



FACULTY OF MANAGEMENT
DEPARTMENT OF BUSINESS MANAGEMENT
FINAL SUMMATIVE ASSESSMENT

SUBJECT: BUSINESS MANAGEMENT
CODE: BMA1A01 / BMA11A1
DATE: 03 June 2016
TIME ALLOWED: 120 Minutes
TOTAL MARKS: 100

EXAMINER(S): Mr C Diniso
Ms A Mphahlele
Mr S Nchabeleng
MODERATOR: Ms S Bronkhorst
NUMBER OF PAGES: 15

INSTRUCTIONS:

- This is a closed-book assessment.
 - Question papers must be handed in together with your answer books.
 - Read the questions carefully and answer only what is asked.
 - Answer all the questions:
 - Answer **section A** on the multiple choice answer sheet at the back of your answer book.
 - Answer **section B** in the answer book.
 - Number your answers clearly.
 - Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
 - Structure your answers by using appropriate headings and subheadings.
 - The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.
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FAKULTEIT BESTUUR
DEPARTEMENT ONDERNEMINGSBESTUUR
FINALE SUMMATIEWE ASSESSERING

VAK: ONDERNEMINGSBESTUUR
KODE: BMA1A01 / BMA11A1
DATUM: 03 Junie 2016
TOEGELATE TYD: 120 minute
TOTALE PUNTE: 100

EKSAMINATORE: Mnr. C. Diniso
Me. A. Mphahlele
Mnr. S. Nchabeleng
MODERATOR: Me. S. Bronkhorst
GETAL BLADSYE: 15

INSTRUKSIES:

- Dit is 'n toeboekassessering.
 - Vraestelle moet saam met die antwoordskrifte ingedien word.
 - Lees die vrae sorgvuldig deur en beantwoord net wat gevra word.
 - Beantwoord al die vrae:
 - Beantwoord **Afdeling A** op die meerkeuseblad agterin u antwoordskrif.
 - Beantwoord **Afdeling B** in die antwoordskrif.
 - Nommer jou antwoorde duidelik.
 - Skryf netjies en leesbaar aan albei kante van die papier in die antwoordskrif en begin op die eerste bladsy.
 - Struktureer jou antwoorde deur toepaslike opskrifte en onderopskrifte te gebruik.
 - Die algemene beleide, prosedures en reëls van die Universiteit met betrekking tot skriftelike assessering is op hierdie assessering van toepassing.
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SECTION B**[60 MARKS]**

READ THE FOLLOWING CASE STUDY WHICH IS APPLICABLE SPECIFICALLY TO QUESTIONS 2 AND 4 IN SECTION B.

VOLKSWAGEN: THE SCANDAL EXPLAINED

By Ruseel Hotten, BBC News Reporter, 4 November 2015

In September 2015, the Environmental Protection Agency (EPA) found that many VW cars being sold in America had a "defeat device" - or software - in diesel engines that could detect when they were being tested, changing the performance accordingly to improve and falsify results. The German car giant has since admitted cheating emissions tests in the US. The result of this cheating is that engines emitted nitrogen oxide pollutants up to 40 times above what is allowed in the US.

Martin Winterkorn, VW Chief Executive, produced a video where he said that he was "endlessly sorry" and that the misconduct was a result of "*the grave errors of very few*" employees. He further said that he had broken the trust of customers and the public. This scandal was deemed as a leadership issue and Winterkorn resigned in September 2015. VW must have had a chain of management command that approved fitting cheating devices to its engines. Sadly, VW is destined to become another case study of a leadership failure. With VW recalling millions of cars worldwide from early next year, it has set aside £4.8bn to cover costs.

Environmental campaigners have long argued that emissions rules are being flouted. Latest report demonstrated that almost 90% of diesel vehicles didn't meet emission limits when they drive on the road. We are talking millions of vehicles. Car analysts agree that European standards are not as strict as those in the US.

The company has a strong global presence as they are currently operating in more than 150 countries worldwide. But, Volkswagen manufactures cars that emit high amount of CO₂. This needs to be revised. Stricter emission regulations are being enforced and Volkswagen will have to make huge investments to engineer newer engines that emit less CO₂. Consumers are aware of the benefits of buying "green" and fuel efficient vehicles that emit much less CO₂.

Investors have lamented the fact that the German brand of innovation and quality has now been tainted. They are disappointed that a brand with such global recognition chose to go down a very slippery path. VW threw ethics out the window, took short cuts, and committed massive fraud on everyone.

Source: Adapted from

<http://www.telegraph.co.uk/finance/newsbysector/industry/11884738/VW-emissions-scandal-whats-it-all-about.html>

AFDELING B**[60 PUNTE]**

LEES DIE VOLGENDE GEVALLESTUDIE WAT SPESIFIEK OP VRAAG 2 EN 4 IN AFDELING B VAN TOEPASSING IS.

VOLKSWAGEN: DIE SKANDAAL VERDUIDELIK

Deur Ruseel Hotten, BBC nuusverslaggewer, 4 November 2015

In September 2015 het die Omgewingsbeskermingsagentskap bevind dat baie VW motors wat in Amerika verkoop word 'n "foutiewe toestel" – of sagteware – in dieselenjins het wat kan opspoor wanneer hulle getoets word, die werkverrigting dienoreenkomstig verander om te verbeter en resultate vervals. Die Duitse motorreus het sedertdien erken dat hulle met vrystellingsstoetse in die VS kul. Die gevolg van hierdie kullery is dat enjins stikstofoksiedbesoedelingstowwe vrystel wat tot 40 keer hoër is as wat in die VS toegelaat word.

Martin Winterkorn, VW Hoof- Uitvoerende Beampte, het 'n video gemaak waarop hy sê dat hy "oneindig jammer" is en dat die wangedrag 'n gevolg van die "ernstige foute van 'n paar werknemers" was. Hy het ook gesê dat hy die vertroue van klante en die publiek geskend het. Hierdie skandaal is as 'n leierskapkwessie beskou en Winterkorn het in September 2015 bedank. VW moes 'n bevelsorde gehad het wat die montering van kultoestelle in hulle enjins goedgekeur het. Ongelukkig gaan VW net nog 'n gevallestudie van leierskapmislukking word, met VW wat miljoene motors wêreldwyd van vroeg volgende jaar gaan herroep. Hulle het £4,8 miljard opsygesit om koste te dek.

Omgewingstrydrosse het lank geredeneer dat vrystellingsreëls verontagsaam word. Die nuutste verslag noem dat bykans 90% van dieselloertuie nie aan die vrystellingsperke voldoen het toe hulle op die pad gery het nie. Ons praat van miljoene voertuie. Motoranaliste stem saam dat Europese standaarde nie so streng is as die in die VS nie.

Die maatskappy het 'n sterk wêreldwye teenwoordigheid, aangesien hulle tans in meer as 150 lande wêreldwyd werksaam is. Maar, Volkswagen vervaardig motors wat 'n groot hoeveelheid CO₂ vrystel. Dit moet hersien word. Strenger vrystellingsregulasies word ook toegepas en Volkswagen sal groot beleggings moet maak om nuwer enjins te ontwerp van minder CO₂ uitstraal. Verbruikers is bewus van om "groen" en brandstofdoeltreffende motors te koop wat baie minder CO₂ vrystel.

Beleggers het die feit betreur dat die Duitse handelsnaam van innovasie en gehalte nou besmet is. Hulle is teleurgesteld dat 'n handelsnaam met sulke wye wêreldwye erkenning besluit het om so 'n glibberige roete te volg. VW het etiek verontagsaam, kortpaaie gevat en enorme bedrog gepleeg.

Bron: Aangepas uit:

<http://www.telegraph.co.uk/finance/newsbysector/industry/11884738/VW-emissions-scandal-whats-it-all-about.html>

QUESTION 1**[13 MARKS]**

- 1.1 There are several management trends and issues that are changing the way managers perform their duties. **Describe** the following trends to the Volkswagen management team. (1)
- Quality management (1)
 - Innovation (1)
 - Globalisation (1)
 - Ethics (1)
- 1.2 Managers need certain competencies, skills, behaviours and attitudes to be effective in a wide range of managerial jobs. **Discuss** the four (4) dimensions of the *planning and administration competency* of managers. (8)
- 1.3 There are three (3) types of authority. **Define** functional authority. (1)

QUESTION 2**[22 MARKS]**

- 2.1 Use the information provided in the case study. **Apply** the SWOT analysis to Volkswagen. (**NB:** you must provide at least one example for each element of the analysis, however more examples can be added per element **but** the overall mark will be capped at 6). (6)
- 2.2 **Formulate** new strategies for VW based on the SWOT analysis done in 2.1. (**NB:** Marks will be capped at 4). (4)
- 2.3 In the planning process, step 5 is implementation and managers use policies to implement business plans. **Explain** any four (4) characteristics of effective policies. (4)
- 2.4 **Explain** the four (4) levels of authority. (8)

VRAAG 1**[13 PUNTE]**

- 1.1 Daar is talle bestuurstendense en -kwessies wat die manier waarop bestuurders hul pligte uitvoer, verander. **Beskryf** die volgende tendense aan die Volkswagen se bestuurspan.
- | | |
|----------------|-----|
| Gehaltebestuur | (1) |
| Innovasie | (1) |
| Globalisasie | (1) |
| Etiek | (1) |
- 1.2 Bestuurders moet oor sekere bevoegdhede, vaardighede, gedrag en gesindhede in 'n groot verskeidenheid bestuurstake beskik. **Bespreek** die vier (4) dimensies van die *beplannings- en administrasiebevoegdheid* van bestuurders. (8)
- 1.3 Daar is drie (3) tipes gesag. **Omskryf** funksionele gesag. (1)

VRAAG 2**[22 PUNTE]**

- 2.1 Gebruik die inligting wat in die gevallestudie verskaf is. **Pas** die SWOT-analise op Volkswagen toe. (**NB:** *jy moet minstens een voorbeeld vir elke element van die analise verskaf, meer voorbeelde per element kan egter verskaf word, maar daar sal 'n boperk van (6) op die algehele punt geplaas word.*) (6)
- 2.2 **Formuleer** nuwe strategieë vir VW gegrond op die SWOT-analise wat in 2.1 gedoen is. (**NB:** *'n Boperk van (4) sal op die punte geplaas word.*) (4)
- 2.3 In die beplanningsproses is stap 5 implementering en bestuurders gebruik beleide om sakeplanne te implementeer. **Verduidelik** enige vier (4) kenmerke van effektiewe beleide. (4)
- 2.4 **Verduidelik** die vier (4) vlakke van gesag. (8)

QUESTION 3**[9 MARKS]**

"This scandal was deemed as a leadership issue and Martin Winterkorn, Volkswagen Chief Executive resigned in September. Sadly, Volkswagen is destined to become another case study of a leadership failure."

- 3.1 Given the leadership issue at Volkswagen, **list and define** any three (3) of the contemporary Behavioural Leadership Styles. (6)
- 3.2 **Define** autocratic leadership, democratic leadership and Laissez-faire leadership. (3)

QUESTION 4**[16 MARKS]**

"Environmental campaigners have long argued that emissions rules are not being controlled effectively. The latest report demonstrates that almost 90% of diesel vehicles didn't meet emission requirements and yet were sold to customers."

- 4.1 **Explain** the following quantitative control techniques which can be used by Volkswagen in future to monitor performance.
- PERT (1)
 - Economic order quantity (1)
 - Variance analysis (1)
 - Gantt chart (1)
- 4.2 **Define** the control concept (2)
- 4.3 **Apply** the control process and advise the new VW CEO on what areas to improve in order to avoid a similar incident in future. **(NB: No marks will be awarded for theory only. Answers must be based on the information provided in the case study).** (10)

END OF ASSESSMENT

VRAAG 3**[9 PUNTE]**

"Hierdie skandaal is as 'n leierskapkwessie beskou en Martin Winterkorn, Volkswagen se Hoof- Uitvoerende Beampte het in September bedank. Ongelukkig gaan VW net nog 'n gevallestudie van leierskapmislukking word."

- 3.1 Gegewe die leierskapkwessie by Volkswagen, **lys en omskryf** enige drie (3)
van die huidige gedragsleierskapstyle. (6)
- 3.2 **Omskryf** outokratiese leierskap, demokratiese leierskap en laissez-faire-leierskap. (3)

VRAAG 4**[16 PUNTE]**

"Omgewingstrydrosse het lank geredeneer dat vrystellingsreëls verontagsaam word. Die nuutste verslag noem dat bykans 90% van dieselfoertuie nie aan die vrystellingsperke voldoen het nie en tog aan klante verkoop is."

- 4.1 **Verduidelik** die volgende kwantitatiewe beheertegniese wat in die toekoms deur Volkswagen gebruik kan word om werkverrigting te monitor.
- | | |
|-----------------------------------|-----|
| PERT | (1) |
| Bestelling van ekonomiese grootte | (1) |
| Variansie-ontleding | (1) |
| Gantt-kaart | (1) |
- 4.2 **Omskryf** die begrip beheer. (2)
- 4.3 **Pas** die beheerproses toe en adviseer die nuwe VW HUB oor watter gebiede om te verbeter om 'n soortgelyke voorval in die toekoms te vermy. **(NB: Geen punte sal vir net teorie toegeken word nie. Antwoorde moet op die inligting wat in die gevallestudie verskaf is, gegrond word.)** (10)

EINDE VAN ASSESSERING