BUSINESS MANAGEMENT
Written examination

Friday 12 November 2010
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

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<tr>
<th>Number of questions</th>
<th>Number of questions to be answered</th>
<th>Number of marks</th>
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<td>7</td>
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• 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 white out liquid/tape.
• No calculator is allowed in this examination.

Materials supplied
• Question and answer book of 16 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.

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Question 1
The Global Financial Crisis has led to a substantial reduction in the number of customers for Flyalot Airlines. Management is predicting that a further drop in customer numbers will occur over the next twelve months. As a result management is reviewing all areas of the organisation.

a. Define the term performance indicator.

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1 mark

b. Identify and explain how two stakeholder groups of Flyalot Airlines would have been adversely affected by the Global Financial Crisis.

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4 marks
c. Identify two management functions. For each function discuss one strategy that Flyalot Airlines could use to overcome the problems caused by decreasing customer numbers.

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4 marks
For each of the strategies you have identified in part c., select and justify a performance indicator that could be used to measure the success of the strategy.
Question 2

Wonderful Toys Company manufactures wooden blocks that were found to contain small amounts of lead paint that can be poisonous to children. The company recalled all of this product.

What management style could Wonderful Toys use in this crisis? Explain why you have chosen this management style. Refer to two features of this style in your explanation.

5 marks
Question 3
Ms West has just purchased a designer clothing and manufacturing company. She would like to expand the company and start exporting.
Compare and contrast two potential management structures that would assist Ms West to achieve these aims. Which management structure would you recommend to Ms West? Justify your choice.
Question 4
The Charity Foundation is a service organisation assisting children who have been affected by natural disasters. It aims to raise money and collect goods to distribute to children in need.

Identify and explain the key elements of The Charity Foundation’s operations management system. In your answer provide one example of each key element.
Question 5
Ethical and socially responsible management is an important part of an operations management system. Identify and describe two operations management strategies. Discuss the benefits to an organisation of adopting an ethical and socially responsible approach to management in these areas.

6 marks
Question 6

Allen’s Advertising Agency has recently employed six graduates. After six months, three of the graduates have resigned due to low job satisfaction.

a. Explain Locke’s theory of motivation. Discuss how using this theory might assist the Human Resource Manager to motivate the remaining three graduates.

4 marks
b. In addition to improved job satisfaction, discuss two other benefits to Allen’s Advertising Agency that could be achieved through the use of Locke’s motivational theory.
The Human Resource Manager at Allen’s Advertising Agency also considers using reward management. Discuss how reward management is linked to motivation in an organisation. In your answer identify and explain the way one financial and one non-financial reward could improve motivation.

6 marks
d. The Human Resource Manager needs to employ three new graduates. Discuss the selection processes that could be used to ensure that the new staff meet the needs of the organisation.

5 marks
Question 7
Managing change is a vital part of ensuring the success of a large-scale organisation. Analyse possible driving and restraining forces which might cause change in a large-scale organisation. Illustrate your answer with references to an issue or organisation that you have studied this year.
Extra space for responses

Clearly number all responses in this space

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