



Student Name: _____

BUSINESS MANAGEMENT UNITS 3&4 2020 Written Trial Examination

Reading time: 15 minutes

Writing time: 2 hours

QUESTION AND ANSWER BOOK

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	6	6	50
B	5	5	25
			Total 75

- 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 21 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** 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.

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SECTION A**Instructions for Section A**

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

Question 1 (11 marks)

Cathy's Cleaners is a small business that offers house cleaning services, owned and operated by Cathy Morgan. Recently, Cathy has noticed a decrease in her business' profit, which she thinks may be due to the recent opening of a rival cleaning business.

- a.** Explain how Porter's generic strategies could assist Cathy to increase her profit.

6 marks

b. Define 'sole trader'

2 marks

Cathy is considering purchasing a new carpet cleaner, which will reduce the time it takes to clean a house. However, it is very expensive. A friend has suggested that Cathy restructures her business in order to raise more capital to buy the carpet cleaner.

- a. Propose and justify a different business structure that Cathy’s Cleaners could adopt to raise capital. 3 marks

Question 2 (6 marks)

Discuss how **one** motivational strategy could be used by a business to improve corporate culture.

Question 3 (4 marks)

With reference to a contemporary business, explain the importance of managing employees to achieve business objectives.

Question 4

RH Consulting is a management consulting firm located in Melbourne. Their services help other businesses form strategies to improve performance. The CEO, Rebecca Howell is looking to expand the firm’s services into Europe.

- a. Explain how Rebecca could use a Force Field Analysis to determine whether the planned expansion is likely to be successful.

4 marks

b. Propose and justify **one** management skill Rebecca would need to use when implementing this change. 3 marks

Question 5 (12 marks)

Alex Macaulay has recently decided to outsource the customer complaints department within an internet provider business in order to cut costs. However, this requires Alex to terminate five of her local employees and she is considering how to communicate the news to them.

- a. Identify the management skill being used by Alex **and** outline the possible impact of this style on the business.

3 marks

b. Explain a method of termination that Alex could use to terminate the five local employees.

3 marks

Since the introduction of the outsourced customer service call centre, Alex has noticed that the number of customer complaints has risen. She believes this may be because her outsourced employees do not know how to communicate effectively with the local customer base.

- c. Discuss **one** training option that Alex could use to train the outsourced customer service employees. 4 marks

d. Describe how Alex could determine whether the training has been successful.

2 marks

Question 6 (10 marks)

“When performance is measured and reported more regularly, the rate of improvement accelerates.”

With reference to the above statement, and using a contemporary business example, evaluate how managers can use the following to improve performance:

- key performance indicators;
- **one** principle of the Learning Organisation (Senge); and
- **one** low risk strategy.

SECTION B – Case study**Instructions for Section B**

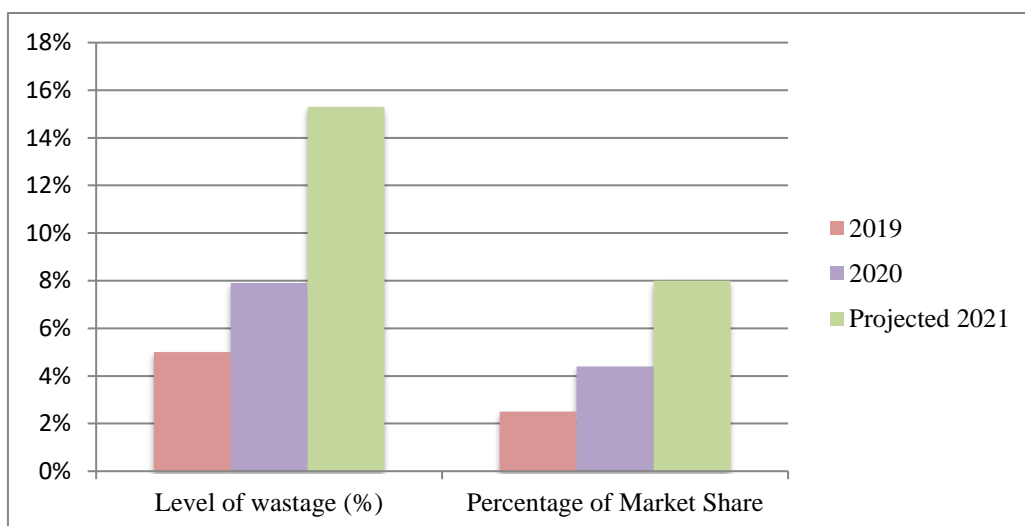
Use the case study provided to answer the questions in this section. Answers must apply to the case study. Answer **all** questions in the spaces provided.

Case Study

Candlelit Dreams is an Australian manufacturing business which specializes in using high-quality, locally-sourced ingredients to manufacture personalized candles. Candlelit Dreams allows customers to create their own custom-scented candles that are ordered exclusively online.

Over the last year, demand for the candles has increased significantly due to a social media campaign promoting their commitment to implementing socially responsible production methods. CEO Paul Rhyan is also exploring ways to speed up production without compromising the high quality of the candles.

Recently, Paul has been concerned about higher levels of wastage due to the increased candle production from growing customer demand. He is worried that if the business does not decrease their level of wastage, Candlelit Dreams' reputation as a socially responsible business will be damaged.

Candlelit Dreams Performance Metrics

Question 1 (2 marks)

Define 'lean management'.

Question 2 (4 marks)

Explain **three** characteristics of Candlelit Dreams' operations management.

Question 3 (4 marks)

- a. Describe **two** stakeholders at Candlelit Dreams' and outline their competing interests.

- b.** Explain the impact on **two** stakeholders as Candlelit Dreams’ plans to increase their reputation as a socially responsible business by reducing wastage in their operations. 4 marks

