VICTORIAN CURRICULUM AND ASSESSMENT AUTHORITY

Victorian Certificate of Education
2023

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

STUDENT NUMBER | | | | | | | | | | Letter | |

BUSINESS MANAGEMENT

Written examination

Wednesday 1 November 2023

Reading time: 3.00 pm to 3.15 pm (15 minutes)
Writing time: 3.15 pm to 5.15 pm (2 hours)

QUESTION AND ANSWER BOOK

Structure of book

Section	*Number of questions*	*Number of questions to be answered*	*Number of marks*
A	5	5	40
B	6	6	35
			Total 75

- 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 24 pages
- Additional space is available at the end of the book if you need extra space 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.

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SECTION A

Instructions for Section A

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

Question 1 (9 marks)

Furny-Chur manufactures and installs seating for large sporting stadiums throughout Australia. They produce their seats using locally sourced inputs and materials.

a. Define corporate social responsibility. 2 marks

b. In relation to lean management, explain how **two** of the following could be used to reduce waste at Furny-Chur:

- pull
- one-piece flow
- takt
- zero defects

4 marks

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c. When employing new staff, Furny-Chur chooses to use agreements rather than awards. Explain **one** disadvantage of using agreements when determining wages. 3 marks

Question 2 (8 marks)

Blue Berry Juice manufactures a range of healthy fruit juices. The owners have plans to expand the business into overseas markets. Recently, the business has changed from a partnership to a public listed company.

a. Justify the decision by Blue Berry Juice to change to a public listed company. 4 marks

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b. Explain how Blue Berry Juice could use Porter's differentiation strategy to meet shareholder expectations. 4 marks

Question 3 (6 marks)

'For some employees, money is the main motivator. For other people, money is less important.'

Compare Maslow's Hierarchy of Needs with **one** other motivational theory you have studied this year. In your response, refer to the statement above.

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Question 4 (11 marks)

Eshan's Breads is a large manufacturing business in Melbourne. It supplies bread to supermarkets, restaurants and catering businesses.

The three key elements of an operations system are inputs, processes and outputs.

a. Describe **one** way in which Eshan's Breads could use a materials management strategy to improve the efficient management of its inputs. 3 marks

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b. Explain how Eshan's Breads could use an automated production line to improve the efficient **and** effective management of its processes. 4 marks

c. Propose and justify a quality management strategy that could be used to improve the effective management of outputs at Eshan's Breads. 4 marks

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Question 5 (6 marks)

Analyse both proactive **and** reactive approaches to business change. In your response, refer to at least one contemporary business case study.

END OF SECTION A
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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 email below was sent to all of the employees of Fly-A-Lot Airlines at 2.23 am on 8 January 2023.

To: All Staff
CC: Senior Executive Team
Subject: Exciting New Launch

Dear Staff,

Today marks a significant change for our company. We will no longer be operating as Fly-A-Lot Airlines. Tomorrow we will be launching as Eco-Comfort-Fly Air (ECF Air) – an environmentally sustainable airline. The goal is to reduce our carbon footprint over time and lead the way into a future of low-emission airline travel. We will be the first airline to achieve this objective.

Our airline has always valued the contribution of our extraordinary employees. You were with us as we changed from being an international airline to one that focused on the Australian market. Many of you will look forward to the challenges and opportunities ahead.

Many factors have contributed to this decision:

- Societal attitudes have changed – customers are seeking more sustainable forms of transport.
- Globalisation has resulted in increased competition in the market, so there is a need to diversify.
- Increased fuel prices have forced us to seek new, innovative fuel alternatives that minimise damage to the environment.

Significant planning has been underway over the last 12 months to ensure that this change to an environmentally sustainable airline will be successful.

The number of routes flown will be reduced, with a focus on high-demand destinations. Significant investment in new technology and new aircraft will be made. Waste will be minimised, biodegradable packaging will be used and new, cleaner fuels will be investigated to reduce emissions. The target market will be customers with an environmental focus.

As a result of the new direction, employee numbers will be reduced. In consultation with the union, redundancy packages will be offered to 50 per cent of our employees. The Human Resources team has been asked to complete this process as quickly as possible. Employees to be made redundant will be contacted via email within 48 hours and provided with information about full entitlements.

We are anticipating the success of our new airline.

Ryley Jones (CEO)

Source: Janos Levente/Shutterstock.com

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Question 1 (6 marks)

Identify two management skills. Describe the way in which Ryley Jones (CEO) has used these skills.

Skill 1 _____ 3 marks

Skill 2 _____ 3 marks

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Question 2 (3 marks)

Outline **one** way in which the airline could develop its corporate culture after implementing the change.

Question 3 (6 marks)

Compare transition considerations with entitlement considerations as they could apply to the employees of the airline during this period.

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Question 4 (10 marks)

'Significant business changes can only occur after analysing key performance indicators and considering a range of management strategies.'

Analyse the relationship between key performance indicators and management strategies during the change to an environmentally sustainable airline.

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Question 5 (6 marks)

Other than pursuit of profit, explain how **two** driving forces have contributed to the decision to implement the change at the airline.

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Question 6 (4 marks)

Explain the effect of this change on **two** of the following stakeholders of the airline:

- the general community
- suppliers
- customers

END OF QUESTION AND ANSWER BOOK

Extra space for responses

Clearly number all responses in this space.

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An answer book is available from the supervisor if you need extra space to complete an answer. Please ensure you write your **student number** in the space provided on the front cover of the answer book. **At the end of the examination, place the answer book inside the front cover of this question and answer book.**