

STUDENT NUMBER Letter

BUSINESS MANAGEMENT

Written examination

Monday 16 November 2020

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

<i>Section</i>	<i>Number of questions</i>	<i>Number of questions to be answered</i>	<i>Number of marks</i>
A	6	6	50
B	6	6	25
			Total 75

- 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

- Question and answer book of 24 pages
- Additional space is available at the end of the book if you need extra space 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.

SECTION A

Instructions for Section A

Answer **all** questions in the spaces provided.

Question 1 (10 marks)

In 2017, John was employed as the manager of a bakery with 80 employees. In 2020, the business has had the following business objectives:

- to increase profits by 10%
- to reduce staff absenteeism by 20%

John has adopted an autocratic management style.

a. Define the term ‘business objective’. 2 marks

c. Propose and justify **one** performance management strategy, other than a change in management style, that John could use to reduce staff absenteeism.

3 marks

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Question 3 (7 marks)

Established in 2018, Abs Are Us is a chain of gyms located across Victoria. Minh and Tony have been employed in permanent, full-time personal training roles. Both employees are informed by the Abs Are Us Human Resource Manager that their wages and conditions will be determined by the Fitness Industry Award 2010.

- a. Explain the role of **either** unions **or** employer associations in a workplace such as Abs Are Us. 3 marks

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b. Compare awards and agreements as methods of determining wages and conditions of work.

4 marks

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**SECTION A – continued
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Question 4 (10 marks)

When motivating employees, managers can use a range of strategies.

Evaluate **two** different motivation strategies. Identify and justify which one of these strategies would be most effective for the short-term motivation of employees and which one would be most effective for the long-term motivation of employees.

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Question 5 (13 marks)

Chef@Home aims to transform the way people prepare meals in their homes. The business delivers all the ingredients required to cook a meal, in a chilled box, to customers' homes.

Chef@Home is committed to minimising its carbon footprint, especially through the elimination of waste. All boxes, bags and containers used by the business are recyclable. Ingredients are prepared and packaged using automated production lines. Chef@Home has a policy of sourcing all inputs from local suppliers. Forecasting is a key component of its business operations.

At times, Chef@Home's local suppliers have been unable to source and deliver orders placed by the business. Consequently, Chef@Home is considering whether to source some ingredients from overseas suppliers.

- a. Explain an appropriate operations management strategy that Chef@Home could introduce to minimise waste. 3 marks

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- b. Analyse how forecasting might be used by Chef@Home to improve the efficiency and effectiveness of its operations.

4 marks

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SECTION B – Case study

Instructions for Section B

Use the case study provided to answer the questions in this section. Answers must apply to the case study.
Answer **all** questions in the spaces provided.

Case study

Below is an extract of a speech delivered to the shareholders of Manitta Mining by its Chief Executive Officer at its annual general meeting on 7 August 2020.

Our business faces significant challenges. Staff turnover has increased significantly over a five-year period. The business's share price on the Australian Securities Exchange (ASX) has decreased by 15% over the same five-year period. Sales are also down and the company has struggled to reduce the number of workplace accidents in our mines.

As Chief Executive Officer of Manitta Mining for more than 15 years, I am pleased to tell you the long-term outlook for the company remains strong. Since the appointment of a new operations manager, Dr Margaret Sherckle, in February 2020, the number

of workplace accidents has decreased by 25%. The number of workplace accidents is a very important key performance indicator (KPI) for the business and a key business objective is to improve workplace safety.

Manitta Mining currently has more than 20 000 employees, each of whom I consider to be part of the 'Manitta family'. While business efficiency and effectiveness are important, the goal of ensuring that our employees return home safely each day is our priority.

A safe workplace will reduce staff turnover. It will also reduce staff absenteeism. We aim to keep staff turnover below 5% in the year ahead. This will reduce associated costs. For example, reduced staff turnover will reduce staff training costs. WorkCover premiums will also fall. Manitta Mining expects that increased employee retention will lead to significant increases in the rate of productivity growth during the next 12 months.

Finally, I would like to thank you, the shareholders. Loyalty deserves to be rewarded. The implementation of strategies that improve business performance through increased productivity growth will ensure that your investment grows in turn.

Thank you.



Source: Matej Kastelic/Shutterstock.com

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Question 1 (2 marks)

Using evidence from the case study, outline what type of business Manitta Mining is.

Question 2 (3 marks)

Explain the relationship between operations management and the business objectives of Manitta Mining.

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Question 4 (6 marks)

Other than those named in the extract of the speech delivered by the Chief Executive Officer, explain two KPIs that Manitta Mining could use to assess business performance.

KPI 1 _____

KPI 2 _____

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Question 5 (4 marks)

Explain the importance for Manitta Mining of reviewing its KPIs when evaluating the effectiveness of business transformation.

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Question 6 (4 marks)

Outline how two of the restraining forces in business listed below might influence Manitta Mining's ability to successfully introduce change to business operations in the future:

- organisational inertia
- legislation
- financial considerations
- employees

Restraining force 1 _____

Restraining force 2 _____

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