

YEAR 12 *Trial Exam Paper*

2019

BUSINESS MANAGEMENT

Written examination

Reading time: 15 minutes

Writing time: 2 hours

STUDENT NAME:

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	5	5	50
B	5	5	25
			Total 75

- Students are permitted to write in blue or black pen.
- Students are permitted to bring the following items into the examination: pens, pencils, highlighters, erasers, sharpeners and rulers.
- Students are NOT permitted to bring sheets of paper and/or correction fluid into the examination.
- Calculators are NOT permitted in this examination.

Materials provided

- Question and answer book of 23 pages
- Additional writing space is provided at the end of this book if you require more space to complete an answer.

Instructions

- Write your **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

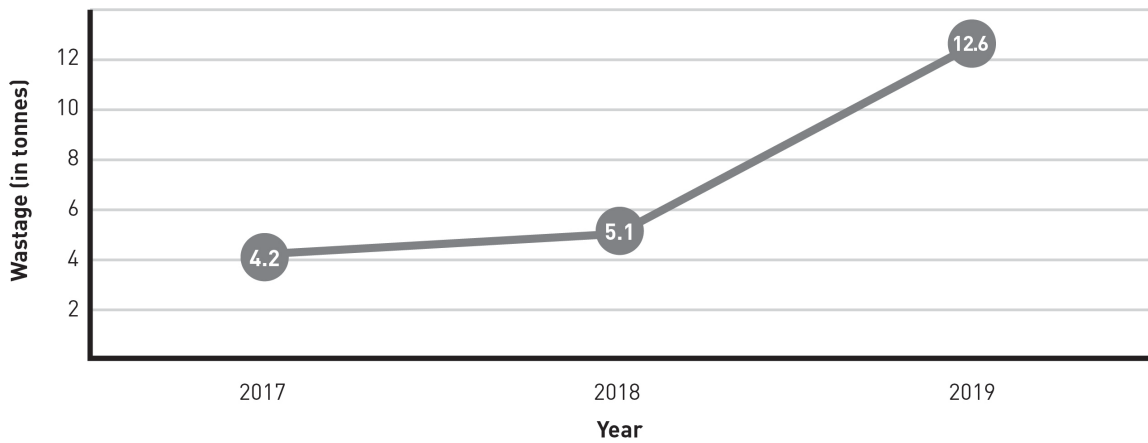
Instructions for Section A

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

Question 1 (9 marks)

Dollhouse Pty Ltd is a business operating as a private limited company in Melbourne. The business manufactures playground equipment and has recently been the subject of negative press regarding its waste management system.

Level of wastage



- a. Define ‘private limited company’ as a type of business and distinguish this type of business from a public listed company.

4 marks

b. Describe **one** strategy Dollhouse Pty Ltd could implement to minimise waste.

2 marks

- c.** Strategies to minimise waste at Dollhouse Pty Ltd are managed by the operations area of management responsibility.

Identify and describe **one** other area of management responsibility that could contribute to waste minimisation.

3 marks

- b.** In sourcing supplies for this new venture, Buzz Ltd could source from overseas. Analyse the considerations for management in making this decision.

4 marks

Question 3 (12 marks)

Hickling Housing is a small construction company operating in the highly competitive housing industry. The Operations Manager has been charged with improving the overall performance of the business in terms of its operations.

- a.** Explain how each of the following strategies could assist Hickling Housing in improving the performance of the business in relation to operations so that the business can remain competitive.

8 marks

- Quality assurance _____

- Computer-aided design _____

- b.** The adoption of either quality assurance or computer-aided design is going to require Hickling Housing's employees to undergo some training.

Distinguish between on-the-job and off-the-job training.

4 marks

Question 4 (9 marks)

Adriana Industries operates a number of small factories across Melbourne. The 2019 profit report showed a 5% reduction in net profit for the 2018 results. CEO Anne Edmunds has made the decision to introduce automated production to the operations in 2020, resulting in job losses for 400 employees.

- a. Identify the management style being used in this scenario and explain **one** feature of this style.

3 marks

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

Glanfield Holdings is a business operating in the hospitality industry. It operates 17 hotels across Victoria, including:

- eleven hotels with gaming facilities (including poker machines and betting agencies)
- four designated ‘family-friendly’ hotels (which include family dining areas and playground facilities)
- two older hotels which operate as live music venues on Friday evenings and weekends.

An analysis of key performance indicators for the business over the past two years provided the following data:

	Year	Gaming venues	Family-friendly venues	Music venues	Total group performance
Sales	2018	\$27m	\$7m	\$2m	\$36m
	2019	\$32m	\$6m	\$1m	\$39m
Net profit	2018	\$7m	\$2m	\$1m	\$10m
	2019	\$11m	\$1.4m	\$0.6m	\$13m
Level of staff turnover (% of full-time staff)	2018	15%	1%	1%	10%
	2019	24%	1%	1%	18%
Number of customer complaints (per 1000 sales)	2018	98	7	18	123
	2019	137	12	21	170

Recent media reports and public protests have highlighted the issue of problem gambling in society, and this has caused debate at the board meetings of Glanfield Holdings.

Alyvia Rallis is the newly appointed CEO of Glanfield Holdings and is known in the industry for her ability to turn around poorly performing businesses, as well as her strong commitment to corporate social responsibility.

She is proposing the phasing out of gaming venues, introducing more family-friendly hotels and creating two more live-music venues.

The Chief Financial Officer has been tasked with preparing data on the costs involved in making these changes and is due to table their report in three months.

Question 1 (3 marks)

Define **one** key performance indicator used by Alyvia Rallis to assess the performance of the business and identify **one** other key performance indicator (not provided in the table on the opposite page) that Alyvia could use to assess the performance of her business.
