

FACULTY/COLLEGE	College of Business and Economics
SCHOOL	Johannesburg Business School
DEPARTMENT	Business Management
CAMPUS	APK, DFC & SWC
MODULE NAME	Business Management 2A
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SEMESTER	Second
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ASSESSMENT DATE	November 2019	SESSION					
ASSESSOR	Ms C Mara, Mr J Mbuya, Mr S Nchabeleng						
MODERATOR	Mrs S Bronkhorst						
DURATION	150 minutes	TOTAL MARKS	125				

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	11

INFORMATION/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:
 - o Answer **Section A** on the multiple-choice sheet in the back of the 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.

SECTION A [25 MARKS]

QUESTION 1

Von Oech's creative process includes the following stages

- A. Preparation (ii) Frustration (iii) Daydreaming (iv) Illumination (v) Elaboration
- B. Preparation (ii) Envy (iii) Incubation (iv) Illumination (v) Policy Articulation
- C. Preparation (ii) Discussion (iii) Daydreaming (iv) Illumination (v) Elaboration
- D. Preparation (ii) Frustration (iii) Incubation (iv) Illumination (v) Elaboration

QUESTION 2

Creative organisations may enjoy the benefits of retention of

- (i) solvency
- (ii) competitive advantage
- (iii) sustainability
- (iv) global reach
- (v) profitability

Choose the correct combination:

- A. (i), (iii) and (v)
- B. (ii), (iii) and (v)
- C. (ii) and (iv)
- D. (iv) and (v)

QUESTION 3

For inventions to become successful innovations they must_____:

- A. provide a unique business opportunity to the organisation
- B. add value to the management and staff
- C. be aligned with the strategy of the organisation
- D. contribute to the wealth creation of the entire country

QUESTION 4

If a business can combine newness or uniqueness with _____ and ____ and ____ it may achieve significant business results.

- A. value or utility
- B. research and development
- C. creativity and innovation
- D. output and profit

In order to be creative, a solution must be the result of a thinking process that:

- A. has novelty and, as a result, should create value;
- B. is conventional, which means that it requires acceptance or rejection of previously accepted ideas;
- C. requires reasonable levels of motivation and persistence that is less time- and energy consuming;
- D. is usually clear and well-structured so it will be integrated into the thinking process.

QUESTION 6

Tembi i	s one	of t	hose	bank	tellers	who	can	deal	with	any	diffic	ult	custon	ner i	in a	ın
especia	lly effe	ective	e mar	nner a	and is v	ery c	reati	ve in	a on	e-on	-one	situ	ation.	Ten	nbi	is
said to h	nave _															

- A idea creativity
- B relationship creativity
- C event creativity
- D inner creativity

QUESTION 7

L	١n	intrinsi	ic reward	Lannea	ls to our	desire 1	for
,	VIII	11 111 11 13	ic icwaic	ιαρρυα	is to our	uconc i	OI

- A a cash bonus
- B a promotion
- C curiosity
- D stock options

QUESTION 8

Select the correct statement from the ones below.

- A. A patent is an international right and is not limited to the country of origin of the patented item.
- B. Designs do not have to be registered. The only pre-requisite is that it should be a novel design.
- C. The author or creator of a copyrighted work will become the first owner of the copyright in the work, whether or not he or she is employed under a contract.
- D. It is not necessary or compulsory to register a trademark.

QUESTION 9

When do innovations fail?

- (i) When the innovating organisation has insufficient funds to develop it.
- (ii) When the organisation does not have credibility in the market.
- (iii) When the product does not facilitate change.
- (iv) When the organisation does not create employment opportunities.

Choose the correct combination:

- A (i), (ii), (iii) and (iv)
- B (i), (ii) and (iii)
- C (ii) and (iv)
- D (i) and (ii)

QUESTION 10

Innovation follows the process of:

- A Commercialisation, invention, diffusion and then imitation
- B Invention, commercialisation and diffusion
- C Diffusion, invention and commercialisation
- D Invention, commercialisation, imitation and diffusion

QUESTION 11

Why would large multi-nationals want to invest in South Africa?

- A Opportunities exist in declining economic development in Africa.
- B They can assist in providing much needed transport infrastructure.
- C Other emerging markets in Africa are saturated.
- D South Africa offers favourable profit repatriation laws for investors.

QUESTION 12

The new trade theory states that

- A a nation's wealth depends on its accumulated treasures,
- B a country should only produce goods where it is most efficient and trade for those in which it is not efficient
- C competitors may emerge because of first mover advantage
- D goods that are locally abundant should be exported

Which of the following statements best describe an emerging economy?

- (i) A country with a high income per capita.
- (ii) Emerging economies are resource based.
- (iii) Such countries tend toward capitalism.
- (iv) Manufacturing is a primary sector.
- (v) They have moderate to high levels of foreign direct investments.

Select the correct combination:

- A (i), (ii) and (iii)
- B (iii), (iv) and (v)
- C (iii) and (iv)
- D (ii) and (iv)

QUESTION 14

The four common traits of successful trade blocks are:

- (i) compatible training regimes.
- (ii) geographic proximity.
- (iii) political commitment to regional organisation.
- (iv) similar levels of per capita GDP.

Choose the correct combination:

- A. (i), (ii) and (iii)
- B. (ii) and (iii)
- C. (i) and (iii)
- D. (ii), (iii) and (iv)

QUESTION 15

Select only the true statement from the ones below:

- A. Resources are always important variables in the change process.
- B. Circumstances before and during change will, to a great extent determine how positive the outcome might be.
- C. Most employees are aware of change in its broader context.
- D. Change can happen instantaneously or over a period of time.

Match the correct objective to the correct regional trade block.

(i)	Common Market of Eastern and Southern Africa (COMESA)	(a)	To create a southern African common market for 130 million people; committed to the ideals of free trade, free movement of people, a single currency, democracy and respect for human rights.
(ii)	Southern African Development Community	(b)	To promote cooperation and integration in economic, social and cultural activity ultimately leading to the establishment of an economic and monetary union.
(iii)	Southern African Customs Union	(c)	To establish a preferential trade area
(iv)	Economic Community of West African States (ECOWAS)	(d)	To ensure free interchange of goods between member states. It provides for a common external tariff and a common excise tariff for the customs area

- A. (iv) and (b)
- B. (i) and (a)
- C. (iii) and (c)
- D. (ii) and (d)

QUESTION 17

Which of the following are considered to be reasons for organisational change?

- (i) satisfy the valuable customers' needs and retains valuable customers;
- (ii) avoid unnecessary staff turnover, especially of valued employees;
- (iii) minimise the impact of incidents upon service quality;
- (iv) removes quality defects
- (v) eliminate any negative impact on your customers
- (vi) achieve the enhanced business outcomes almost immediately

Select the correct combination:

- A. (ii), (iv) and (vi)
- B. (ii), (iii) and (v)
- C. (i), (ii), (iii) and (v)
- D. (iii), (iv), (v) and (vi)

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QUE	ESTION 18
	encourages the board to be well balanced and to avoid group think to increase the accountability of directors and management.
A. B. C. D.	Cadbury committee (1991) The UK Corporate Governance Code The Greenbury report (1995) The King III Code
QUE	ESTION 19
	suggest(s) that the CEO of a public organisation must take responsibility inancial (annual) reports by certifying that these statements do not contain any ue statement, omit any material fact, or are misleading.
A. B. C. D.	Audit regulations Management assessment Corporate responsibility Company recordkeeping
QUE	ESTION 20
	ch of the following elements are the minimum elements to be included in a risk ster?
(i) (ii) (iii) (iv)	The (inherent) risk related to the objective without any controls (intervention). A preventative control that will reduce the impact of the risk The date that the RACI people must provide feedback on the risk The risk that remains after the implementation of controls
Sele	ect only the correct combination of answers.
	(i), (iii) and (iv) (ii) and (iv) only (i) and (iii) only (i), (ii), (iii) and (iv)
QUE	ESTION 21
	IDEF0 (Integration definition for function modelling) methodology is applied to the of
A. B. C.	risk management project management change management business management

What information do we require to calculate the Net Present Value of a project?

- A. The required rate of return.
- B. The present value of the project.
- C. The initial investment.
- D. The expected outflows.

QUESTION 23

Extreme project management has the following characteristics:

- A. Medium levels of change is expected because learning happens at a manageable pace.
- B. It happens at high speed because once new learning has taken place, the speed of creativeness and innovativeness increases.
- C. There are no guarantees that the organisation will derive any value from the project deliverables.
- D. The speed of creativity and innovativeness cause high levels of risk.

QUESTION 24

То	assist	the	project	mana	gement	team	in	identifying	required	people	elements,	а
		0	can be ι	used.								

- A. project plan
- B. a skills plan
- C. skills inventory
- D. staff matrix

QUESTION 25

When various stakeholders in a project are invited to give their best guestimates, which are then presented in a histogram form, the technique used is ______.

- A. the Delphi technique
- B. bottom-up estimating
- C. the tree-point technique
- D. top-down estimating

SECTION B [100 MARKS]

Managing training risk – a hotel project

The senior management of a major hotel group in South Africa have never thought that there might be training risk in their business. They have extensive enterprise risk management plans in place, which includes a risk register and risk profile that is updated by the risk management team every month. Some senior managers then heard from a UJ PhD student that there might be risks in areas they have never considered, such as the loss of trained employees, and decided to add the element of training risk to their risk register to avert financial loss before it gets out of control.

Once the need was identified, management decided to follow a project management approach to drive the transformation to having training risk included in the hotel's enterprise risk register. A change team from an external consulting company, Group of 3, was appointed. The team, consisting of 3 consultants, is led by Stephanie Miller, a project manager with many years of experience leading change projects. The team started by developing a comprehensive roadmap. They were tasked to expand the current risk register to include a section for training risk. To understand what training risks may be present in the hotel, Stephanie and her team will brainstorm with the senior managers in the hotel. They soon realised that there may be resistance to the change and suggested that the change project be made fun, enjoyable and interesting to the functional and training managers who needed to undergo training to transform to a culture of managing training risk in their hotel.

QUESTION 1 [24 MARKS]

1.1 Would you describe the change management plan in the case study as proactive or reactive? Motivate your answer with evidence from the case study.

(2)

- 1.2 Describe 6 reasons for the hotel to embark on a change management programme, and give examples of negative consequences that may befall them if they do not change. (12)
- 1.3 Describe the purpose of information in a business environment. (2)
- 1.4 As Stephanie and her team expects resistance from hotel managers, they decided to communicate regularly, rather too much than too little and to share as much information as they have available. Discuss the main functions of information and how Group of 3 can use it to reduce resistance. (8)

QUESTION 2 [35 MARKS]

2.1 Demonstrate the practical steps Stephanie and the team need to follow in the brainstorming process. (9)

- 2.2 To help her team and the hotel team to collaborate better, Stephanie has thought of the idea of unlocking the creative potential of the hotel leadership. Illustrate **ten** means by which she may achieve her objective of unlocking the creative potential of hotel managers. (10)
- 2.3 In exchange for their ability to adopt the proposed changes, Group of 3 may propose intrinsic or extrinsic rewards to motivate the hotel managers. In exchange for their ability to adopt the proposed changes, Group of 3 may propose intrinsic or extrinsic rewards to motivate the hotel managers. Distinguish between these two types of rewards and give two examples of each.

 (6)
- 2.4 Suggest to Stephanie what steps she needs to follow to develop a work breakdown structure (WBS) for the hotel change management project. (5)
- 2.5 Suggest how she should test if the WBS is complete and ready to use. (5)

QUESTION 3 [30 MARKS]

3.1 Distinguish between the features of traditional, agile, extreme and virtual projects and suggest the best project management solution for the hotel change project. Motivate your answer. (9)

- 3.2 Discuss the steps of risk identification, analysis and evaluation that the change project team will follow to assess the risk in the hotel. (9)
- 3.3 Managing risk requires rigorous and balanced thinking. Discuss the best way the project team can get a risk management culture entrenched in the hotel business, processes and activities. (6)
- 3.4 Using the example of a likelihood/consequence matrix below, describe the purpose, objectives and content of this matrix to the functional and training managers in the hotel. (6)

				Consequen	ce		
			Insignificant	Minor	Moderate	Major	Catastrophic
			1	2	3	4	5
	Almost certain	5	Moderate	High	Extreme	Extreme	Extreme
			(5X1) = 5	(5X2) = 10	(5X3) = 15	(5X4) = 20	(5X5) = 25
8	Likely 4		Moderate	High	High	Extreme	Extreme
Likelihood			(4X1) = 4	(4X1) = 8	(4X3) = 12	(4X4) = 16	(4X5) = 20
兰	Moderate 3 Unlikely 2		Low	Moderate	High	Extreme	Extreme
			(3X1) = 3	(3X2) = 6	(3X3) = 9	(3X4) = 12	(3X5) = 15
			Low	Low	Moderate	High	High
			(2X1) = 2	(2X2) = 4	(2X3) = 6	(2X4) = 8	(2X5) = 10
	Rare	1	Low	Low	Low	Moderate	Moderate
			(1X1) = 1	(1X2) = 2	(1X3) = 3	(1X4) = 4	(1X5) = 5

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QUESTION 4

[11 MARKS]

4.1 Illustrate five advantages of doing business in a developing country such as South Africa. (5)

4.2 Describe six tips for successful innovation. (6)

END OF ASSESSMENT
