

NAME:

BUSINESS MANAGEMENT

Unit 3&4 Examination 3

Reading time: 15 minutes

Writing time: 120 minutes

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	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 permitted.

Materials supplied

- Question and answer book
- Additional space is available at the end of the book if you need extra paper to complete an answer.

Instructions

- Write your **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 room.

SECTION A

Instructions for Section A

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

Question 1 (14 marks)

Frame Pro Pty Ltd is a photography business which also specialises in developing picture frames. Most of its employees are experienced in this field and want to further develop their artistic ability.

a. Outline **one** feature of the type of business that *Frame Pro* is. 2 marks

b. Propose and justify a management style that could be used at *Frame Pro*. 3 marks

c. Describe how Maslow's Hierarchy of Needs theory could be used to increase employee motivation at *Frame Pro*.

4 marks

Question 4 (14 marks)

Employees at *Supra Rugs* are currently in the process of negotiating a new enterprise agreement. Management is prepared to offer a 3% wage increase over three years but wants to ensure that the productivity of employees is strictly monitored in the rug making processes.

- a.** Define the 'rate of productivity growth' as a key performance indicator. 2 marks

- b.** Describe how appraisals could help management at *Supra Rugs* monitor employee performance. 3 marks

c. If the rate of productivity growth increases at *Supra Rugs*, describe how the following key performance indicators could be impacted: 6 marks

rate of staff absenteeism

number of workplace accidents

d. Describe arbitration as a dispute resolution method in a business such as *Supra Rugs*. 3 marks

Question 5 (6 marks)

Discuss how overseas manufacture can occur while meeting corporate social responsibility considerations.

End of Section A

SECTION B – CASE STUDY**Instructions for Section B**

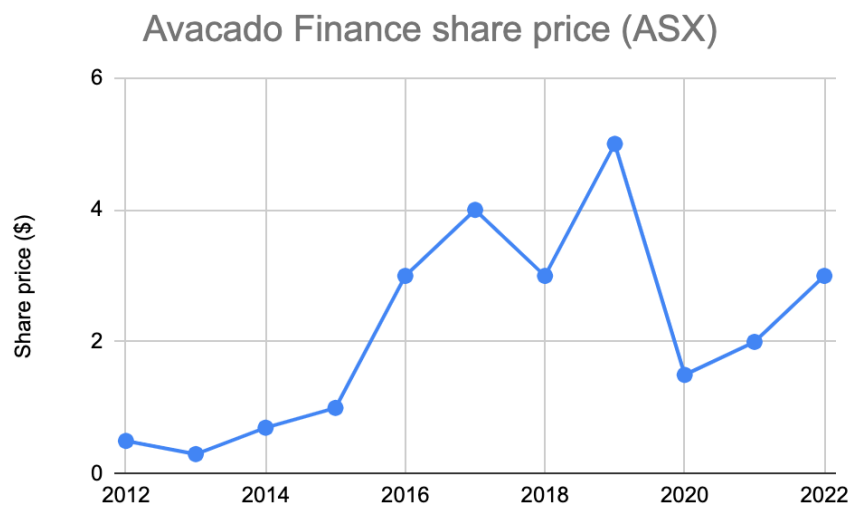
Use the stimulus material provided to answer the questions in this section. Answers must apply to the stimulus material. Answer **all** questions in the spaces provided.

Case Study

Avocado Finance Ltd is a mortgage brokering business that especially focuses on helping young people obtain loans for cars, holidays, and properties. The service is free of charge for clients, with the business obtaining revenue from lending institutions that their clients are referred on to. The business' website states that “[w]e aim to provide a stand-out, customised service, recognising that everyone’s aspirations and life goals are unique.”

Founding director and CEO, Sylvio Alvarez, also operates a Youtube channel in which he gives advice on wide ranging topics such as budgeting, investing, and processes involved in buying a first home.

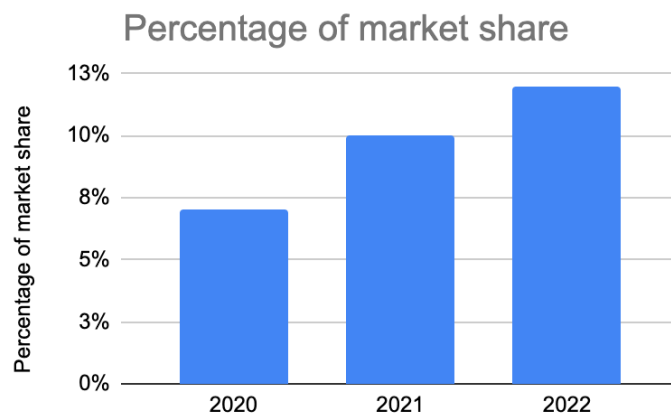
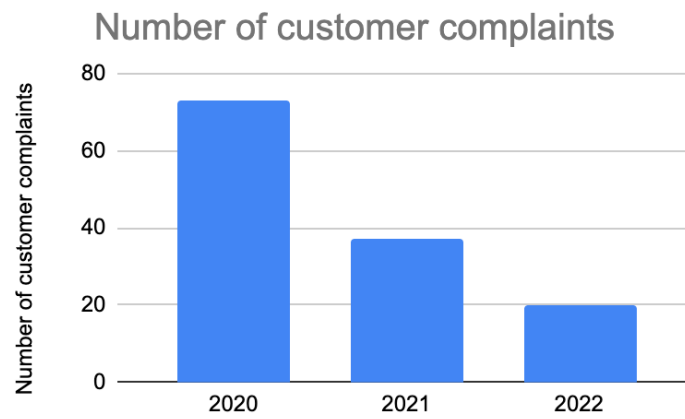
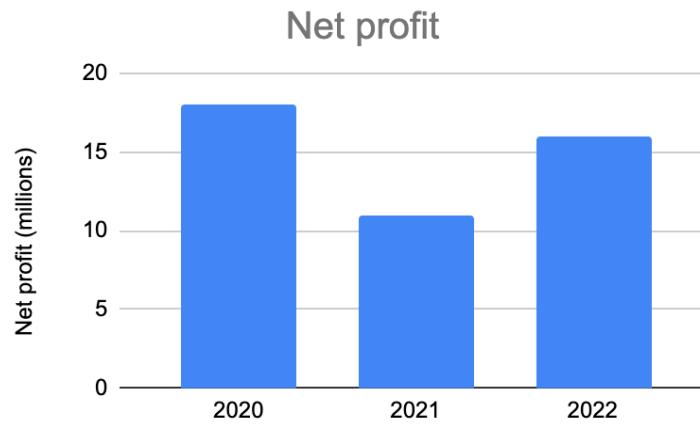
However, in 2019, *Avocado Finance* struggled to obtain new clients, due to many online lenders offering more convenient methods of applying for loans, without the need to use a mortgage broker as a facilitator of the process. This had an impact on the company’s share price.



In response to these concerns, the company introduced a two-year “come back” plan in 2020 to regain market share, through implementing the following:

- gift vouchers for returning clients
- individual contracts to retain high performing employees
- more targeted social media promotions, showcasing client success stories.

Data concerning the following key performance indicators has been collated from 2020 to 2022.



Question 1 (2 marks)

Outline **one** advantage of *Avocado Finance* being a public listed company instead of a private limited company.

Question 2 (7 marks)

Evaluate *Avocado Finance*'s use of Porter's generic strategy of differentiation to obtain a competitive advantage.

Question 3 (4 marks)

Propose and justify **one** technology strategy that could be implemented to improve key performance indicator performance beyond 2022.

Question 4 (4 marks)

Describe how two principles of Lewin's Three Step Change Model could have been used in the "come back" plan.

Question 5 (8 marks)

Discuss how the use of agreements, as opposed to awards, could have increased staff motivation to positively impact two key performance indicators from 2020 to 2022.

Key performance indicator: _____

Key performance indicator: _____
