

Trial Examination 2006

VCE Business Management Units 3 & 4

Written Examination

Question and Answer Booklet

Reading time: 15 minutes

Writing time: 2 hours

Student's Name: _____

Teacher's Name: _____

Structure of Booklet

Number of questions	Number of questions to be answered	Number of marks
3	3	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 calculators are allowed in this examination.

Materials supplied

Question and answer booklet of 12 pages.

One or more script booklets upon request.

Instructions

Please ensure that you write your **name** and your **teacher's name** in the space provided on this booklet(s).

All written responses must be in English.

At the end of the examination

Place all other used script booklets inside the front cover of this booklet and hand them in.

Students are NOT permitted to bring mobile phones and/or any other electronic communication devices into the examination room.

Students are advised that this is a trial examination only and cannot in any way guarantee the content or the format of the 2006 VCE Business Management Units 3 & 4 Written Examination.

Question 1

Coles Myer Chairman of the Board Robert Allert claimed that the sale of the Myer department stores for \$1.4b is a 'win, win, win' scenario for the company. Following the sale of Myer and the restructuring of the Coles food and liquor businesses, Coles is attempting to enter a new phase of sales and profit growth.

Both Coles and its major competitor Woolworths (Safeway) are expected to slash prices of food and drinks in an effort to win and keep customers, and to increase market share. One analyst stated that Woolworths is expected to reduce costs and increase operational performance. The organisation has signed a deal with ANZ to provide 700 ATMs in supermarkets and petrol stations. Coles is facing long-term problems and its Chief Executive Officer (CEO) John Fletcher has outlined a five-year plan that focuses on a restructure of the organisation and a change in many senior management positions.

Both organisations may see long-term competition or acquisition from global retailers such as Tesco and Wal-Mart. Coles will use part of the money gained from the sale of Myer to buy back shares and return money to shareholders.

(The above extract is based on the article 'Blood in the Aisles', *The Age*, 18 March 2006)

a. Define the following terms:

i. organisational structure

ii. shareholder

1 + 1 = 2 marks

Question 2

The Foster's Group is negotiating to sell its overseas breweries in a bid to increase returns to shareholders. If sold, Foster's would still manage the company's brand and advertising, but the new brewery owner would pay the manufacturing and distribution costs. The Foster's Group currently has plants in China, India, Vietnam, Samoa and Fiji.

A spokesperson for Foster's said, 'We have turned around our Asian operations. There is a huge commitment to grow the Foster's brand and to our stakeholders: our employees, customers and shareholders'. The Human Resource Manager stated, 'Our employees are our highest priority, staff turnover is low and work teams ensure that communication between employees and management remains open'.

(The above extract is based on the article 'Foster's Asian Brewery Sale Rumoured', *The Age*, 18 March 2006)

a. Define the following terms and provide an example of each:

i. acquisition

ii. staff turnover

2 + 2 = 4 marks

b. Identify the management style used at The Foster's Group.

1 mark

