

STUDENT NUMBER

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## BUSINESS MANAGEMENT

### Written examination

Monday 6 November 2017

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

Section	Number of questions	Number of questions to be answered	Number of marks
A	6	6	50
B	6	6	<del>25</del> 23
			Total <del>75</del> 72

- Students are to write in blue or black pen.
- 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 28 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.**

**SECTION A**

**Instructions for Section A**

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

**Question 1** (8 marks)

Gadget Industries has recently changed its business structure from being a sole trader to a partnership. The business has also employed a new Human Resource Manager to oversee this area of management responsibility.

- a. Define the term ‘sole trader’. 1 mark

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- b. Outline **one** reason why a business may choose to operate as a partnership rather than as a sole trader. 2 marks

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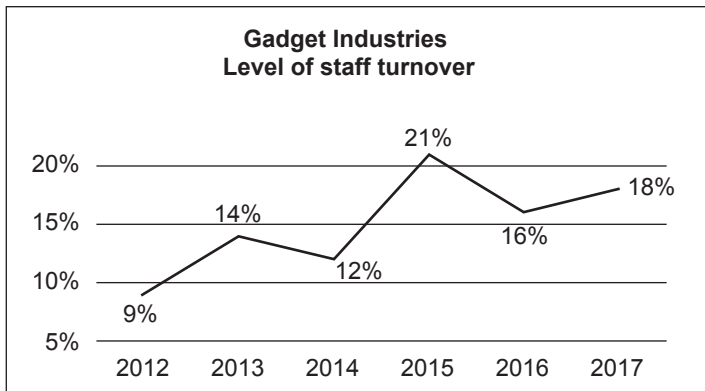
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c. The new Human Resource Manager has examined the data below.



The data shows that the level of staff turnover, which is a key performance indicator, has changed over time.

Describe the impact that this change may have had on **one** other key performance indicator of Gadget Industries.

2 marks

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**Question 3** (10 marks)

Car Bright is a car cleaning and detailing service business owned by Aaron Bright. It charges higher prices than its competitors. Following a staff survey, it was found that some of Car Bright’s employees are lacking motivation. In addition, some customers have complained of slow service and that their cars have been returned not fully cleaned.

- a. Describe an appropriate motivation strategy that Aaron could use to improve the performance of his employees.

2 marks

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**SECTION A – continued  
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**Question 4** (13 marks)

Small Goods Pty Ltd is a manufacturer of various types of processed meats, including ham, salami and sausages. The Operations Manager, Heidi, is concerned about the increasing level of wastage. She has set an objective to reduce wastage from the production process by 90% over the next two years.

- a. Describe the principles of lean management.

2 marks

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**Question 5** (6 marks)

Jackson Incorporated is currently trying to determine new wages and conditions of work for its employees. Some of the employees are worried that their expectations will not be met.

Explain the role of each of the following workplace relations participants during this process.

- Human Resource Managers \_\_\_\_\_  
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- Fair Work Commission \_\_\_\_\_  
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## SECTION B – Case study

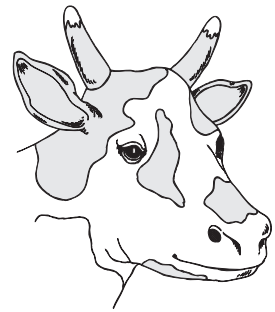
### Instructions for Section B

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

The following is the first page from the 2017 ‘Report to Shareholders’ of Shandra’s Dairy Ltd.

Commencing as a family-run business 15 years ago, we are now one of the largest independent dairies in Australia. We are proud of the fact that our raw materials are sourced from local suppliers and that customer satisfaction remains at the centre of our operations. We use a strict quality control strategy to maintain the overall excellence of our products.



#### Business highlights in 2017

- Market share increased from 15% to 17%
- Increase in volume of sales to over 10 million litres of ice-cream
- Installation of four modern wind turbines at a total cost of \$1.25 million, reducing carbon emissions by 3 500 tonnes per year, thus assisting us in meeting our 2020 renewable energy target
- A saving of \$500 000 per year on electricity bills due to the installation of 600 solar panels

One of our key objectives is to enhance levels of environmental sustainability and make our entire site self-sufficient through renewable energy. Our CEO, Johanna Taylor, is eager to ensure that over 23% of the electricity used comes from renewable sources by 2020. This fits in with the Australian Government’s Renewable Energy Target.

‘Our commitment to renewable energy has meant an increase in expenses and debt in the short term, but shareholders will continue to see value as the saving in electricity costs will be sustained into the future.’

– Johanna Taylor

Another objective is to become a truly global brand – to do this we need to diversify. Our aim is to launch into the snack food market, concentrating on potato chips. These can be produced at our present manufacturing plant and with the use of our existing suppliers. We believe that this could commence by 2020 and we could export to markets in over 20 countries.

#### Future goals

- Implement a second strategy to improve quality by 1 July 2018
- Diversify into the snack food market within the next three years

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**Question 1** (3 marks)

- a. ~~Other than operations, identify **one** area of management responsibility.~~

1 mark

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- b. ~~Explain how the area of management responsibility identified in **part a.** can contribute to the achievement of Shandra's Dairy Ltd's objective of becoming more environmentally sustainable.~~

2 marks

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