



## **COLLEGE OF BUSINESS AND ECONOMICS**

### **DEPARTMENT OF BUSINESS MANAGEMENT**

#### **B.COM HONS. (STRATEGIC MANAGEMENT) BUSINESS PERFORMANCE MANAGEMENT STM8X12**

**SUMMATIVE ASSESSMENT: JUNE 2018**

**TIME: 3 hours**

**LECTURER: DR T.N. VAN DER LINDE**

**MARKS: 100**

**MODERATOR: Me F. SCHOLTZ**

**THIS PAPER CONSISTS OF 3 PAGES**

**NB: THIS PAPER MUST BE HANDED IN WITH YOUR ANSWER BOOKS**

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#### **INSTRUCTIONS:**

1. This is a written OPEN-book assessment (only mind maps allowed).
2. Read the questions carefully and answer what is asked.
3. Answer all the questions.
4. Number your answers clearly.
5. Write neatly and legibly. Systematic exposition is a prerequisite.
6. The use of a non-programmable calculator is allowed.

The general University of Johannesburg policies, procedures and rules pertaining to close-book written assessments (examinations) apply to this assessment.

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**QUESTION 1****(50 MARKS)**

Question one consist out of two parts – **you must answer both**. Question 1 is based on the case study (Comair Annual Integrated Report 2017) provided to you during the course of the module. In summary:

Comair CEO Erik Venter says, “We are very pleased with the results, which have been achieved despite a volatile economy and surplus capacity which restricts occupancy levels. We saw a 6% growth in both revenue and passenger volumes. One of Comair’s vigorous expansion is the continuous steady growth of its non-airline business, contributing 13% to profit and operations to the group. A highlight of the year was the growth in cumulative shareholder value. This could only have been achieved through a corporate culture that insists on, nurtures and rewards efficiency and competence at every level of the business. Our management of talent is a key differentiator of our operations. While the foremost measures of our success are delivering excellent customer service and shareholder value, we were also proud to be certified as one of South Africa’s top employers, as a testament to managing that talent”

**QUESTION 1a****20 MARKS**

**Evaluate and criticize** the way in which Comair measures its performance.

**QUESTION 1b****30 MARKS**

**Develop** a set of performance measures that will support the organisational vision and values..

**QUESTION 2****(25 MARKS)**

Accounting measures of performance have been the mainstay of quantitative approaches to organisational performance measurement. In addition to this traditional role of accounting the financial function also serve the purpose as a tool of financial management, profit as a major objective of the organisation and as a mechanism of motivation and control.

**QUESTION 2a****20 MARKS**

One of the tools available to the traditional approach is budgets. **Express an opinion** on the role of budgets in relation to the financial purpose and function.

**QUESTION 2b****5 MARKS**

Alternative approaches to the traditional financial approach includes “cost centre accounting”, “profit centre accounting” and “responsibility centres”. **Rule** on the problems encountered with these alternative approaches to the financial function.

**QUESTION 3****(25 MARKS)**

The so-called “fourth industrial” revolution is driven by knowledge work(ers) and the rate of innovation. This create entirely new occupational categories and to use a term from the BBC, where “English is the language of business, programming will be the language of the future”.

**QUESTION 3a**

**Examine** “observability” in the measurement of the performance of knowledge workers.

**10 MARKS****QUESTION 3b**

**Explain** how you would measure innovation.

**10 MARKS****QUESTION 3c**

**Justify** how you would measure “radical” innovation.

**5 MARKS**

**- END OF PAPER -**