

## Business Management GA 3: Written examination

### GENERAL COMMENTS

The examination was divided into two sections. Section A (containing two sets of stimulus material – Parts A and B) required students to read and respond to short-answer questions. Section B was the extended response where students chose one of the three essay questions. All areas of study were covered by the examination.

As in previous years a range of ability was evident and student responses covered all sections of the examination. Students are taking notice of the mark allocation for each question and responses were on the whole of appropriate length.

The short-answer questions required students to analyse the stimulus material and make responses appropriate to that organisation where necessary. Students should read questions carefully to ensure the full marks are achieved. All students need to show their knowledge of the content of the course throughout these questions with more able students taking the analysis to a higher level.

The responses in Section B showed understanding of the course and the use of excellent examples of organisations as support. Overall, the questions on Human Relations and Change in Organisations were selected more often than the Operations Management question that required students to compare and contrast a manufacturing and service company.

### SPECIFIC COMMENTS

Question	Marks	%	Response
<b>Question 1</b>	<b>a</b>		<i>Define these terms and provide an example for each term to demonstrate your understanding.</i>
	0/2	17	
	1/2	26	a. labour-intensive operation
	2/2	57	b. automated equipment
	(Average mark 1.39)		Overall, students were able to answer these definitions. Many used the case study as an example.
	<b>b</b>		More successful answers:
	0/2	7	(a) Labour-intensive operation: Is a process or set of processes that makes
	1/2	32	extensive use of people in doing the work, often in routine process work,
	2/2	61	e.g. the number of fruit pickers required to pick all the grapes from the vines.
	(Average mark 1.54)		(b) Automated equipment: Machinery that requires little labour and is largely automatic (self-operating/controlling) in its operation, e.g. car production line robots. Less successful answers: (a) Labour-intensive operation: Work that requires hard physical labour to complete the job, e.g. bricklaying. The student has equated labour-intensive to mean a physically demanding job rather than a job requiring lots of people (labour). (b) Automated equipment: something that works automatically. Students who gave this response gave no further information.
<b>Question 2</b>	<b>a</b>		<i>a. Identify and describe the style of management used by Mr Johnston.</i>
	0/2	12	<i>b. Select and justify a more effective style of management that Mr Johnston could have used.</i>
	1/2	19	
	2/2	69	(a) More successful answers: Autocratic – one way communication, little input from workers, involves little ownership of decisions by workers, decisive yet insensitive to workers needs.
	(Average mark 1.57)		Persuasive – selling the decision ‘would improve productivity and reduce staff; suggests that this would be good. Less successful answers: Participative, Consultative, Laissez-faire. Students who gave these responses did not support their choice with what Mr Johnston did.
	<b>b</b>		(b) More successful answers: Participative/Consultative/Persuasive
	0/2	13	Many students suggested the need to get workers involved in the decision making process associated with such a change. Justification of such styles suggested this would have prevented the strike action that occurred under the style that had been selected.
	1/2	24	
	2/2	64	Less successful answers:
	(Average mark 1.51)		

			Suggested a more democratic style without actually naming the style or failed to justify their choice adequately enough.
<b>Question 3</b>	0/3 1/3 2/3 3/3 (Average mark 1.63)	15 28 37 20	<i>Identify and explain <b>three</b> skills Ms Dimetriou should have used to ensure a smooth introduction of the new equipment.</i> More successful answers: Students included interpersonal skills, negotiation, team building, time management and problem solving. Less successful answers: Suggested having a meeting with the employees and did not name particular skills, but gave a general discussion.
<b>Question 4</b>	0/3 1/3 2/3 3/3 (Average mark 1.07)	39 27 23 12	<i>Describe <b>three</b> Human Resource strategies Ms Dimetriou should have adopted for the effective implementation of the new equipment.</i> More successful answers: Suggested job redesign, retraining of redundant staff, voluntary redundancies, work placement in other areas. Less successful answers: Suggested meetings with staff, sacking staff and hiring other staff to break the strike.
<b>Question 5</b>	<b>a</b> 0/2 1/2 2/2 (Average mark 0.94) <b>b</b> 0/2 1/2 2/2 (Average mark 1.05)	41 23 36  31 32 37	<i>Define these terms and provide an example for each term.</i> <i>a. market share</i> <i>b. strategic plan</i> (a) More successful answers: The proportion (usually expressed as a percentage) of the total market that a business has compared to their competitors, e.g. Ford Motor Company has approximately 30% market share of the car industry in Australia. Less successful answers: Students misunderstood market share to be share market and gave the following responses, e.g. buying shares of a company on the share market, what the company's stock was worth on the market. (b) More successful answers: Long-term plan – usually 3 to 5 years, done by top level management, planning the future direction of an organisation. Less successful answers: Day to day plans made by line managers.
<b>Question 6</b>	0/5 1/5 2/5 3/5 4/5 5/5 (Average mark 1.83)	28 20 15 20 10 6	<i>Identify and describe the planning steps the executive team could use to achieve success.</i> More successful answers: Suggested the following planning steps: define the objective, outline the present situation, develop the strategy and evaluate alternatives, implement strategy, monitor and evaluate results. Less successful answers: Suggested that the POLC model should be used, thus the discussion was about management roles rather than a planning process.
<b>Question 7</b>	<b>a</b> 0/4 1/4 2/4 3/4 4/4 (Average mark 0.94) <b>b</b> 0/3 1/3 2/3 3/3 (Average mark 1.41)	50 22 15 8 4  1 22 33 26 19	<i>a. Devise an operations management strategy for the proposed call centre.</i> <i>b. Choose <b>one</b> of the options considered by the executive team and apply <b>three</b> key performance indicators to measure its effectiveness and efficiency.</i> (a) More successful answers: Suggested a quality strategy could be used and what procedures could be implemented. TQM and quality standards were included here. Less successful answers: Suggested what would be required in the inputs, processes and outputs of the operations management system and did not discuss an operations management strategy for the call centre. As a result the response did not address the question. (b) More successful answers: Suggested financial indicators such as profitability and market share. Non-financial indicator such as customer satisfaction.

		Less successful answers: Listed three key performance indicators, but made no effort to explain why they were appropriate.
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**Question 8 (Average mark 4.41/Available marks 10)**

**a.**

***Operations Management***

This was the least popular of the three essay topics in the section but responses were well handled. Most chose to use the examples of the bank and the car manufacturer to compare and contrast.

In the comparison component, responses suggested both Service and Manufacturing operations have inputs, throughputs and outputs. Both are concerned with facilities layout and design to make the operations efficient, both use technology to keep up to date and process information and both are concerned with quality.

The contrast section included the following differences.

Manufacturing	Service
• tangible product	• intangible product
• production/consumption not linked	• production/consumption linked
• storable product	• not storable
• little customer involvement in production	• customers involved in production
• customer distant from production location	• customer at location of production

Usually the service organisation, e.g. a bank would not be as concerned with materials management as a car manufacturer would be. A car manufacturer would need to look at the different methods of materials management and implement one, e.g. JIT, which involves a system of having enough stock to complete orders but not too much so as to reduce storage costs.

**b.**

***Human Relations***

Responses to this topic were generally well handled. Initiatives suggested included – attractive employment packages with higher pay than competitors, rewards such as bonus payments for high sales figures. Other strategies could include – share schemes, extra training opportunities; effective performance appraisal to evaluate and assist in developing career paths and reward schemes; motivational opportunities through programs such as team-building exercises.

Students were expected to show an understanding of ‘strategic human resource management initiatives’. Therefore it was necessary to mention that the initiatives were long term strategies.

**c.**

***Change***

The standard of responses to this essay varied considerably. Some student responses read more like they had rote learnt an essay on Globalisation and then rewritten it in the examination. As a result they did not answer the question that was asked.

By far the most popular contemporary management issues discussed were Globalisation and Technology. However, some students discussed Compliance with legislation and these essays were generally well answered.

Students could have discussed any of the contemporary management issue/s as specified in the study design.

- social responsibility
- business ethics
- globalisation
- technological development
- compliance with legislation.

While some students named the stakeholders and how they would be affected (thus answering the question) others either did not mention stakeholders at all or only in passing.