Neap

Trial Examination 2021

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

Section	*Number of questions*	*Number of questions to be answered*	*Number of marks*
A	6	6	50
B	6	6	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 correction fluid/tape.

No calculator is allowed in this examination.

Materials supplied

Question and answer booklet of 24 pages

Additional space is available at the end of the booklet if you need extra space to complete an answer.

Instructions

Write your **name** and your **teacher's 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.

Students are advised that this is a trial examination only and cannot in any way guarantee the content or the format of the 2021 VCE Business Management Units 3&4 Written Examination.

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SECTION A

Instructions for Section A

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

Question 1 (12 marks)

True Active is a service business that is owned in partnership between two friends – Angus and Maddie. The business was established in 2013 and started as a home gym service, where the trainer travels to the client's home to conduct the training session. In addition, the business runs group training sessions in three different parks. Since 2013, the business has built up regular clients and expanded through client referrals. True Active employs seven trainers who work part time and a financial advisor who assists with managing the business.

Due to COVID-19 restrictions, Angus and Maddie were unable to offer home gym services for most of 2020. To keep their business running, they turned to offering online training sessions. These sessions were popular, and Angus and Maddie wish to continue them in the future.

a. Define the term 'partnership'. 2 marks

b. Making a profit is an important business objective for True Active.

Explain **one** other possible business objective for True Active. 2 marks

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c. Angus and Maddie would like to increase the skills of their employees as True Active moves towards offering more online training sessions.

Explain the difference between on-the-job and off-the-job training. Propose and justify the most appropriate type of training for True Active's employees. 5 marks

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d. Explain **one** performance management strategy Angus and Maddie could use to achieve their business objectives. 3 marks

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Question 2 (3 marks)

With reference to a contemporary business case study, explain how a business could include corporate social responsibility considerations in its operations system.

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Question 3 (12 marks)

a. Due to the impacts of COVID-19 in 2020, many businesses had to review their supply chain management.

Identify and justify **two** global considerations that the businesses should have considered when reviewing their supply chain management. 4 marks

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b. Propose and justify **two** strategies to improve the efficiency **or** effectiveness of operations related to materials. 4 marks

c. Compare the characteristics of operations management in a manufacturing business with the characteristics of operations management in a service business. 4 marks

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Question 4 (10 marks)

Businesses continue to change at a rapid rate and leaders must continually evaluate data and other key performance indicator (KPI) trends.

Describe the role of leadership in change management and discuss the effect of business change on **two** stakeholders. In your response, reference the importance of reviewing KPIs and other data to evaluate the effectiveness of business change.

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Question 5 (9 marks)

Businesses need to respond to changing economic conditions.

a. A business may need to reduce its workforce in response to changing economic conditions through redundancies.

Explain the difference between redundancy and retirement. 3 marks

b. Businesses may face employee resistance when implementing change.

Explain **one** low-risk and **one** high-risk strategy to overcome employee resistance to change. 4 marks

c. Explain how financial considerations can be a restraining force on a business. 2 marks

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Question 6 (4 marks)

Identify the key principles of Locke and Latham's Goal Setting Theory and describe how a business can use these principles to motivate employees.

END OF SECTION A

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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

First Class Formals and Graduations is a private limited company established in 2014. Between 2014 and 2019, the business offered packages that included car hire, outfits, decorations and photography for school formals and graduations.

Due to the impacts of COVID-19, many bookings in 2020 were cancelled and the business had to expand into other services to continue operating. It established a virtual package, which allowed schools to hold graduations for their students online when it was not possible to have people on site or at a venue. During 2021, the business found that demand for the original packages increased. However, there was still a demand for virtual packages from secondary schools and some tertiary institutions.

The management team of First Class Formals and Graduations held a meeting to monitor how the business has performed in previous years and what their future priorities will be. As part of the meeting, Anika, the finance manager, developed the following table to review some of the company's KPIs over the past four years.

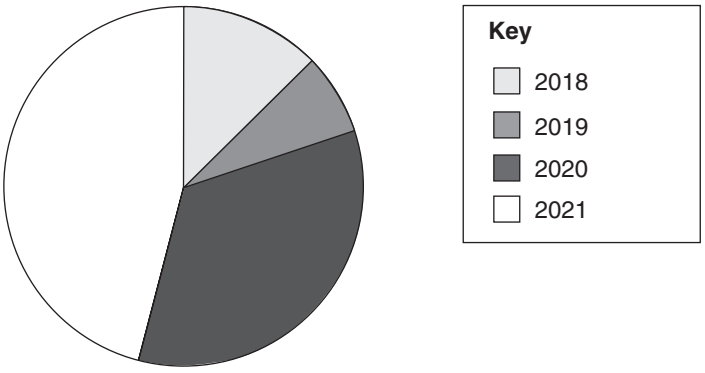
Business review – First Class Formals and Graduations packages

KPI	2018 (Original package)	2019 (Original package)	2020 (Original and virtual packages)	2021 (Original and virtual packages)
Number of sales ($)	43 000	47 000	53 000	51 000
Net profit figures ($)	21 000	23 000	28 000	14 000
Rate of staff absenteeism (%)	3	4	9	8

Anika also noted that, in relation to the original packages, there was an increase in staff turnover during the last four years, which peaked during 2020 and 2021.

Sonny, the marketing manager, noted an increase of customer complaints about the original packages over the past four years, as shown in the diagram below.

Number of customer complaints



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Sonny also supplied the following extracts from the social media reviews that First Class Formals and Graduations received in 2021.

- A teacher from a school that purchased an original package said: 'Happy with the professionalism of the employees who worked with our school although it was disappointing that there were a number of changes made to our original package including the decorations.'
- A parent of a student who attended a formal organised by the company said: 'My son and our family were looking forward to his formal photos. Unfortunately, they arrived four weeks after the date they were promised and the photos were of a poor quality.'
- A student that attended a formal organised by the company said: 'The formal was something we were looking forward to – it was a great night; however, it would have been nice if the table decorations had matched.'

Ahmad, the head of operations, reported that the business was having difficulty getting enough hire cars and drivers on some Friday nights. There were also concerns about the quality of the table decorations and supply shortages in some styles. This was making it difficult to deliver the original packages for some schools.

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Question 1 (3 marks)

Explain **one** management skill that may assist Ahmad in addressing the shortage of hire cars and drivers for First Class Formals and Graduations.

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Question 2 (4 marks)

Sonny has expressed concerns about staff absenteeism and staff turnover and has suggested that improving corporate culture at First Class Formals and Graduations could reduce both staff absenteeism and turnover.

Explain the concept of corporate culture and describe **one** strategy the business could implement to improve its corporate culture.

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Question 3 (6 marks)

Sonny is also concerned about the number of customer complaints that the business has received.

Explain how First Class Formals and Graduations can use the management strategy of improving quality in production to lower the number of customer complaints.

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Question 4 (3 marks)

Identify and explain **one** management strategy (other than improving quality in production) that the business could use to address the KPIs of staff absenteeism and staff turnover.

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Question 5 (4 marks)

Define the concept of business change and explain how employees may be a driving force for change at First Class Formals and Graduations.

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Question 6 (5 marks)

Provide an overview of the principles of Senge's Learning Organisation and explain how First Class Formals and Graduations may use **two** of the principles to improve the performance of the business.

END OF QUESTION AND ANSWER BOOKLET

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Extra space for responses

Clearly number all responses in this space.

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