

SUPERVISOR TO ATTACH
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Write your **student number** in the boxes above.

Letter

Business Management

Question and Answer Book

VCE Examination – Wednesday 6 November 2024

- Reading time is **15 minutes**: 3.00 pm to 3.15 pm
- Writing time is **2 hours**: 3.15 pm to 5.15 pm

Materials supplied

- Question and Answer Book of 24 pages

Instructions

- Use the additional space at the end of the book if you need extra space to complete an answer.

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

Contents	pages
Section A (4 questions, 50 marks)	3–15
Section B (6 questions, 25 marks)	16–22

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Section A

Instructions

- Answer **all** questions in the spaces provided.
 - Write your responses in English.
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Question 1 (15 marks)

Sammah's Foodz manufactures a variety of frozen savoury food items that are not offered by any of its competitors. Recently, Sammah's Foodz has introduced new technology with the goal of broadening its range of products and reducing levels of waste in its food-production process. These changes have been met with resistance by Sammah's Foodz employees.

- a. Describe **one** of the key elements of the operations system at Sammah's Foodz. 2 marks

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Question 1 continues on the next page.

b. Describe **one** low-risk strategy that could be used at Sammah’s Foodz to overcome employee resistance to change.

3 marks

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d. Discuss the use of Porter’s differentiation approach to strategic management at Sammah’s Foodz as it seeks to increase its number of sales.

4 marks

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Question 2 (15 marks)

Surf 'n Stuff manufactures a range of surfing-related clothing and equipment, such as wetsuits, swimwear and surfboards. The CEO of Surf 'n Stuff, Sandy Waters, and the executive management have set the following objectives for the business during 2024:

- to increase net profit by 10%
- to improve the quality of swimwear by reducing the number of defective outputs by 20%
- to reduce the rate of staff absenteeism to 2% per year.

Sandy Waters has learned about the principles of the Learning Organisation (Senge) and would like to apply this approach in order to create a positive culture for change within the business. Sandy believes that this will ensure that everyone is working towards the achievement of the business's objectives.

- a. Define the term 'quality' in relation to operations management.

2 marks

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Question 2 continues on the next page.

b. Compare the business concepts of effectiveness and efficiency.

4 marks

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- c. Explain how **either** artificial intelligence **or** computer-aided design could be used to improve efficiency at Surf 'n Stuff.

3 marks

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Question 3 (10 marks)

Allygant Attire specialises in hiring out formal wear for special events, such as weddings and other celebrations. The business has spent a large amount of money advertising online to attract new customers. During the next 12 months, Allygant Attire plans to close six of its Australian stores located in shopping centres and focus more on developing its website to enable online services.

- a. Describe **one** way Allygant Attire could improve its corporate social responsibility within its operations management system.

3 marks

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Question 3 continues on the next page.

- c. Justify the use of the Three-step Change Model (Lewin) when implementing change at Allygant Attire.

3 marks

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Section B – Case study

Instructions

- 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.
- Write your responses in English.

Case study

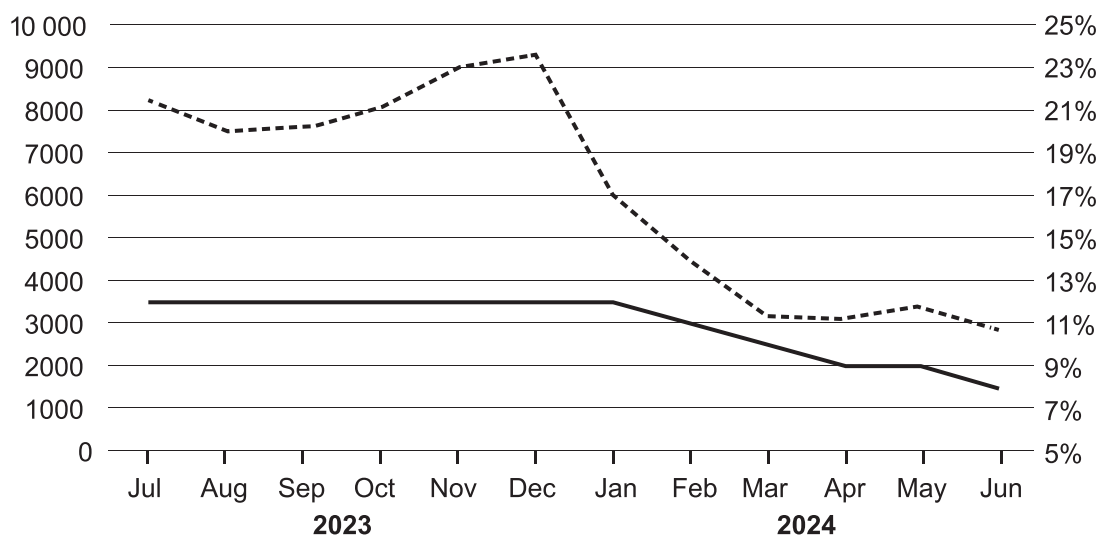
Mia Tarian is the CEO of Soaring Rox Pty Ltd, a rock-climbing centre in the city. The business has aimed to establish and maintain its reputation for offering high-quality rock-climbing experiences in a safe environment. For the past year, the business has relied on employees with limited experience in the climbing industry.

During December 2023, three negative reviews of the business appeared online.

<p>★ ☆ ☆ ☆ ☆ Leo</p> <p>Definitely the worst climbing centre in the city – the staff didn't know how to use the equipment!</p>	<p>★ ☆ ☆ ☆ ☆ Felix</p> <p>I fell during a climb and a staff member laughed at me. The people who work here should have first-aid training!!</p>	<p>★ ☆ ☆ ☆ ☆ Mary</p> <p>My first visit and it will also be my last. I like to climb but did not feel safe here.</p>
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Mia Tarian believes that there is a relationship between the three reviews and the number of website hits. The graph below was created to help her understand this relationship.

Number of website hits versus market share



Key	----- Number of website hits	———— Market share
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The market share for this business is based on the number of sales relative to other rock-climbing centres in the city.

Mia held a meeting and told staff that the following decisions had been made:

- All staff must attend training in the correct use of the rock-climbing equipment. The training will be held on three consecutive Sundays. The centre will be closed to make this training possible.
- A first-aid room will be created on the ground floor and a trained first-aid provider will be employed during busy periods. The first-aid room will replace the existing staffroom.
- Equipment that is rarely used will be returned to its local suppliers. The business will purchase more of the high-demand equipment from overseas, rather than from its regular local suppliers.

Question 1 (2 marks)

Outline how Mia Tarian could use planning as a management skill to implement **one** of the changes identified above.
