

STUDENT NUMBER

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BUSINESS MANAGEMENT

Written examination

Monday 16 November 2020

Reading time: 3.00 pm to 3.15 pm (15 minutes)

Writing time: 3.15 pm to 5.15 pm (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	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 book of 24 pages
- Additional space is available at the end of the book if you need extra space to complete an answer.

Instructions

- Write your **student number** 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.

SECTION A

Instructions for Section A

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

Question 1 (10 marks)

In 2017, John was employed as the manager of a bakery with 80 employees. In 2020, the business has had the following business objectives:

- to increase profits by 10%
- to reduce staff absenteeism by 20%

John has adopted an autocratic management style.

a. Define the term ‘business objective’. 2 marks

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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

Below is an extract of a speech delivered to the shareholders of Manitta Mining by its Chief Executive Officer at its annual general meeting on 7 August 2020.

Our business faces significant challenges. Staff turnover has increased significantly over a five-year period. The business's share price on the Australian Securities Exchange (ASX) has decreased by 15% over the same five-year period. Sales are also down and the company has struggled to reduce the number of workplace accidents in our mines.

As Chief Executive Officer of Manitta Mining for more than 15 years, I am pleased to tell you the long-term outlook for the company remains strong. Since the appointment of a new operations manager, Dr Margaret Sherckle, in February 2020, the number

of workplace accidents has decreased by 25%. The number of workplace accidents is a very important key performance indicator (KPI) for the business and a key business objective is to improve workplace safety.

Manitta Mining currently has more than 20 000 employees, each of whom I consider to be part of the 'Manitta family'. While business efficiency and effectiveness are important, the goal of ensuring that our employees return home safely each day is our priority.

A safe workplace will reduce staff turnover. It will also reduce staff absenteeism. We aim to keep staff turnover below 5% in the year ahead. This will reduce associated costs. For example, reduced staff turnover will reduce staff training costs. WorkCover premiums will also fall. Manitta Mining expects that increased employee retention will lead to significant increases in the rate of productivity growth during the next 12 months.

Finally, I would like to thank you, the shareholders. Loyalty deserves to be rewarded. The implementation of strategies that improve business performance through increased productivity growth will ensure that your investment grows in turn.

Thank you.



Source: Matej Kastelic/Shutterstock.com

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Question 6 (4 marks)

Outline how two of the restraining forces in business listed below might influence Manitta Mining's ability to successfully introduce change to business operations in the future:

- organisational inertia
- legislation
- financial considerations
- employees

Restraining force 1 _____

Restraining force 2 _____

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