

Trial Examination 2020

## 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

<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	6	6	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 booklet of 22 pages.

Additional space is available at the end of the booklet if you need extra paper 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 2020 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** (19 marks)

AR Dunne is a building company located in the southern suburbs of Melbourne. The business has been established for ten years and is owned by a partnership of three brothers. It specialises in renovations and repairs for landlords. In the past three years, the business has also started repairing damage in response to insurance claims for two major insurance companies. During the past four years, the business has expanded, and the brothers are considering establishing a public company.

- a.** Define the term ‘partnership’. 2 marks

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- b.** Distinguish between a partnership and a public listed company as types of business structures. 3 marks

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- c.** Explain **one** area of management responsibility that a business such as AR Dunne may have. 2 marks

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- d.** AR Dunne recently found that there have been delays in completing work for the insurance companies due to a lack of materials and poor-quality finishing on some jobs. Explain a materials management strategy that could assist AR Dunne to avoid delays in the future. Explain how this strategy could improve the efficiency **or** effectiveness of the business's operations system. 3 marks

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- e. AR Dunne's partners have considered implementing a quality assurance management strategy to ensure that insurance jobs are completed on time and to company standards.

Define 'quality assurance' and outline how implementing this strategy could benefit a business such as AR Dunne.

3 marks

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- f. Explain the management strategies of change in management styles **and** cost cutting, and describe how these strategies can be used by a business to respond to key performance indicators (KPIs) and assist with implementing change.

6 marks

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**Question 2** (6 marks)

Effective and knowledgeable employees are key to the success of any business.

- a.** Analyse the relationship between business objectives and managing employees. 2 marks

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- b.** Describe awards and agreements as methods of determining wages and conditions of work. 4 marks

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**Question 4** (10 marks)

Business change can be difficult and complex.

Explain the concept of business change and describe **three** driving forces and **three** restraining forces for change that a business might need to manage to ensure that change is successfully implemented.

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**Question 5** (4 marks)

Define ‘corporate social responsibility’ and explain **one** possible corporate social responsibility consideration that relates to the environmental sustainability of a business’s operations system.

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**Question 6** (5 marks)

Describe the key principles of Lawrence and Nohria's Four Drive Theory and explain why a business might use this theory when managing employees.

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**END OF SECTION A**

**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**

Southern Roofing and Patios is a manufacturer and retailer of patios, garages and roofing. The business is a partnership. It serves a number of rural regions in Victoria and South Australia. Customers include residents in rural towns, commercial properties and farms. The following table shows the business's sales for the past four years.

**Table 1: Number of sales**

	2016	2017	2018	2019
patios and outdoor living	\$1.2 million	\$1.35 million	\$1.37 million	\$1.4 million
commercial	\$1.7 million	\$1.7 million	\$1.8 million	\$1.85 million
farm	\$1.9 million	\$2.1 million	\$2.25 million	\$2.35 million

While Southern Roofing and Patios is a well-established business and has continued to grow each year, a number of issues and trends have been identified by an external consultant. The consultant provided a report that identified these issues and trends, including the following:

- Low interest rates are likely to increase the number of commercial projects during the next two years.
- Delays have occurred with patios and outdoor living, and customers have been left with poor-quality finishes.
- Issues have been identified in the working relationships between some employees and managers.

The owners of Southern Roofing and Patios have been considering changing suppliers as their current supplier has not been able to provide materials in the specified timeframe. This has affected the time taken to complete projects.

The consultant also examined the following data in relation to the business's key performance indicators (KPIs).

**Table 2: Key performance indicators**

KPI	2017	2018
number of customer complaints	21	37
rate of staff absenteeism	12%	19%
level of wastage	10%	23%
rate of productivity growth	8%	2%

**Question 1** (2 marks)

Define ‘rate of productivity growth’.

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**Question 2** (8 marks)

The business consultant for Southern Roofing and Patios recommended that employees be trained to improve the quality of services delivered.

- a. Explain on-the-job training and off-the-job training and outline **one** advantage and **one** disadvantage of **either** type of training for Southern Roofing and Patios. 4 marks

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- b.** Define 'real corporate culture' and 'official corporate culture' and explain **one** strategy that Southern Roofing and Patios could use for the development of **either** type of corporate culture.

4 marks

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**Question 3** (4 marks)

Explain **two** management skills that could assist the owners of Southern Roofing and Patios to address the issues identified by the consultant and improve business performance.

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**Question 5** (4 marks)

Interpret the data provided in Table 2 to explain the trends that can be observed and the possible impact of the trends on Southern Roofing and Patios.

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**Question 6** (2 marks)

Explain why it is important for a business such as Southern Roofing and Patios to review KPIs when evaluating change.

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**END OF QUESTION AND ANSWER BOOKLET**







