



**Victorian Certificate of Education
2006**

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

STUDENT NUMBER

Figures
Words

Letter

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BUSINESS MANAGEMENT
Written examination

Friday 10 November 2006

Reading time: 11:45 am to 12.00 noon (15 minutes)

Writing time: 12.00 noon to 2.00 pm (2 hours)

QUESTION AND ANSWER BOOK

Structure of book

<i>Number of questions</i>	<i>Number of questions to be answered</i>	<i>Number of marks</i>
5	5	60

- 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.

Question 1

Southern Furniture Ltd's mission statement reads

Southern Furniture Ltd is a leader in the manufacturing of household furniture. Our mission is to meet customer needs with the highest quality products and services. This will support the profitability and the growth expectations of our shareholders. We care about the future of our environment and we support programs that protect communities.

The CEO, Mr Gomm, and his senior managers have developed a strategic plan for the next five years. The intention of this plan is to inform all staff within the organisation that changes have to be made.

The strategic plan includes the following objectives.

- increase market share by 25% in China (an identified growth area)
- reduce materials waste by 5% per year
- achieve and maintain ISO 9000 accreditation
- increase productivity by 8% through the use of new automation/technology

In addition, Mr Gomm also announced there would be a review of the current organisational structure to assess whether it is still appropriate.

Mr Gomm informed Susan Wu, Human Resource Manager, that the following strategies must be put into action.

- the firm will adopt enterprise bargaining agreements
- current staff will need to be retrained to use the latest technology
- training of staff will now be outsourced

a. Define these terms.

i. productivity

ii. outsourcing

1 + 1 = 2 marks

- b. Apart from the stakeholders mentioned in the **mission statement**, identify **two** other stakeholders of Southern Furniture Ltd and explain their importance to the organisation.

4 marks

- c. Explain the relationship between a mission statement and a strategic plan.

2 marks

- d. Describe how one of the objectives in the strategic plan will assist Southern Furniture Ltd to become a more socially responsible organisation.

2 marks

- e. Identify and justify an appropriate organisational structure that will assist the organisation to achieve its strategic plan.

2 marks

- f. Identify and explain **two** management skills that could be used by Mr Gomm to implement the strategic plan.

4 marks

Total 16 marks

Question 2

Golden Steel Ltd has experienced a large increase in the number of industrial accidents over the past year. This has resulted in long-term absences from the workplace of those involved and increased stress on the remaining workforce. The loss of the expertise and experience of permanent staff has led to a reduction in efficiency. Management has also been concerned about the cost of employing temporary staff to cover the absent staff.

In response, Golden Steel Ltd has introduced a new policy titled '*Handling and Maintenance of Dangerous Materials*'. The Operations Manager, Jim Smart, has the responsibility of informing all staff of the new policy and for its overall implementation. The HR Manager, Judy Wang, has been asked to assist as appropriate.

- a. Identify and explain **two** key management roles Judy Wang could use to assist in implementing the new policy.

4 marks

b. Outline **two** operations management strategies Jim Smart can use to improve operations.

4 marks

c. Discuss the relationship between a quality strategy and business competitiveness.

2 marks

- d.** Explain the elements of an operations management system. Use an example from an organisation you have studied this year to illustrate your answer.

4 marks

Total 14 marks

TURN OVER

Question 3

Joe Johnson owns and runs Slippery Shirt Company. He makes large profits by using ‘sweatshops’ (where pay and conditions are well below the industry award) to sew his shirts. Joe is retiring and passing the business to his son, Jack, who is determined to bring in policies that treat his staff and contractors in a socially responsible manner.

a. Define the following terms.

i. policy

ii. organisational change

1 + 1 = 2 marks

b. Describe an appropriate change management theory Slippery Shirt Company could use to implement the new policies.

3 marks

- c. Discuss how **two** elements of the external environment of Slippery Shirt Company are pressuring the organisation to change its policies.

3 marks

Total 8 marks

TURN OVER

Question 4

Nursing staff claim wages situation terminal

Newton Morning Express – 20 October 2006

Nursing staff at Newton Hospital are upset that their pay and conditions of employment have fallen considerably behind their colleagues at other hospitals and also the international benchmark. They are concerned that the vision of the hospital, to provide quality service, will be undermined if this situation is not corrected. The nurses are considering industrial action to persuade management to improve their pay and working conditions.

Currently, the nurses are under the Victorian Nursing Award. They have requested that management negotiate an enterprise agreement, with equal representation of management and employees in the enterprise bargaining process.

However, HR Management has informed the employees that they will retain the award system and that, in fact, their pay and conditions are well above the national average.

- a. Compare and contrast the decentralised and centralised systems of workplace relations.

4 marks

- b. Explain and apply a problem-solving process that could be used at Newton Hospital to resolve the conflict between the nurses and management.

5 marks

- c. Identify and explain an appropriate management style that could be used in implementing enterprise bargaining within this workplace.

3 marks

- d. Select and discuss **two** appropriate key performance indicators to measure the success of enterprise bargaining.

4 marks

Total 16 marks

