Name: _____

Teacher's Name: _____

Structure of booklet

Section	Number of questions	Number of questions to be answered	Number of marks	
A	4	4	50	
В	2	2	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 booklet of 24 pages

Additional space is available at the end of the booklet if you need extra paper to complete an answer.

Instructions

Write your name and your teacher's name 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.

Students are advised that this is a trial examination only and cannot in any way guarantee the content or the format of the 2019 VCE Business Management Units 3&4 Written Examination.

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SECTION A

	Instructions for Section A	
An	swer all questions in the spaces provided.	
Que	estion 1 (12 marks)	
a.	Define the concept of 'business objectives'.	1 mark
b.	Identify one business objective that a business might set and explain why this objective is important for a business.	3 marks

c. Explain one performance management strategy and explain how it might support a business to manage employees and achieve business objectives.

d. Describe the key principles of Lawrence and Nohria's Four Drive Theory and explain how they might assist a manager to motivate employees.4 marks



Question 2 (12 marks)

a. Describe the characteristics of operations management within both manufacturing and service businesses. In your response, provide an example of a contemporary business case study for a manufacturing or a service business.
 6 marks



b. All businesses must consider strategies to improve the efficiency and effectiveness of operations.

Explain **one** strategy related to the management of materials and **one** strategy related to waste minimisation.

4 marks

c. Explain one global consideration in operations management.

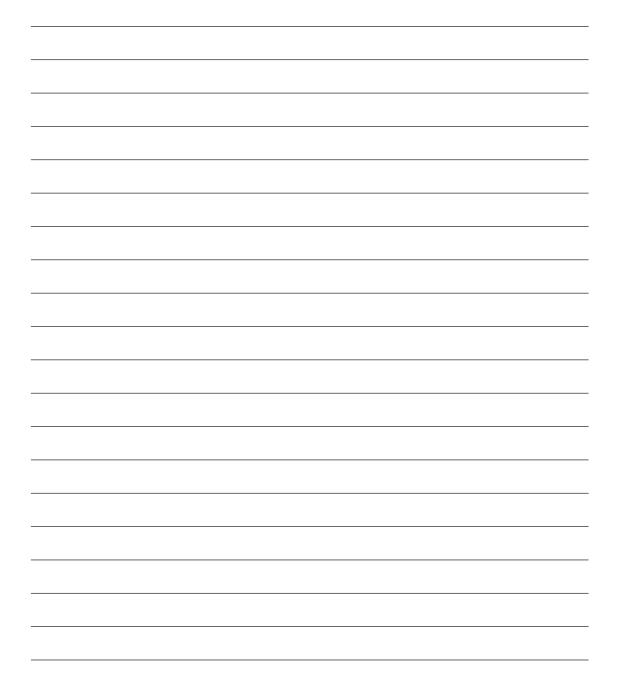
Question 3 (16 marks)

Darcy Jones has recently been appointed as a manager at Exemplar Technologies. The business works with other businesses to ensure their communications processes and equipment suit their business needs. A majority of Exemplar's work has been with retailers in Victoria. The business is considering expanding into other states and the owners are currently negotiating to buy an established business that operates in South Australia. Darcy has been asked to become part of the team overseeing the expansion of the business.

a. Outline **two** stakeholders who may be affected by the proposed expansion and explain **one** possible conflict between the stakeholders.

b. The Managing Director, Victoria Frost, is considering how to support the business to expand and sustain success in other states.

Distinguish between Porter's Generic Strategies of lower cost and differentiation. In your response, propose and justify which strategy might support Exemplar Technologies as it expands.



- **c.** Some employees are concerned about the possible impact that the changes may have on their roles and how the two different businesses will come together.
 - i. Explain the concept of corporate culture and propose **one** strategy that might assist in its development.



ii. Darcy has been involved in discussions about how the change might be introduced at Exemplar Technologies.

Propose one low-risk strategy and one high-risk strategy to overcome employee resistance.	4 marks

Question 4 (10 marks)

'Constant change and uncertainty is the reality for all businesses, regardless of their size.'

Discuss the importance of leadership in change management and evaluate how the key principles of Lewin's Three Step Change Model can assist a business to implement change. Illustrate your response with reference to a contemporary business case study.

END OF SECTION A

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

Mia Lang and Haru Ito established Onstyle Homewares and Design five years ago. The business has two main areas: an online design advice service and a range of Japanese-inspired decorative homewares. The business has quickly grown and is known for its high-quality items and innovative designs. The business is active in social media, with a large number of followers, and sells its homewares range in a number of countries via its website.

Mia and Haru have been looking at expanding the design service into New Zealand and Asia. In preparation for this they have a commissioned a report from their business consultant. The following information has been included.

KPI	2015	2016	2017
percentage of market share - design service	15.5%	18.3%	22.5%
level of staff turnover (total)	2.1%	2.8%	6.5%
value of sales – homewares	\$120 000	\$155 000	\$198 000
value of sales – design service	\$200 000	\$225 000	\$235 000
level of wastage – homewares	1.8%	2.3%	1.6%

Table 1: Key performance indicators

Location	Percentage of sales (%)
Australia	33
New Zealand	21
Indonesia	14
Japan	13
Pacific	10
Hong Kong	9

Table 2: Origin of customers – Homewares

Mia and Haru have also been considering opening their own manufacturing plant in Victoria to complement the items they import from Japan. This will mean expanding their operations and employing another twenty-five staff in the next year.

Question 1 (11 marks)

a. Define **one** of the key performance indicators in Table 1 and analyse its performance during the past three years. In your answer, explain why it is important for Onstyle Homewares and Design to evaluate key performance indicators.



b. Propose and justify **one** management strategy to respond to one or more of the key performance indicators in Table 1.



c. Explain **one** driving and **one** restraining force for change that may impact the planned expansion of Onstyle Homewares and Design.

Question 2 (14 marks)

Mia is concerned that the need to employ extra staff may have an impact on the motivation of existing staff. She is considering introducing performance-related pay as a means to improve motivation.

Explain performance related pay as a motivation strategy and outline one advantage or one disadvantage of this strategy.
 3 marks

b. Explain how the management skill of communicating could assist Onstyle Homewares
and Design to ensure that the changes are successfully implemented.2 marks

c. Explain how the principles of Senge's Learning Organisation could assist in supporting
 Onstyle Homewares and Design and its employees through the change process.
 5 marks



d. Mia is considering the type of management style to use when Onstyle Homewares and Design expands. She would like to ensure that staff are fully informed about the business and seek their input.

Describe **two** features of an appropriate management style that Mia could adopt and explain why this style would be appropriate when guiding the employees of Onstyle Homewares and Design through the expansion.

4 marks

END OF QUESTION AND ANSWER BOOKLET

Extra space for responses

Clearly number all responses in this space.

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