Student Name:

2023 BUSINESS MANAGEMENT UNIT 3 &4

Trial Examination 1

Reading Time: 15 minutes
Writing Time: 2 hours

QUESTION & ANSWER BOOK

Structure of book

Section	*Number of questions*	*Number of questions to be answered*	*Number of marks*
A	6	6	50
B	8	8	25
			Total: 75

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

- Question and answer book of 23 pages

Instructions

- Answer all questions in the answer book.
- All written responses must be in English.

Students are not permitted to bring mobile phones and/or any other unauthorized electronic devices into the examination room.

Instructions

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

SECTION A

Question 1 (2 marks)

Define the business objective 'to make a profit'.

Question 2 (13 marks)

Rodrigo owns VicTours, a growing tour company that specialises in bus tours to the Barossa Valley in South Australia, with most customers booking online. Rodrigo, as a sole trader, manages the human resource area of the business and has struggled to retain enough tour guides to be able to meet customer demand.

Rodrigo personally trains each guide and takes great pride in the quality of the tours. Rodrigo sets very high-quality standards for each tour and completes a full assessment of each guide by attending at least 3 full day tours and providing feedback to each tour guide before they are allowed to take any unsupervised tours.

Three experienced tour guides have recently resigned, and Rodrigo will have to cancel 30% of bookings for next month and refund deposits to customers. The resignation notices indicated that the tour guides felt unappreciated, lacked the freedom to use their own initiative during tours and that Rodrigo was inflexible when approached with new ideas.

a. Discuss the use of on-the-job training at VicTours. 4 marks

b. Evaluate the suitability of the autocratic management style used by Rodrigo at VicTours. 5 marks

c. Describe **two** management skills that an autocratic manager like Rodrigo would need.

4 marks

Question 3 (2 marks)

Explain how the performance management strategy of employee observation could be used to achieve an employee objective.

Question 4 (6 marks)

Compare quality control with quality assurance.

Question 5 (3 marks)

Outline **one** way that artificial intelligence has been used to improve business performance in a contemporary business you have studied this year.

Question 6 (14 marks)

BB's Bookstore faced potential closure in 2018 with many customers preferring eBooks or simply not choosing to visit a regional retail bookstore.

Odette Lauder purchased BB's Bookstore and despite the business's record of poor financial performance, she launched a website, introduced free delivery, and expanded its product range to include Wellbeing, Cooking, Financial Self-Help and Hobbies. Odette was nominated for the Australian Small Business Champion Award by a group of her employees at the start of 2020.

Due to the success of BB's Bookstore and evidence that the website was a highly effective way to sell books, Odette decided to maintain BB's Bookstore as an online business and close the retail store at the end of 2020. Her employees were devastated at losing their jobs so suddenly and the media coverage damaged the business's reputation.

Key Performance Indicators	**2018**	**2019**	**2020**	**2021**
Number of website hits (average per month)	0	1680	4 700	2 000
Number of sales (average per month)	640	1 500	4 500	1 000
Net profit figures (per month)	35 000	50 000	180 000	50 000
Number of customer complaints (per year)	10	15	16	47

Table 1

a. Apply the key principles of the Three Step Change Model (Lewin) to the change introduced at the end of 2020 by Odette at BB's Bookstore. 6 marks

b. Discuss the use of proactive approaches to change in relation to Odette Lauder's management of BB's Bookstore.

4 marks

c. Analyse the key performance indicator data provided in **Table 1** and explain how this data led to the introduction of change at BB's Bookstore.

4 marks

Question 7 (10 marks)

'The operations manager's role is critical to the success of a business, and they must choose from a range of strategies to improve efficiency and effectiveness in operations.'

In relation to the above statement, describe how the use of **one** operations strategy from **each** of the following categories could improve efficiency and effectiveness in operations.

- Waste minimisation
- Materials
- Lean management

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.

Sincerity Perfume

Sincerity Perfume is a partnership developed by its owners, Conrad and Sarah, as they were planning their wedding in 2022 and wanted to wear fragrances that they had created for each other for their special day. A retail premises was available in Prahran, and they secured a long term lease. They were able to find low-cost suppliers, mostly from India and within 6 months, their business was growing steadily.

Sarah uses the General Retail Industry Award as the basis for determining the wages and conditions for the 10 employees.

Sarah has recently become very concerned about the potential impact that some of their business decisions may have had on the environment. She has noted that several customers have questioned the environmental sustainability of Sincerity Perfume and during a recent interview with the local secondary college who invited a group of local businesses to speak with their Business Management classes, Sarah was not able to adequately outline details of their sustainability policies.

Conrad disagrees with Sarah and is opposed to the idea of sourcing environmentally sustainable materials and establishing strong corporate social responsibility objectives because the business is trading well and the time and cost of introducing changes could significantly impact on net profit figures for the business.

Question 1 (2 marks)

Describe the key features of a partnership in relation to Sincerity Perfume.

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Question 2 (4 marks)

Explain **two** strategies that Sarah could introduce to develop the environmental sustainability of inputs at Sincerity Perfume.

Question 3 (3 marks)

Propose and justify the use of **one** principle of the Learning Organisation (Senge) to help Sarah create a positive culture for change at Sincerity Perfume.

Question 4 (3 marks)

Justify the use of awards as a means of establishing pay and conditions at Sincerity Perfume.

Question 5 (4 marks)

Describe **one** driving force and **one** restraining force that could impact Sincerity Perfume's plan to become more environmentally sustainable.

Question 6 (3 marks)

Describe how Sincerity Perfume could use Porter's Generic differentiation strategy to improve business performance.

Question 7 (4 marks)

Explain how **two** low-risk strategies could positively overcome employee resistance to change at Sincerity Perfume.

Question 8 (2 marks)

Outline **one** corporate social responsibility consideration when Sincerity Perfume implements change.

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END OF QUESTION AND ANSWER BOOK

Extra space for responses

Clearly number all responses in this space