BUSINESS MANAGEMENT
Written examination

Monday 2 November 2015
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

<table>
<thead>
<tr>
<th>Number of questions</th>
<th>Number of questions to be answered</th>
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<tbody>
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<td>4</td>
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- 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
- 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 (19 marks)
Swanston Airlines is a large-scale organisation providing flights to all capital cities in Australia. Swanston Airlines recently suffered a technology breakdown in its computerised ticketing system that led to customers not being able to book tickets, get seat allocations or board flights for 24 hours. This resulted in very unhappy customers who missed flights, were angry and argued with staff, and demanded refunds. The CEO of Swanston Airlines has called a meeting of senior management to review current policies and procedures in order to develop a new policy to better deal with customer relations in the future.

a. Outline the purpose of a policy.  

Instructions
Answer all questions in the spaces provided.
b. Explain how two stakeholders, other than customers, could have been affected by the technology breakdown. 4 marks
c. Justify a management style that would be appropriate for the management of Swanston Airlines to use when implementing its new policy. 4 marks

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d. Describe **one** low-risk strategy and **one** high-risk strategy that Swanston Airlines could consider using when introducing the new policy. 4 marks
e. Explain how each of the three levels of planning could be used to improve customer relations at Swanston Airlines. 6 marks
Question 2 (25 marks)

Bourke Books has been in operation for 35 years and employs 300 people across stores throughout Australia. Over the past five years, sales of new and second-hand books have declined by 40%. However, sales of ebooks have steadily increased by 10% each year over the same time period. Recently, a customer satisfaction survey was conducted and the results confirmed what the sales figures showed, that increasing numbers of customers prefer ebooks. As a result of these findings, a restructure of staffing was planned and the Human Resource Manager conducted a job analysis. The job analysis identified a number of staff changes, including terminations, to ensure the ongoing success of the business. The proposed restructure has been communicated to employees and has resulted in a drop in morale.

a. Distinguish between job analysis and job design.  

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Question 2 – continued

TURN OVER
b. Discuss how either Maslow’s or Herzberg’s motivational theory will assist the Human Resource Manager to motivate the employees. Justify which motivational theory would be the most suitable for Bourke Books. 8 marks

Question 2 – continued
c. Explain **two** ethical and socially responsible processes that the Human Resource Manager could implement when terminating staff.  

4 marks
d. Describe and justify a management structure that would be appropriate for Bourke Books. 5 marks

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Describe how two steps of Kotter’s theory of change management may be used for the successful introduction of the new staffing structure at Bourke Books.  

1. Identify and diagnose the need for change. 
2. Create a sense of urgency and commitment among stakeholders. 

These steps involve understanding the current situation, recognizing the need for change, and gaining support from key individuals and groups. By focusing on these areas, the introduction of the new staffing structure at Bourke Books can be managed more effectively.
S&J Solar Panels is a manufacturing organisation that is rapidly expanding in a growing market. Due to high demand and increasing competition, the Operations Manager began importing partially assembled materials from overseas to keep costs low and save time. As a result, the employees were no longer required to produce entire solar panels. They were, however, required to develop new skills in order to complete the new production process. S&J Solar Panels now guarantees delivery of solar panels to customers within seven days, whereas competitors operate on a 28-day delivery service.

The new production process had been in place for a period of time when the Operations Manager discovered that many of the imported materials were faulty. As a result, a number of new strategies will need to be introduced.

a. Describe an appropriate facilities, design and layout strategy for the production of solar panels after the importation of parts.

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b. Explain the relationship between productivity and business competitiveness.  

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c. Explain a management of quality strategy that S&J Solar Panels could use to improve its operations. 4 marks

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d. Outline one form of training that management could consider to ensure that employees have the required skills.  2 marks
Question 4 (10 marks)

Analyse how two factors of the internal environment and two factors of the external environment of a large-scale organisation may act as sources of change. In your response, refer to a significant change issue that you have studied this year.
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 paper to complete your 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.