



Victorian Certificate of Education 2012

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

STUDENT NUMBER

Figures Words Letter

BUSINESS MANAGEMENT

Written examination

Thursday 15 November 2012

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

Number of	Number of questions	Number of	
questions	to be answered	marks	
4	4	65	

- 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.

Instructions

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Answer all questions in the spaces provided.

Question 1

In the chocolate industry, four large-scale organisations dominate the market, collectively accounting for 92% of all chocolate sales. Currently these four organisations compete on price. The smallest of the four organisations, Websters, is less able to take advantage of economies of scale than the three larger organisations. As a result, Websters has decided to focus on competing on quality rather than price to ensure its long-term success.

Sam Webster, grandson of the founder of the business, is currently the CEO and has identified that numerous changes must be made.

As the focus of Websters shifts to quality, it will need to measure quality as part of its operations management. A human resources audit has identified that the current staff do not have the necessary capabilities to implement this change. To allow the staff to develop the necessary capabilities, Mr Webster has identified two preferred options.

- improve the capabilities of the current staff
- purchase and import state-of-the-art equipment from Belgium

While the purchase of equipment will be more expensive initially, it will improve productivity and reduce waste and carbon emissions in the longer term.

a. Define 'market share'.

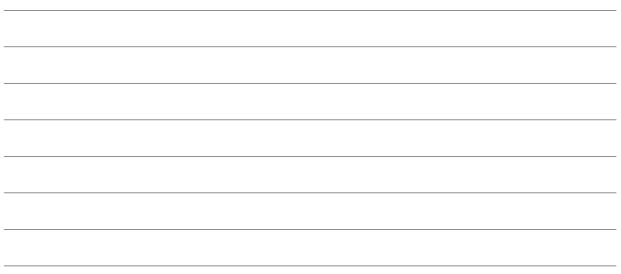
1 mark

b. Identify and explain **two** methods from the strategy of managing quality that Websters could use to ensure a high-quality chocolate product.

4 ma
Identify and justify two performance indicators that Websters could use to measure the success of the business's change in focus.
4 ma

c.

Describe and justify one management practice or process from each of the three phases of the d. employment cycle that could apply to Websters as it changes its focus to compete on quality. 6 marks e. Describe one difference between the operations management of a manufacturing organisation, such as Websters, and a service organisation.



f. Analyse the ethical and social responsibility issues associated with the two options (as stated on page 2) that Mr Webster is considering to develop the capabilities of the staff. 6 marks

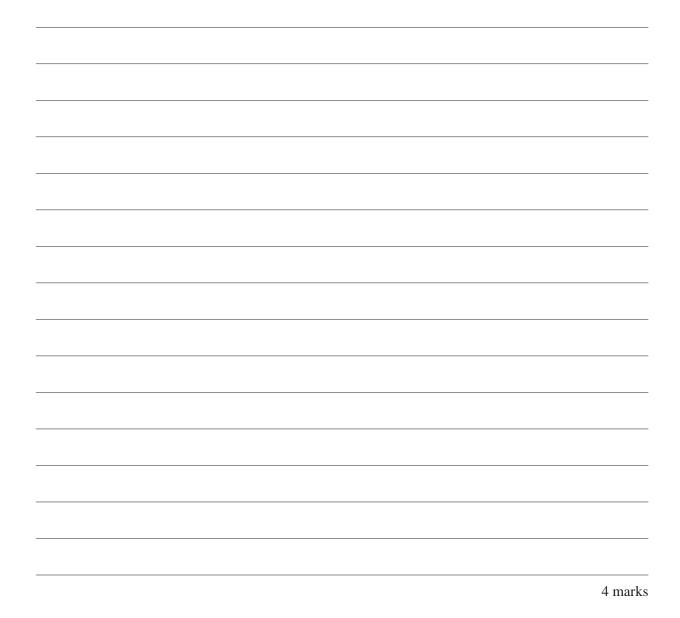
Question 2

Glass Transport is a long-established bulk transport provider, which has recently taken a decision to invest in becoming a national parcel delivery service. The opportunity that CEO Catherine Glass seized on arose from fast-growing online sales. In order to build the expanded business, a significant number of new staff will be required. Some of these staff could be relocated from the bulk transport division and some will need to be recruited. Service standards will need to be set and new vehicles purchased. Further decisions will be made to determine whether parcel pick-up from residential and business premises will be offered.

The major existing competitor in parcel delivery is a government-owned postal service. Its business of delivering mostly letters is declining because of emails and texting. Its delivery infrastructure is mostly suited to letters, not parcels. The growing parcel sector is a highly profitable business opportunity for the organisation that 'gets it right'.

As Glass Transport is becoming more complex in its service offerings, Ms Glass is considering changing the management structure of her organisation.

a. Discuss an appropriate management structure for Ms Glass's expanding business.



of using this sty	aracteristics of this	management sty	le, and explain o	one advantage and	one disadvanta
of using this sty	ic.				

TURN OVER

Ms Glass has identified that she will have to use the management roles of organising, leading and c. controlling. Define each role and explain how the use of these roles will contribute to the success of her new national parcel delivery service. 6 marks $Question \ 2- \text{continued}$

staff.	e's theory of moti	_		

Question 3

a. Describe **two** factors from the internal and/or external environments of large-scale organisations, and discuss how they have impacted on an organisation that you have studied this year.



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	Large-scale organisations, whether for-profit or not-for-profit, exist to achieve specific objectives. Explain two differences between the objectives of for-profit and not-for-profit large-scale organisation
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-	

c. Explain a significant change issue that you have studied this year and describe **two** ways in which it impacts on large-scale organisations.

Question 4

Change management theories provide a template for successful change in large-scale organisations.

Explain how Kotter's change management theory could be used to

- promote driving forces for change
- reduce restraining forces for change
- promote the use of low-risk practices.

In your response, include an example from a large-scale organisation or significant change issue that you have studied this year.

10 1
10 marks

15

Extra space for responses

Clearly number all responses in this space.

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.

