



Units 3 and 4 Business Management

Practice Exam Question and Answer Booklet

Duration: 15 minutes reading time, 2 hours writing time

Structure of book:

Number of questions	Number of questions to be answered	Number of marks
5	5	65

- Students are permitted to bring into the examination room: pens, pencils, highlighters, erasers 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:

- This question and answer booklet of 14 pages.

Instructions:

- You must complete all questions of the examination.
- Write all your answers in the spaces provided in this booklet.

Instructions

Answer all questions in the spaces provided.

Questions

Question 1

- a. Define the term ‘benchmark.’

1 mark

- b. Outline two likely stakeholders of large-scale organisations and explain why they may have a vested interest in their large-scale organisation(s).

4 marks

- c. Enhanced employment opportunities are one positive impact of large-scale organisations. Why is enhanced employment beneficial for the Australian community?

1 mark

- d. Identify and explain another positive impact (i.e. not enhanced employment opportunities) and one negative impact of large-scale organisations on the Australian economy.

2 marks

- e. Define the term “performance indicator” and then select and justify one performance indicator a large-scale organisation may use to measure its success.

3 marks

Total: 11 marks

Question 2

A food company, *Tunandrice*, is a large-scale organisation that produces and sells small, microwavable packages of tuna, rice and vegetable. The organisation was established in the 1970s, but only recently released a new product- a new flavour of meal that includes a curry sauce. However, new studies have shown that a particular ingredient used in the sauce of the new product is potentially (fatally) harmful after consumption. The C.E.O. of the company- Mrs. Rice- decides, therefore, that the product must be recalled immediately.

- a. Explain why a laissez-faire management style would not be appropriate for this situation.

2 marks

- b. Name and justify the management style that Mrs. Rice should utilise in this situation. In your answer, suggest whether your chosen management style is an example of centralised or decentralised decision making.

3 marks

- c. Outline the key management role of leading, and then explain why Mrs. Rice would need to be adequate in this role in regard to the situation above.

3 marks

- d. Mrs Rice may also make use of numerous management skills. Name two management skills and explain how they may be utilised by Mrs. Rice in the situation above.

3 marks

- e. Explain how Mrs. Rice's decision to recall a potentially harmful product adheres to *Tunandrice's* ethical and social responsibility.

2 marks

- f. Name and define a type of facility layout and design. In your answer discuss whether or not your chosen layout would be suitable for implementation in the new branch of *Tunandrice*.

4 marks
Total: 17 marks

Question 3

Wally Wristling plans to open a new branch of his large-scale organisation, *Felicitous Frames*. The organisation manufactures and sells a significant range of photo frames and other accessories. The main operations of the organisation involve having resources (plastic, timber and glass) delivered using those resources to produce attractive, affordable frames. *Felicitous Frames* aims for a high level of quality in its products and services, but has recently had numerous complaints about defects in its products. Mr. Wristling thinks that this may be due to staff members feeling disempowered as they feel that they are not responsible for the end product; and because *Felicitous Frames* still makes their products by hand.

- a. What is the production process?

1 mark

- b. Explain the key elements of the production process in relation to Wally Wristling's organisation, *Felicitous Frames*?

6 marks

- c. Mr. Wristling wishes to optimise the efficiency of operations in the new branch of *Felicitous Frames*. Using the information provided, name and define, then justify a quality management strategy that Mr. Wristling could accept.

4 marks

- d. Explain how the introduction of new technology could enhance efficiency in operations of *Felicitous Frames*.

3 marks

Total: 14 marks

Question 4

- a. Define the term 'employment cycle.'

1 mark

- b. Explain two advantages and two disadvantages of internal recruitment (compared to external recruitment).

4 marks

c. Why is suitable recognition and reward of employees important?

2 marks

d. Outline the key aspects of Maslow’s theory of motivation.

3 marks

- e. Name two strategies of the maintenance phase of the employment cycle, and explain how they are likely to help retain productive employees.

3 marks

Total: 13 marks

10 marks

End of Booklet

Looking for solutions? Visit www.engageeducation.org.au/practice-exams

To enrol in one of our Business Management lectures head to: <http://engageeducation.org.au/lectures/>