



FACULTY/COLLEGE	College of Business and Economics
SCHOOL	School of Accounting
DEPARTMENT	Financial Management
CAMPUS(ES)	APK
MODULE NAME	Enterprise Management
MODULE CODE	ADFM009/S3PFMQ3
SEMESTER	Second Semester
ASSESSMENT OPPORTUNITY, MONTH AND YEAR	Replacement Final Assessment Opportunity (Supplementary) January 2020

ASSESSMENT DATE	January 2020	SESSION	08:00 – 11:00
ASSESSOR(S)	Ms A. Mhlongo Mrs T. Nharo		
MODERATOR(S)	Mr R. Van der Walt (Internal) Mr S. De Wet (External)		
DURATION	3 hours (180 min)	TOTAL MARKS	120

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	20
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INFORMATION/INSTRUCTIONS:

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- This is a closed-book assessment.
 - Read the questions carefully and answer only what is required.
 - Number your answers clearly and correctly as per the question paper.
 - There are 3 sections and must all be answered in the booklets provided.
 - Ensure that you scratch out empty spaces in order to be eligible for a remark.
 - Ensure that you hand in all the answer books and question paper at the end of assessment.
 - Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
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SECTION A**24 MARKS**

Answer the following questions by choosing the correct answer. Please indicate the **letter** you have chosen as your answer next to the correct question number on the answer book that has been provided to you.

Consider the following statements (1 – 5) and state whether they are true or false?

1. Strategically useful information will rarely be obtained from sources internal to the organization.

- A. True
- B. False

(1)

2. The market comprises those firms that use a particular competence, technology, product or service to satisfy customer needs.

- A. True
- B. False

(1)

3. Persuasion can be achieved through the establishment of rules and procedures that are enforced through position and/or resource power. It is the process by which one modifies the behaviour or attitude of another depending on the relative strength of each party's position.

- A. True
- B. False

(1)

4. Consider the following definitions:

Definition 1: Morals are principles governing or influencing conduct.

Definition 2: Ethics are standards of behavior.

- A. All the definitions are TRUE
- B. All the definitions are FALSE
- C. Definition 1 is TRUE and Definition 2 is FALSE
- D. Definition 1 is FALSE and Definition 2 is TRUE

(1)

5. The political risk in a decision is the risk that political factors will invalidate the strategy, and perhaps severely damage the firm

- A. True
- B. False

(1)

6. Identify which of the following is not one of the advantages of formulating using emergent strategies?

- A. Quick repositioning for the organisation
- B. Operational levels can be extensive source of innovative ideas
- C. Supports culture of flexibility and learning
- D. Requires entrepreneurial skills which employees may not have
- E. Organisation becomes a learning organization

(1)

7. Identify which one of the following is most likely to be a success factor for project delivery?

- A. Appointment of technical specialists as project managers
- B. Clear business case
- C. Strong leadership without interference from users
- D. Loose control and encouragement of initiative
- E. None of the above

(1)

8. Kay suggested that internal competitive advantage comes from a combination of various factors. Identify which of the following is not one of the factors according to *Kay*?

- A. Possession of strategic assets
- B. Innovative ability
- C. Competitive architecture
- D. Reputation
- E. Relationship architecture

(1)

9. In Blake and Moutin's managerial grid, identify which style is most sought after and is concerned about both people and production?

- A. Middle road
- B. Country club
- C. Team
- D. Task
- E. Impoverished

(1)

10. In the PRINCE2 methodology, what is the term given to the most frequent progress review meetings of a project team?

- A. End stage assessments
- B. Milestones
- C. Highlight reports
- D. Checkpoints
- E. Expert opinions

(1)

11. Complete the missing word:

“An investigation into whether a project can be successfully implemented given the organizational structures, expertise and tools available is likely to focus on feasibility.”

- A. Practical
- B. Motivational
- C. Technical
- D. Sustainable
- E. Functional

(1)

12. A project is different from business as usual. Identify which one of these is not a characteristic of a project?

- A. Defined beginning and ending period
- B. Cuts across organisational lines
- C. Resources used full time
- D. Unique and one time
- E. Cut across functional lines

(1)

13. Identify which one of the following is not one of the responses to risk?

- A. Transference
- B. Absorption
- C. Avoidance
- D. Reduction
- E. Assessment

(1)

14. Thomas's model of conflict suggests that individual's conflict-handling styles can be mapped on two dimensions, Assertiveness (attempting to satisfy one's own concerns) and co-operativeness (attempting to satisfy the other party's concerns). Identify which one of these styles is described as the optimal solution?

- A. Competing/forcing
- B. Accommodating
- C. Compromising
- D. Collaborating
- E. Conceding

(1)

15. Identify which one of the following is not one of the tools used for project planning and control?

- A. WBS
- B. GANTT Charts
- C. Critical Path Analysis
- D. PERT
- E. Project lifecycle

(1)

16. Identify which one of the following is not a key advantage of written communication?

- A. It focuses on the attention of the sender and receiver
- B. It provides interactive feedback and exchange of views without lead time
- C. It provides legally acceptable evidence of any agreements
- D. It enables repeated referencing to information and agreements
- E. It provides a basis to keep all parties accountable for their actions

(1)

17. When working to maintain and create a favourable relationship with a receiver, a sender should...

- A. Do just what the receiver expects
- B. Impress the receiver by using technical terms
- C. Stress mutual interests and benefits
- D. Use positive wording
- E. Not consider the circumstances of the receiver

(1)

18. Identify which one of the following will not typically form part of the project management plan document?

- A. Project description
- B. Project deliverable
- C. Resources
- D. Business need
- E. Product development

(1)

19. Identify which one of the following is not the five project management process areas that are the main elements within a project?

- A. Closing
- B. Execution

- C. Control
- D. Initiation
- E. Communication

(1)

20. According to strategies under the strategy clock, this strategy can be used for the most price conscious customers, where the switching costs are low and there is little opportunity for competition on product features. This strategy is called...

- A. Low price
- B. Hybrid
- C. Low price/standard value
- D. No frills
- E. Cost base

(1)

21. Identify which ONE of the following would be one of Henry *Mintzberg's* 5 Ps of strategy?

- A. Paradigm
- B. Pattern
- C. Play
- D. Problem
- E. Process

(1)

22. Organisations can pursue a range of methods to achieve growth. Identify which of the following is/are NOT growth model/s?

- A. Alliances
- B. Joint Ventures
- C. Product differentiation
- D. All of the above
- E. None of the above

(1)

23. Maylor, in his book 'Project Management' describes four stages within the life of project. Identify in which stage of the project will the assembly of resources and people required take place?

- A. Design the project
- B. Deliver the project
- C. Define the project
- D. Develop the process
- E. Completion

(1)

24. Identify which ONE of the following is NOT one of the PRINCE2 process areas?

- A. Risk management
- B. Managing stage boundaries
- C. Managing product delivery
- D. Closing a project
- E. Controlling a stage

(1)

End of Section A

SECTION B**56 MARKS****Select the correct answer:**

21. Identify which one of the following is not one of the strengths of the *Ashridge* management college model's Sell management style?
- A. Communications are one way
 - B. Employees are made aware of reasons for decisions
 - C. Selling decision to staff might make them more committed
 - D. Leader can explain their intentions of decision
 - E. Staff will be informed of what to do in unforeseen events
- (2)**
22. Change and change management are important terms with issues relating to them being very essential to implanting strategy and sustaining a competitive advantage. Identify which ONE of the following statements is false in relation to change?
- A. Triggers for change come from outside the organisation only.
 - B. Unfreezing according to Lewin creates a readiness for change.
 - C. External triggers can be threats and opportunities.
 - D. Some stakeholders resist change whilst other stakeholders may support it.
 - E. Kotter and Schelsinger identified six approaches to manage resistance to change.
- (2)**
23. A Shisa-Nyama Company in the fast food industry sells kotas (a well know South African meal) and is now under fire from media, anti-obesity and anti-junk-food campaigners. If the Shisa-Nyama plans to respond by introducing healthier options on its menu, this change is more likely to be known as?
- A. Transformational
 - B. Radical change
 - C. Incremental change
 - D. Big bang change
 - E. Revolution.
- (2)**

24. Force field analysis consists of the identification of the factors that promote and hinder change. These factors, according to the Force field's analysis, are known as Restraining forces and/or driving forces. Identify which of the following should NOT be considered as a driving force.

- A. Concern for social responsibility
- B. Product obsolescence
- C. Anxiety and fear
- D. Intensity of competition
- E. New senior management

(2)

25. William, an employee at We-Construct (Pty) Ltd, has recently been appointed to the role of team leader in the implementation of a new work programme. He has been preparing for his role and found JS&W's five approaches to strategic leadership. Identify which one of the following is not a strategic leadership approach?

- A. Transactional and transformational approach
- B. The hierarchy approach
- C. The human aspect approach
- D. The change approach
- E. The strategy approach.

(2)

26. Mr Radzilani, a CEO at a well-known entity said the following in the press, "The central aim to change is that the entity wishes to, at the end of the process be at an ideal position. However there are possibilities that unintended outcome could occur." He mentioned the following as what he believes to be unintended outcomes.

- I. Resources
- II. Re-invention
- III. Determination
- IV. Lack of attention to symbols
- V. Ivory tower change.

Identify which of the above can be considered as unintended outcomes of change according to JS&W quote Harris and Ogbonna?

- A. All the above
- B. I, II and V
- C. IV only
- D. II, IV and V
- E. None of the above

(2)

27. Hunyani Pulp and Paper is in the paper milling business, but the business founder wants to change its core products, focus on new technology and diversify into the computer and telecommunication industry. Such change is more likely to be the type of change known as...

- A. Unplanned change
- B. Transformational change
- C. Adaptive
- D. Incremental change
- E. Step change

(2)

28. According to the PRINCE 2 principle of 'managing stage boundaries' which ONE of the following is NOT likely a key activity of this stage?

- A. A Planning a stage
- B. Updating a project plan
- C. Updating the risk register
- D. Delivering the final product
- E. Ensuring that a stage is properly completed

(2)

29. When a business is in terminal decline and faces closure or takeover, there is need for rapid and extensive change to achieve cost reduction and revenue generation. Johnson Scholes and Whittington identified seven elements of a turnaround strategy.

Identify which ONE of the following statements best explains crisis stabilization?

- A. Emphasises reduction of costs and increase in revenue
- B. Ushers in new management to implement turnaround strategy.
- C. A stakeholder analysis is carried out and support given to key stakeholders
- D. Resources are concentrated on the best opportunities to create value
- E. All of the above

(2)

30. Identify which ONE of the following is NOT a disadvantage of using the resource based approach in strategy formulation?

- A. The firm is vulnerable to focused, single market operations
- B. Possess competitive advantage from core competencies
- C. Core competencies are difficult to identify and assess
- D. Perceived need for close control of activities
- E. Narrow limit on outsourcing

(2)

31. In the strategy clock, there are strategy that are defined as being destined for ultimate failure. Identify which one of the following combinations are an example of strategies destined for failure?

- i Low value/low price
- ii Low value/standard price
- iii Increase price/low value
- iv Increased price/premium value
- v Increased price/standard value

- A. i, ii, iii
- B. iv, v, ii
- C. i, iii, iv
- D. ii, iii, v
- E. iii, i, iv

(2)

Please note that Question 32 and Question 33 are related

32. Aspen®, a Pharmaceutical Company, has a patent over a popular aspirin (pain tablet) for the next 30 years. As a result, they are the only ones who can manufacture this particular aspirin. With reference to Porter's five forces model, identify which force the above represent?

- A. Threat of new entrants
- B. Threat of substitute products
- C. Bargaining power of suppliers
- D. Bargaining power of customers
- E. Rivalry within the industry

(2)

33. Adcock®, another Pharmaceutical Company, just registered a patent for the next 30 years for an aspirin-alternative to the popular aspirin produced by Aspen and this will be cheaper to produce. With reference to Porter's five forces model, identify which force the above represent?

- A. Threat of new entrants
- B. Threat of substitute products
- C. Bargaining power of suppliers
- D. Bargaining power of customers
- E. Rivalry within the industry

(2)

34. Robert Cialdini, author of 'Influence: The Psychology of Persuasion', identified six principles of influence which can be used to influence others. In one of the principles, he argues that people usually aim to treat others in accordance with the treatment they themselves receive. Therefore, when attempting to influence someone, a timely reminder of a prior favour performed may help to win them over.

Select the principle that is being referred to in the statement above.

- A. Remembrance
- B. Reciprocity
- C. Authority
- D. Consensus
- E. Social Proof

(2)

35. Lynette, the financial director of Indalo Communications is considering the potential ways of organizing the finance function within her Company. The options under review include outsourcing the finance function or moving to a shared service centre model. Identify which of the following benefits would apply to the shared service centre model over the outsourcing option?

- A. High control and consistent management of financial data
- B. Loss of business knowledge and cost reduction
- C. Consistent management of financial data and low control
- D. High control and release of capacity
- E. None of the above

(2)

36. The general purpose of any staff appraisal system is to improve the efficiency of the organisation through empowering its work force. Identify which of the following statements about staff appraisal are FALSE?

- A. It increases management control
- B. It provides a fair process for remuneration
- C. It identifies candidates for promotion
- D. It is an entirely objective process to assess employee performance
- E. All of the above are FALSE

(2)

37. Spar supermarkets® have fallen short of their competitors when it comes to realizing the benefits of big data and data analytics as a tool to learn about the shopping patterns and trends of their customers. What are some of the benefits that Spar has missed out on by not investing in big data and data analytics?
- A. They have not been able to take advantage of the current social media trends
 - B. They have not been able to focus on individual customer through target special offers and personal discounts that will entice repeat business
 - C. They have not been able identify trends and correlations of their customers buying habits
 - D. All of the above
 - E. None of the above
- (2)**
38. The BRICS countries have all experienced rapid economic growth in the recent years as a result of globalization and China has attracted the most attention. Identify which key factors influence the growth of the BRICS economies?
- A. Moderate economic activity
 - B. Moderate education standards
 - C. Free market philosophy is not encouraged
 - D. Abundance of natural and low-cost labour resources
 - E. All of the above
- (2)**
39. Creating a brand culture has been one of the areas that Apple© has excelled in in order to outperform its competitors. Over the years Apple© has become more than just a brand. This is an example of Apple© managing its strategy using...
- A. SMART objectives
 - B. Balanced scorecard
 - C. Competitive advantage
 - D. Critical Success Factors
 - E. All of the above
- (2)**
40. McDonalds® has used the value chain analysis to identify areas of improvement and activities that add value to their products and services. As a result, McDonalds has fast-casual restaurants that focus on counter-service, self-service and drive-through service. This is an example of a ...
- A. Support activity – procurement
 - B. Primary activity – after sales service
 - C. Primary activity – outbound logistics
 - D. Support activity – firm infrastructure
 - E. Support activity – inbound logistics
- (2)**

41. Institutions like the Universities and Universities of Technology still largely use the rational model for their strategy development as it helps them to take a long view and avoid short-termism. Identify which of the following are some of the benefits that Universities and Universities of Technology yield from formal planning?

- A. It encourages creativity and initiative
- B. They are able to identify and manage risks
- C. It encourages a sense of omniscience and control among planners
- D. All of the above
- E. Only A and B

(2)

42. Strategic analysis is a step in the rational model, and it is concerned with the strategic position of the organisation. Identify which of the following statement/s is INCORRECT regarding strategic analysis?

- A. Organisations operate within its environment which has political/legal, economic social and technological aspects.
- B. When organisations set goals, they must consider the expectations of stakeholder groups.
- C. Corporate appraisal assesses the overall importance of strengths, weaknesses, opportunities and threats in the light of the organisation's mission and objectives.
- D. Resources of the organisations must be matched with the costs.
- E. Both B and C are incorrect

(2)

43. Shingi Munyetsa, the Procurement Director at Good Farmers (GF) supermarkets, has recently established a project to explore increasing the range of food products offered. At the first meeting with the project team, Shingi stressed that any new food ranges must fit GFs' existing pricing structure and must meet the company's food quality levels. Following discussions with a number of food suppliers, the project team have identified the following option:

A large foreign supplier of fresh meats has approached the projects team. The supplier currently supplies a number of GFs' competitors and is well known for selling meat at very low prices. Members of the project team have raised concern for the quality of meat offered by the supplier and are worried over the supplier's track record for animal welfare.

Identify which ONE of the following is an appropriate risk response to the option above?

- A. Transfer
- B. Accept
- C. Reduce
- D. Avoid
- E. Reassess

(2)

44. Matthew is a senior member of the web development team at Creativeworx Designs, with a team of ten members reporting directly to him. He is responsible for overseeing the front-end development of all websites. Matthew has delivered all his projects on time with very few client complaints. Matthew painstakingly searches for errors and omissions and his anxiety makes him reluctant to delegate.

According to Belbin's (1981) nine team roles, which ONE of the following roles would best describe Rochelle?

- A. Shaper
- B. Plant
- C. Complete finisher
- D. Team worker
- E. Implementer

(2)

45. Matshidiso is the project manager at Jord Homes. One of her responsibilities is to motivate the project team. She adopts Douglas McGregor's Theory X approach to motivation. Which one of the following would she believe motivates her staff?

- A. Achievement at work
- B. Interpersonal relationships
- C. Money and security
- D. Recognition for good work
- E. Increased responsibility

(2)

46. Identify which ONE of the following best describes a process of breaking key tasks or activities down in to more manageable and smaller units of work?

- A. Network analysis
- B. Work breakdown structure
- C. Project lifecycle
- D. Documentation
- E. Scenario planning

(2)

47. Food giant PepsiCo plans to acquire South African company Pioneer Foods, maker of brands such as Liqui-Fruit and Bovril, in one of the biggest deals outside of America. Identify which ONE of the following factors is less likely to change because of the acquisition.

- A. Culture
- B. Organisational structure

- C. Staff numbers
- D. Job roles
- E. Social responsibility

(2)

48. According to psychological research on group development by Bruce Tuckman, members begin to set agreed standards and allocate roles at which stage in the process of group formation?

- A. The storming stage
- B. The forming stage
- C. The controlling stage
- D. The norming stage
- E. The performing stage

(2)

End of Section B

SECTION C**40 MARKS****Question 1.1**

Choose & Pay Supermarkets has positioned itself as offering a high-quality customer service, at the same time as offering competitively priced products through its national chain of supermarkets.

Nandi, a management consultant, was appointed a couple of years ago to advise the Board of Choose & Pay Supermarkets on various strategic matters and on how it can best sustain its competitive advantage. Whilst much of Choose & Pay's focus has been on addressing the primary activities associated with its business, Nandi has recommended that the company should NOT forget the importance of the support activities. She has suggested that Choose & Pay should use **Porter's value chain framework** to help it understand where value could be added in its support activities.

Required:

1.1 DISCUSS how the support activities of Porter's value chain could contribute to the competitive advantage of Choose & Pay Supermarkets?

(15)

Question 1.2

CloudNet is a courier company based in South Africa, which offers direct document and parcel express delivery services for commercial customers. It prides itself not only on its reliability but also its service in relation to customer convenience by picking up documents and parcels from its customers' home or business addresses.

The company has established an excellent reputation for fast collections and on-time delivery. Its vision is to be known as the number one choice and best-value courier company for all businesses in South Africa.

Required:

1.2 EXPLAIN the reasons why CloudNet should undertake competitor analysis.

(5)

QUESTION 2

A lot of projects fail to meet their objectives of completing the project on time and within budget. The Chartered Institute of Management Accountants (CIMA) identified the following factors contributing to why projects go wrong.

- a. Unproven technology
- b. Changing client specifications
- c. Politics
- d. Poor project management

REQUIRED:

2.1 Identify and describe the FOUR guises of poor project management?

(5)

Question 2 Continued

Furray and Hoberts Construction Company has been awarded the contract for the refurbishment of Killarney Country Club in Johannesburg. The project is expected to be complete within 25 weeks, which is a very short time frame for construction work of this size and magnitude. The timescale is not flexible as the country club needs to re-open to host an upcoming regional golf tournament. In order to meet this deadline, the project has no contingency.

All other information about the project is vague as the club only produced a brief document outlining the requirements of the project. No definite specification was included in the document with the club commenting 'we are not the experts; we will let them tell us what we need; after all they should know.'

Roshni Govendar has been assigned as project manager and has focused on selecting the project team which has meant that no detailed plan has yet been produced. When one of the project team members asked about the tools and techniques to be used on the project, Roshni seemed unsure about which ones would be most beneficial and suggested that she was going to rely on project management software. The project team is concerned about the lack of control on the project as there appear to be no project milestones.

Due to the amount of other project work in the company's order book, some of the core staff have had to be released from the golf tournament project. This has meant that phase one of the project is now two weeks late and the first stage payment from the club is therefore also delayed.

It has been brought to Roshni's attention that the club would like to add additional activities to the original project specification and wants a meeting to discuss the implications of the changes to the overall project progression. Roshni has asked about the project initiation document which she

feels should form the basis for the discussion of the changes. Roshni has been told that the 'brief document' compiled by the club is the only document available.

REQUIRED:

2.2 Explain the problems that are threatening the success of the country club refurbishment project AND the ways in which Roshni can minimise the threats identified?

(15)

End of assessment

CIMA Verb levels

Learning Objective	Verbs	Definition
1. Knowledge What you are expected to know	List State Define	Make a list of Express, fully or clearly, the details of / facts of Provide the exact meaning of
2. Comprehension What you are expected to understand	Describe Distinguish Explain Identify Illustrate	Communicate the key features Highlight the differences between Make clear or intelligible / State the meaning of Recognise, establish or select after consideration Use an example to describe or explain something
3. Application How you are expected to apply your knowledge	Apply Calculate / Compute Demonstrate Prepare Reconcile Solve Tabulate	To put to practical use To ascertain or reckon mathematically To prove with certainty or to exhibit by practical means To make or get ready for use To make or prove consistent / compatible Find an answer to Arrange in a table
4. Analysis How are you expected to analyse the detail of what you have learned	Analyse Categorise Compare and Contrast Construct Discuss Interpret Prioritise Produce	Examine in detail the structure of Place into a defined class or division Show the similarities and/or differences between To build up or compile To examine in detail by argument To translate into intelligible or familiar terms Place in order of priority or sequence for action To create or bring into existence
5. Evaluation How are you expected to use your learning to evaluate, make decisions or recommendations	Advise Evaluate Recommend	To counsel, inform or notify To appraise or assess the value of To advise on a course of action.