BUSINESS MANAGEMENT

Written examination

Friday 13 November 2009

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>
<th>Number of marks</th>
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<tbody>
<tr>
<td>3</td>
<td>3</td>
<td>60</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.
Question 1

The 2008/2009 global financial crisis has led to a decrease in automobile sales in Australia and hence a reduction in demand for parts of all types. At Johnson Automotive, a manufacturer of brake parts, the workforce has been reduced from 500 to 300. The remaining staff have had their hours of work and pay reduced by 30%. These changes have been made in an autocratic manner, upsetting many of the stakeholders of the organisation. The plant manager who made these changes has since resigned and has been replaced by a new plant manager who plans to adopt a participative management style.

a. Define the term stakeholder.

b. Contrast the participative and autocratic management styles. Include two characteristics of each management style in your answer.
c. Discuss **two** advantages and **two** disadvantages of the participative management style.

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4 marks
d. Describe two human resource strategies that the new plant manager could implement to improve employee satisfaction.


4 marks
As a consequence of the significant changes at Johnson Automotive, the plant manager has decided to focus on the roles of **planning** and **controlling**. Define each of these roles. Discuss how these roles will assist the new plant manager to deal with these changes.

4 marks
f. Describe three management skills that a participative manager could use. Discuss how the new plant manager at Johnson Automotive could apply each of these skills to the current situation.

6 marks
Total 23 marks
Question 2
Wombat Airlines is a large-scale organisation that operates internationally. A unique feature of this airline is that it does not outsource any part of its business. This means it is responsible for the maintenance and cleaning of its planes and the manufacture and supply of the food that it serves.

a. Describe two characteristics that would identify Wombat Airlines as a large-scale organisation.

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2 marks

b. Outline three ways that large-scale organisations contribute to the economy.

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3 marks
c. Discuss two differences between the operations of a service business and the operations of a manufacturing business. Illustrate your answer with examples from Wombat Airlines or another organisation you have studied this year.

4 marks
d. Strategies that managers use to optimise their operations can be grouped into four areas. These are
- facilities design and layout
- materials management
- management of quality
- technology.

Select two areas from the above list.

Identify and describe one operations management strategy from each of the two areas selected. Discuss how Wombat Airlines could use them to improve its operations.

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4 marks
e. Explain the positive and negative aspects of two ethical and social responsibility issues that could be faced by Wombat Airlines or another organisation that you have studied this year.

6 marks
Total 19 marks
Question 3
The Wilton Hotel has decided to change its business strategy and upgrade from a 3 star hotel to a 5 star luxury resort. Ms Zheng, the proprietor, realises that the staff will need to improve their standard of service to achieve a 5 star rating. An increase in the staff to client ratio is also needed, so twenty new staff will be employed.

a. Discuss two ways this change in business strategy will affect the way in which the human resource department selects new staff.

4 marks
b. Explain a relevant motivational theory. Discuss how it might assist the human resource manager to motivate staff to improve their level of performance.

4 marks
c. Describe one driving force and one restraining force for change that Ms Zheng may have considered before adopting this business strategy.

i. Driving \\

ii. Restraining \\

2 + 2 = 4 marks
d. Select and describe a change management theory. Discuss how this theory would assist Ms Zheng in implementing this business strategy.
Extra space for responses

Clearly number all responses in this space

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TURN OVER
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.