COLLEGE OF BUSINESS AND ECONOMICS

JOHANNESBURG BUSINESS SCHOOL

DEPARTMENT OF BUSINESS MANAGEMENT

SUPPLEMENTARY SUMMATIVE ASSESSMENT JULY 2018

SUBJECT:	Business Management 2A
CODE:	BMA2A01/BMA12A1
TIME ALLOWED:	2 Hours
TOTAL MARKS:	100

LECTURERS:	Prof. D. Pooe
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EXAMINER (S):	Dr T.N. van der Linde
MODERATOR:	Me A. Bosch
NUMBER OF PAGES:	11

INSTRUCTIONS:

1. This is a written close-book assessment.
2. Read the questions carefully and answer what is asked.
3. Answer all the questions:
    a. Answer all questions in the assessment book provided,
    b. Answer Section A (Multiple choice) at the back of the assessment book,
    c. Answer Sections B in the assessment book provided.
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.
7. Write your module code on the front page of the test book
8. **NB: Questions papers must be handed in together with your answer books.**

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

SECTION B **[60 MARKS]**

QUESTION 1 **(15 MARKS)**

The lecture venue (A Red 3) on the Bunting Road Campus of the University of Johannesburg got a fixed position seating arrangement (capacity) of 400 chairs. A normal lecture day consist out of 8 hours. A normal contact session last 50 minutes each, but on average an additional 10 minutes per contact session is lost due to students arriving late and the facilitator finish his/her work early. Class attendance on average is 60% per contact session.

By using the above information calculate the following:

1.1 Determine the design capacity of the lecture venue in terms of the number of seats. (2 marks)

1.2 Calculate the effective capacity of the lecture venue in terms of the number of seats. (2 marks)

1.3 Determine the actual capacity of the lecture venue in terms of the number of seats. (3 marks)

1.4 Calculate the utilization of the lecture venue in terms of the number of seats. (4 marks)

1.5 Calculate the efficiency of the lecture venue in terms of the number of seats (4 marks)

QUESTION 2 **(8 MARKS)**

Managing quality is not cheap. It has been estimated that in 2001 it cost General Electric (GE) somewhere between $11 billion and $16 billion to implement its quality management strategy. As quality evolves from being reactive (fixing problems) to proactive (preventing problems) the nature of the cost is changing as well.
It is required of you to **identify** the cost associated with quality with an **example**.

QUESTION 3 **(12 MARKS)**

Lean production is a series of practices which are aimed at eliminating waste. As stated, at the heart of this focus the most evident is inventory (holding inventory and lack of inventory creates waste in terms of cost), buy lean production can also be seen as a general focus on continuous operational improvement. But there are several elements to a lean system, and all are necessary for a lean system to work. If any one element is missing, then the system may not function to the best of its ability.

It is required of you to **describe the six (6) elements** required for a **lean system** to function to the best of its ability. You may use a diagram.

QUESTION 4 **(10 MARKS)**

In a manufacturing environment organisations produce a physical product. But these physical products reaches a "used by" date when it turns into waste. It is of no value to the customer anymore. Due to increased environmental regulation organizations also understand that waste does not only occur in the input –transformation-output process but also when a physical good achieve its "end of life" point. To help eliminating this waste the concept of "reverse supply" was developed. Apple for example recovered 1 ton of gold, 10.4 million kg's of steel. 2 million kilo's of aluminium and 1.4 million kg's of copper from old iPhones and Mac computers.

It is required from you to **recall** and **discuss** the tasks that are commonly found in "reverse supply".

QUESTION 5 **(15 MARKS)**

Fairwind wines is an independently owned wine distilling company that distils wines from grapes provided by independent farmers. They have a turnover of around 12 million bottles of wine per year. The success of Fairwind wines is based on the quality of its products, which not only ensures reliability for its current customers and suppliers but also in attracting new customers and suppliers. During the first two years operations the quality of the wine in terms of aroma, taste and sugar content was done by selected wine tasters, graded and certified by them. The demand for Fairwind wines grew and this increase in demand requires an expansion of the distilling facilities. This in itself brought its own quality challenges. All of a sudden control systems, guided by quality manuals needs to be implemented to detect problems as they occur. But the increase in demand also necessitates an increase in their suppliers. Not to influence the efficiencies of their current operations they implemented a quality system that aligns suppliers of inputs (grapes) with advanced quality planning systems. But the suppliers started to complain as they only receive their payments after Fairwind has sold the wine. This prompted senior management (led by Wilfred Sibisi – the operational manager) to adopt a Total Quality Management system throughout all the process in the value creation stream. Currently all employees at Fairwind wineries are linking personal performance to career progression.

By analysing the case study **comment** on the **various levels of quality** management that Fairwind wineries went through in developing their quality management systems. Also **list two activities** that you would expect Fairwind wineries to have done during each stage of their quality evolution.

END OF PAPER -