



NAME: \_\_\_\_\_

## VCE® Business Management

### UNITS 3 & 4 Practice Examination

Reading time: 15 minutes

Writing time: 2 hours

#### QUESTION AND ANSWER BOOKLET

##### 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	5	5	50
B	5	5	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 whiteout liquid/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 paper to complete an answer.

#### Instructions

- Write your **student name** on this page.
- All written responses must be in English.

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

**SECTION A**

**Instructions for Section A**

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

**Question 1** (14 marks)

Red Bumble is a social enterprise that manufactures and sells t-shirts and singlets that use designs from aspiring artists. The apparel is made and sold from a shop front in the city and on-line. Red Bumble allows employees to work on their own projects with little direction given by management, however, there is a high level of staff turnover and new staff can take some time to become productive.

**a.** Define the term social enterprise. 1 mark

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**b.** Identify and describe the management style that is used at Red Bumble. 2 marks

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c. Given the level of staff turnover at Red Bumble, evaluate the use of the management style identified in **part b**. 5 marks

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- d. Explain the use of delegation and decision-making skills with regard to the management style identified in **part b**. 4 marks

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- e. Describe the impact of the high level of staff turnover on the corporate culture of Red Bumble.

2 marks

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**Question 2** (13 marks)

NMM is a business that prides itself on the training it provides its employees. The Human Resource Manager believes that this investment in training leads to more motivated employees who are more committed and driven to achieve business objectives. All employees are rewarded with performance related pay if they exceed set objectives.

- a. Describe the key principles of the Four Drive Theory (Lawrence and Nohria) of motivation. 4 marks

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- b.** With reference to the Four Drive Theory, discuss **one** of the motivational strategies used at NMM. 4 marks

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- c. Describe how human resource management can assist with the achievement of business objectives at NMM. 2 marks

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- d. Several employees at NMM are unhappy with the performance related pay that is on offer at NMM. Propose and justify a dispute resolution process that could be used to overcome this issue. 3 marks

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**Question 3** (3 marks)

Distinguish between awards and agreements as methods of determining wages and conditions of work.

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**Question 4** (10 marks)

*“A modern business needs to be flexible and adaptive to change”*

Explain the importance of leadership in the change process. Describe the principles of Senge’s Learning Organisation. Propose and justify a key performance indicator that would be used when a business adopts this as a model for change.

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**Question 5 (10 marks)**

- a. Describe **one** corporate social responsibility consideration for **each** element of an operations system using a business that you are familiar with. 6 marks

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**b.** Describe a potential conflict between two stakeholders as a result of **one** of the corporate social responsibility considerations in **part a.** 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.

FTC Auto was heavily impacted following the closure of the car manufacturing industry in Australia. FTC Auto had to close one of its factories and was forced to make a significant number of staff redundant. Shareholders were concerned about the impact of this change on the long-term direction of the business and the returns on their investment.

With a view to the future of the company, senior managers at FTC Auto redesigned another of their factories to allow movement into a new area, namely, defence force vehicles. This not only required a large investment in equipment but also in the re-training of employees. The training took place both at the new site as well as with technical experts off site. FTC Auto adopted several lean management strategies to ensure the success of the new operation. There has been some resistance from staff to these new changes which has required the adoption of several strategies to manage employees through this change process.

In a press release the CEO said;

*“At FTC Auto we have taken into consideration the global environment in which we operate but have attempted to maintain our local supply chain where possible. The quality of our product will be world class and deliver the Australian Defence Force the best that money can buy. This outcome is the product of hard work, established processes, the skills of our staff and working in a team environment. There has been strong leadership at FTC Auto over the past two years which has seen the vast resources of the business redeployed to maximise outcomes for our shareholders. The success of this venture will be able to be measured in many ways.”*

**Question 1** (7 marks)

**a.** Define the term supply chain management.

1 mark

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**b.** Evaluate the use of Porter’s Generic Strategies by FTC Auto.

6 marks

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**Question 3** (6 marks)

- a. Discuss the use of on the job training as a method for upskilling the employees at FTC Auto. 4 marks

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- b.** Propose and justify an appropriate key performance indicator to measure the success of on the job training at FTC Auto. 2 marks

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**Question 4** (4 marks)

Discuss a strategy that FTC Auto could use to minimise the resistance to change that some employees have displayed.

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**Question 5** (2 marks)

Describe one materials management strategy and apply this strategy to FTC Auto.

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**Extra Space**

**Clearly number all responses**

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