



FACULTY OF MANAGEMENT
DEPARTMENT OF BUSINESS MANAGEMENT
SUPPLEMENTARY WRITTEN ASSESSMENT

SUBJECT: BUSINESS MANAGEMENT
CODE: BMA 1B01 / 21B1
DATE: January 2017
TIME ALLOWED: 120 Minutes
TOTAL MARKS: 100

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MODERATOR: Ms S Bronkhorst
NUMBER OF PAGES:

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** in the back of the answer book on the answer sheet provided. Indicate the correct answer as per the instructions.
 - 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.

SECTION B**[60 MARKS]**

Use the following case study to answer questions one (1) and two (2)

Coca Cola

Through Coca Cola's global suppliers, their system buys millions of tons of fresh fruit, corn, tea, sugar, coffee, and other ingredients every year and uses approximately 300 billion litres of water every year to produce its soft drinks.

The company has strategic sourcing based on protect land rights of farmers and communities. Working with suppliers, bottler, and other key stakeholders, the company has taken several key steps to ensure transparency, across its supply chain. As a member of Bonsucron, Coca Cola worked with peer companies, sugarcane producers, WWF and other NGOs to implement the first global metric standard for sustainable sugar cane production. Our bottling partners manufacture, package, merchandise and distribute the final branded beverages to our customers and vending partners, who then sell our products to consumers.

Coca Cola have more than 250 bottling partners worldwide. Coca Cola Enterprise (CCE) is one of the world's largest bottler, marketers, producers and distributors of Coca-Cola products. CCE buys concentrate syrup from The Coca-Cola Company and combines it with other ingredients to create some of the most popular beverages in Belgium, Great Britain, France, Luxembourg, the Netherlands, Norway and Sweden. CCE company has 59 manufacturing plants, 11, 600 routes, 372 centers of distribution and 32000 vehicles of delivery.

The carbonated soft drinks produced are subject to strict quality control and inspection procedures ensuring they meet the highest international standards. Briefly, the processes involve the following:

Pure water is subjected to sophisticated filtering, softening and disinfecting to remove all impurities; Sugar is added, along with the appropriate beverage concentrate to produce a 'syrup', the basic component for the soft drink; The mixture is saturated with carbon dioxide at a low temperature and under high pressure to give the drinks their renowned 'fizziness'. Automated machinery dispenses the mixture, in precisely calculated quantities, into sterilised bottles while another cans, caps or seals them.; The containers move to another machine which applies labels and bar codes, after which they are automatically inspected to guarantee they meet all requirements; After final checking, bottles and cans are transported to machines which pack them in cartons or boxes before being laces on wooden pallets.; The packed beverages are delivered by trucks to storage facilities to await delivery to customers – and to be enjoyed by consumers.

All bottling partners work closely with customers -- grocery stores, restaurants, street vendors, convenience stores, movie theatres and amusement parks, among many others -- to execute localized strategies developed in partnership with our Company. Customers then sell the products to consumers at a rate of more than 1.9 billion servings a day.

The Coca-Cola Company sells its products to bottling and canning operations, distributors, fountain wholesalers and some fountain retailers. They then distribute them to retail outlets, corner stores, restaurants, petrol stations and many more. Arrays of points of sales that Coca-Cola products can roughly be categorised into are: Wholesalers/ distributors; Retail/ corner stores/ super markets; Restaurants/ cafes/ night clubs; petrol stations and automated teller machines (AMTs).

For transportation, the company replaced diesel trucks with Eco-Combis which are capable of carrying up to 38 percent more per journey, cuts down the number of road trips and reduces emissions. Where long-distance journeys are necessary, the company uses multi-modal rail delivery. Electric vehicles are used in Norway and Belgium.

Source: Adapted from <https://prezi.com/dskpuqgnhd1t/coca-colas-supply-chain/>

QUESTION 1**[10 MARKS]**

Supply chain begins with the sourcing of raw material and ends with the sale of the finished product. Sequentially **show** how role-players in Coca Cola 's supply chain function.

QUESTION 2**[14 MARKS]**

- 2.1. **Illustrate** the transformation process of Coca Cola (10)
- 2.2. Effective and efficient operations can provide an organisation with a competitive advantage. **Describe** the importance of operations management. (4)

QUESTION 3**[14 MARKS]**

- 3.1. **Discuss** four (4) important aspects of services. (8)
- 3.2. Brand decisions are very important to an organisation as they can contribute to the success or failure of the brand. **Identify** the two (2) types of brands organisations can choose from (2)
- 3.3. **Discuss** how the use of sales promotions can ensure effective marketing communication in an organisation. (4)

QUESTION 4**[22 MARKS]**

- 4.1 **Name** and **explain** six (6) perceived benefits that accrue to the consumer from buying products and services. (12)
- 4.2. **Identify** and **explain** five (5) group factors that may influence the buyer decisions of consumers (10)

END OF ASSESSMENT