



**Victorian Certificate of Education
2007**

SUPERVISOR TO ATTACH PROCESSING LABEL HERE

STUDENT NUMBER

Figures									Letter
Words									

BUSINESS MANAGEMENT
Written examination

Friday 16 November 2007

Reading time: 11:45 am to 12.00 noon (15 minutes)

Writing time: 12.00 noon to 2.00 pm (2 hours)

QUESTION AND ANSWER BOOK

Structure of book

<i>Number of questions</i>	<i>Number of questions to be answered</i>	<i>Number of marks</i>
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 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

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

Question 1

Staff turnover at White Sands, a major Queensland resort island, has been cut dramatically because of innovative personnel strategies. These strategies were introduced by Wendy Howard, Human Resource Manager. The Queensland Airlines Company operates White Sands which is located near the Great Barrier Reef. In May 2007, the Chief Executive Officer conducted a SWOT (strengths, weaknesses, opportunities and threats) analysis that resulted in the introduction of a decentralised management structure that encouraged greater staff participation.

Subsequently, Wendy conducted a training needs analysis that resulted in an induction program modelled on her observations of best practice companies. She also introduced a new training policy for existing staff. The new training policy encouraged multiskilling so staff could swap positions and transfer between departments. Wendy also introduced regular performance appraisals. She generated commitment and loyalty in her workforce by only recruiting people with long-term career aspirations at the resort.

- a. Define these terms.
- i. Induction program

- ii. Best practice

1 + 1 = 2 marks

The Queensland Airlines Company is a large-scale organisation.

- b. Identify **two** characteristics of large-scale organisations.

2 marks

- d. Outline and justify **two** human resource strategies that could be used by Wendy Howard to recruit the best applicants for White Sands.

4 marks

- e. Discuss the relationship between performance appraisals and training.

2 marks

- f. Select and discuss a motivational theory that Wendy Howard may have used in developing the strategies she used at White Sands. Indicate why the motivational theory you selected is relevant to the strategies implemented at White Sands.

4 marks

Total 18 marks

TURN OVER

Question 2

WAY TO GO

Skye Daily Press – 22 September 2007

Recent figures show that Meehan Electric Company is leading in productivity and quality compared with all other electricity providers. It has an excellent industrial relations record that has resulted from a significant change in its corporate culture.

Established 10 years ago by James Meehan, the business initially struggled to gain market share. There were feelings of mistrust between management and staff, and as a result productivity was low.

James decided to introduce enterprise bargaining to endeavour to become more productive and to improve the relationship between staff and management. He succeeded beyond his expectations and other electricity providers now benchmark their performance against his company.

- a. Identify and explain **one** driving and **one** restraining force for change relevant to Meehan Electric Company’s introduction of enterprise bargaining.

- i. driving _____

- ii. restraining _____

2 + 2 = 4 marks

- d.** Distinguish between individual Australian Workplace Agreements (AWAs) and Collective/Certified Agreements.

2 marks

- e.** Discuss the **differing** opinions that **two** stakeholders may have had about James Meehan’s decision to introduce enterprise bargaining.

4 marks

Total 16 marks

Question 3

Pacific Paint

Memorandum

Date: 29 August 2007

To: Jerome Jones (*Operations Manager*)

From: Magnus Larsen (*CEO*)

Topic: High wastage and inappropriate disposal of materials

Urgent Message:

It has come to my attention that your department has caused significant spillage of oil and paint over the past 6 months. Traces of this oil and paint have been found in the city's waterways and the Water Board is considering prosecution.

The local community is threatening to boycott our products and encourage our international customers to do likewise.

I will come to see you on Monday at 10.00 am to hear how you will resolve this situation.

Jerome Jones has reviewed the operational procedures and determined that manual handling errors are to blame for the spillage of oil and paint. He believes that introducing new technology will eliminate this problem. This will lead to the redundancy of 15 staff.

Jerome has decided to adopt an autocratic management style.

- a. i. Explain the characteristics of an autocratic management style.

ii. Justify Jerome Jones' use of an autocratic management style in this situation.

2 + 2 = 4 marks

b. Identify and explain **two** management skills that Jerome Jones could use and discuss how these skills would assist him in his current situation.

4 marks

- c. Outline **two non-financial** key performance indicators that could be used to measure the success of the changes at Pacific Paint.

4 marks

- d.** Identify and explain **two** operations management strategies (**apart from technology strategies**) that Jerome Jones could introduce and discuss how these strategies could improve business competitiveness.

4 marks

- e. Discuss the elements of an operations management system. Illustrate your answer using a service firm.

4 marks

- f. Evaluate the positive and negative aspects of **two** ethical and social responsibility issues faced by Jerome Jones in this situation.

6 marks

Total 26 marks

