



**COLLEGE OF BUSINESS AND ECONOMICS  
SCHOOL OF MANAGEMENT  
DEPARTMENT OF BUSINESS MANAGEMENT  
FINAL SUPPLEMENTARY SUMMATIVE ASSESSMENT**

**MODULE:** Business Management 1A  
**CODE:** BMA01B1/BEM11B2/BME1B00/BME0YB1  
**DATE:** July 2020  
**TIME ALLOWED:** 120 Minutes  
**TOTAL MARKS:** 100

---

**EXAMINERS:** Mr A Masakale  
Mr T Mlilo  
Mr J Venter  
Mr R Roberts  
**MODERATOR:** Mr M Nchabeleng  
**NUMBER OF PAGES:** 23

---

**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** on the scanner sheet provided. Indicate the correct answer as per the instructions on the scanner sheet.
    - 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

**[60 MARKS]**

### QUESTION 1

Which one of the following is a characteristic of a socialist system?

- A There is free competition among enterprises
- B Prices of goods and services are determined by demand and supply
- C Government determines all employment opportunities
- D Individuals have free choice, but the government influences job opportunities

### QUESTION 2

Which one is a characteristic of a communist system?

- A Government owns industries, but private ownership of resources is also allowed
- B Private individuals own the factors of production
- C Government makes all decisions regarding what to produce
- D Individuals have free choice, but the government influences job opportunities

### QUESTION 3

A \_\_\_\_\_ economic system is one in which a country's economic decisions are the result of individual decisions by buyers and sellers in the marketplace.

- A traditional
- B market
- C command
- D mixed

### QUESTION 4

\_\_\_\_\_ involves the whole process of motivating staff in such a way that their actions are directed towards reaching the objectives of the business.

- A Organising
- B Controlling
- C Leading
- D Planning

### QUESTION 5

The engineer of Mega Engineering has resigned and joined LTA Construction for a higher salary. LTA is part of Mega Engineering's \_\_\_\_\_ environment.

- A macro
- B social
- C micro
- D market

### QUESTION 6

Business means \_\_\_\_\_.

- A all the actions aimed at satisfying customer needs
- B all the actions that allow you to plan and organise the resources of the organisation to achieve specific objectives
- C all the activities that are related to the management of different organisations
- D how the organisation should be established and how to manage it

### QUESTION 7

Which one of the following needs refer to the need for friendship, love and social acceptance?

- A Self-actualisation needs
- B Social needs
- C Esteem needs
- D Physiological needs

### QUESTION 8

The \_\_\_\_\_ refers to the external variable influencing consumer purchasing power, behaviour and affects business performance.

- A social environment
- B economic environment
- C ecological environment
- D political environment

### QUESTION 9

Which one of the following statements is correct of the business environment?

- A The interdependency of environmental factors makes business environment volatile and static.
- B Environmental certainty accelerates environmental change.
- C All environmental variables are interrelated.
- D The environment is becoming more complex and predictable.

### QUESTION 10

Customers buying groceries from Pick n Pay find one week that some of the items they want are not on the shelves. These customers then decide to buy from Woolworths and Checkers. In this case, Woolworths and Checkers fall under which environment of Pick n Pay?

- A Microenvironment
- B Market environment
- C Macro environment
- D General environment

**Read the following scenario and answer Questions 11-14**

#### **Leather Jackets for Jozi**

Charlie operates a leather jackets outlet. Most of his leather jackets are imported from China, India and Brazil. During the first three years of business, since he started his business in 2018, the business did relatively well, with a steady increase in profits. However, since 2019, his business has been experiencing a gradual decrease in profits, due to factors such as the spread of the Corona virus, especially in China. He is very concerned that if the negative trend continues he will be forced to sell off some of his personal assets to cover the debts of the business.

After consulting with experts, some reasons for this decline in profits were identified.

### QUESTION 11

Which of the following factors do you think contributed towards the negative trend of Charlie's profits from an economic climate point of view?

- (i) Affirmative action
- (ii) Exchange rates
- (iii) Interest rates
- (iv) Legislation
- (v) National authorities

Choose the correct answer:

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

### QUESTION 12

Charlie and the experts that he consulted realised that in 2019 the Reserve Bank also increased its repo rate, which led to a substantial rise in inflation. This is an example of \_\_\_\_\_ factor in the business environment.

- A a social
- B a technological
- C a legislation
- D an economic

### QUESTION 13

Charlie realised that the weakening of the rand during 2018 also meant that the cost of products increased. So when he decided to increase the prices of his jackets, he was \_\_\_\_\_ the external environment.

- A sharing
- B influencing
- C reacting to
- D differentiating

### QUESTION 14

Charlie also found out that since the passing of the National Credit Act in 2007, credit sales decreased. This is an example of \_\_\_\_\_ factor in the business environment.

- A an economic
- B a technological
- C an international
- D a political-legal

### QUESTION 15

One disadvantage of a partnership is that \_\_\_\_\_.

- A the owner is personally liable for all debts
- B there is continuity in this type of enterprise
- C the division of income – in other words, the profit paid out to each partner – could mean that less tax is payable than if the partnership was taxed on one big account
- D compared to forms of ownership with their own legal personality, partnerships are relatively complex to establish

### QUESTION 16

Which of the following are characteristics of an entrepreneur?

- (i) Committed and determined
- (ii) Able to deal with risk and certainty
- (iii) Opportunity oriented
- (iv) Determined and motivated to excel
- (v) Relatively stagnant

Choose the correct answer:

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

### QUESTION 17

People who are retrenched or who voluntarily resign from the organisation are sometimes known as \_\_\_\_\_.

- A corporate cast-offs
- B copreneurs
- C social entrepreneurs
- D corporate entrepreneurs

### QUESTION 18

A business plan is a plan of action that sets out every imaginable aspect of the planned establishment of the enterprise. This plan should be able to answer which of the following questions?

- (i) Where does the entrepreneur aim to start the business?
- (ii) When does the entrepreneur aim to start the business?
- (iii) How does the entrepreneur aim to start the business?
- (iv) Why does the entrepreneur believe that the business will be successful?

Choose the correct answer:

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

### QUESTION 19

An entrepreneur is characterised by which of the following personality traits?

- (i) Creativity and innovation
- (ii) Commitment and determination
- (iii) Opportunity-orientated

Choose the correct answer:

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

### QUESTION 20

People who start and own their own businesses usually look at the benefits of owning their own business. Which of the following can be considered as advantages of owning your own business?

- (i) Being your own boss
- (ii) Generating unlimited profits
- (iii) Risk of losing invested capital
- (iv) Maximising your full potential
- (v) Doing what you enjoy

Choose the correct answer:

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

### QUESTION 21

Small businesses contribute to the economy in various ways. Which of the following indicate some of these contributions?

- (i) Economic development, employment and job creation
- (ii) Promotion of entrepreneurship
- (iii) Social stability

Choose the correct answer:

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

### QUESTION 22

“Locus of control” refers to \_\_\_\_\_.

- A your levels of motivation
- B your belief in how much you are in charge of your life
- C your sense of responsibility
- D external demands



### QUESTION 23

Flexitime refers to \_\_\_\_\_.

- A employees working the same number of hours as each other, but having the freedom to complete them at different times
- B employees working a different number of hours to each other, and having the freedom to complete them at different times
- C employees working the same number of hours as each other at prescribed times

### QUESTION 24

Top management \_\_\_\_\_.

- A is usually responsible for the management of specific functional areas, such as human resources, communication or marketing
- B implements decisions through tactical management
- C is responsible for the medium-term planning for the organisation
- D does the strategic planning for the enterprise and takes responsibility for its overall direction

### QUESTION 25

Which of the following are the three main groups of managerial roles identified by Mintzberg?

- A Informational, interpersonal, decisional
- B Decisional, interpersonal, intrapersonal
- C Intrapersonal, communicational, informational
- D Entrepreneurial, interpersonal, decisional

### QUESTION 26

The monitor role requires that managers \_\_\_\_\_.

- A represent the organisation to perform symbolic tasks
- B motivate others
- C scan the environment to determine if there is any new information that may affect the organisation
- D share important information with people inside and outside the organisation

### QUESTION 27

South African organisations like MTN and Shoprite who have expanded their operations into other African organisations demonstrate the phenomenon of \_\_\_\_\_.

- A managing diversity
- B sustainability
- C corporate social responsibility
- D globalisation

### QUESTION 28

Which one of the following managerial roles is responsible for coordinating the work of different managers in different departments who form part of a government task team focusing on a particular service delivery issue in a government organisation?

- A Figurehead
- B Leader
- C Monitor
- D Liaison

### QUESTION 29

Which of the following are Fayol's 14 principles of management?

- (i) Division of work
- (ii) Discipline
- (iii) Remuneration
- (iv) Centralisation
- (v) Unity of command

Choose the correct answer:

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

### QUESTION 30

Which one of the following principles of bureaucratic management focuses on treating everyone in the same way, no matter who they are, because there are formal rules and procedures in the organisation?

- A Specialisation of work
- B Impersonality
- C Empathy
- D Emotional intelligence

### QUESTION 31

Which one of the following is an advantage of using the bureaucratic approach to management?

- A Red tape
- B Decision making is too fast
- C Consistency
- D Inefficient

### QUESTION 32

Which one of the following is a contemporary approach in management theories?

- A Systems theory approach
- B Quantitative approach
- C Maslow hierarchy of needs
- D Contingency approach

### QUESTION 33

Which of the following are principles of the bureaucratic approach, which were developed by Max Weber (1864-1920)?

- (i) Specialisation of work
- (ii) Formal rules and procedures
- (iii) Stability and tenure
- (iv) Remuneration
- (v) Well-defined hierarchy

Choose the correct answer:

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

### QUESTION 34

A limitation of the \_\_\_\_\_ approach is that the principles outlined in the approach mean that the manager is expected to behave in a logical way all the time, and this might be difficult in organisations with a diverse workforce.

- A quantitative
- B systems
- C quality
- D administrative

### QUESTION 35

Which one of the following theories' aim was to measure the effects of certain working conditions on employee productivity and fatigue?

- A Administrative
- B The early behaviourists
- C Scientific management
- D Systems approach

### QUESTION 36

\_\_\_\_\_ decisions are often supported by established rules or operating procedures, and are standard choices made in response to well-defined, common and therefore familiar problems.

- A Adaptive
- B Innovative
- C Routine
- D Strategic

### QUESTION 37

\_\_\_\_\_ refers to a situation in which a decision is expected to yield more than one outcome where the probability of each outcome is not known to the decision makers or cannot be reliably estimated.

- A Uncertainty
- B Risk
- C Certainty
- D Danger

### QUESTION 38

Which one of the following steps in the decision-making process is step three?

- A Set goals
- B Assess alternatives
- C Define and diagnose the problem
- D Search for alternative solutions

### QUESTION 39

In an organisation objectives should be \_\_\_\_\_.

- A ambiguous
- B detailed
- C quantifiable
- D undetermined

### QUESTION 40

Which of the following factors refer to the criteria used for setting objectives in an organisation?

- (i) Specific
- (ii) Measurable
- (iii) Productive
- (iv) Realistic
- (v) Tolerated

Choose the correct answer:

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

### QUESTION 41

Which one of the following statements about planning is true?

- A Planning serves as a motivator.
- B It leads to persistence.
- C Planning helps to focus on goal relevant activities.
- D It facilitates decision making with other managerial functions.

### QUESTION 42

The three levels of planning in an organisation are \_\_\_\_\_.

- A strategic, business and operational
- B strategic, synergistic and operational
- C strategic, tactical and operational
- D visionary, strategic and operational

### QUESTION 43

A creation or change in the organisational structure is called a(n) \_\_\_\_\_.

- A organisational structure
- B mission statement
- C departmentalisation
- D organisational design

### QUESTION 44

Mantsi decides to make the jobs of employees in her department more interesting and allows employees to swap positions in the department so that they do something different for a period of time. Which one of the following terms would best describe this process?

- A Job depth
- B Job specialisation
- C Job rotation
- D Job enlargement

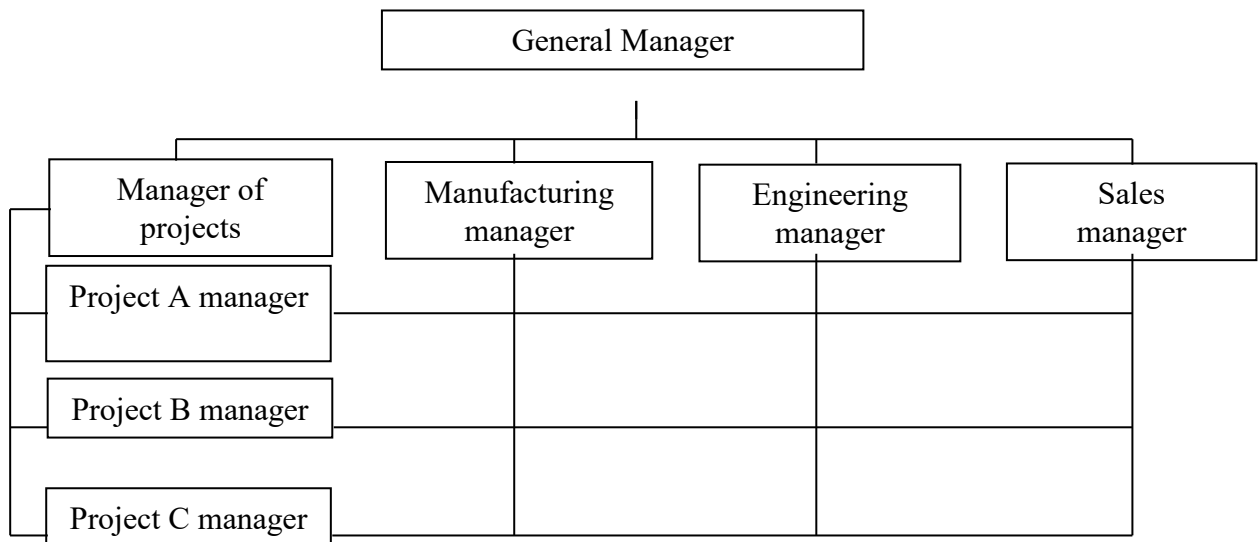
### QUESTION 45

The firm you work for merged with another company and there was a major change in all departments. As manager, you want to make each and every employee in the department is aware of their place in the hierarchy in order for them to know exactly from whom they have to take orders and to whom they are accountable. Which one of the following stages in the organisational process is described in this example?

- A Job enlargement
- B Developing an organisational structure
- C Job design
- D Co-ordination between authority and responsibility

### QUESTION 46

What type of organisational structure is depicted by this organogram?



- A Matrix organisational structure
- B Functional organisational structure
- C Project organisational structure
- D Line organisational structure

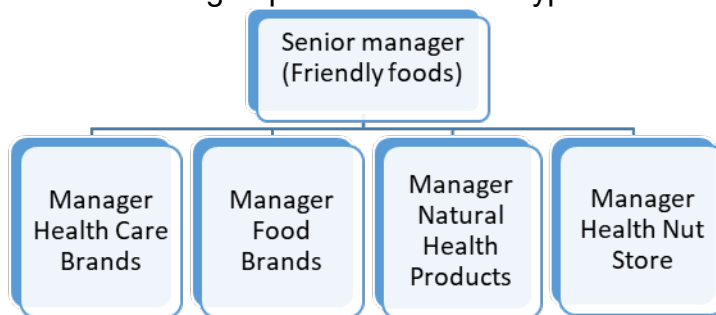
### QUESTION 47

Which one of the following is an advantage of geographic departmentalisation?

- A It enables managers to clearly identify the key customers of the business.
- B Each manager is aware of the local customers' problems and can solve them within the context of that specific area.
- C It allows for a greater understanding of customer needs.
- D It promotes skill specialisation.

### QUESTION 48

Which of the following departmentalisation types does this figure display?



- A Product departmentalisation
- B Customer departmentalisation
- C Geographic departmentalisation
- D Functional departmentalisation

### QUESTION 49

\_\_\_\_\_ is where employees are only required to come to the formal workplace as and when necessary, for the rest of the time working away from the workplace, typically at home.

- A Decentralisation
- B Centralisation
- C Telecommuting
- D Flexitime



### QUESTION 50

There are significant differences between management and leadership. Which of the following would you regard as leadership?

- (i) People who do things right
- (ii) People who develop the organisation's vision and set its direction
- (iii) People who develop strategies for producing changes toward the new vision
- (iv) People who motivate and inspire others

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

### QUESTION 51

Which one of the following is an example of Herzberg's hygiene factors?

- A Advancement
- B Responsibility
- C Salary/Wages
- D Promotion

### QUESTION 52

Which of the following are characteristics of a good control system in an organisation?

- (i) Valid performance standards
- (ii) Adequate information
- (iii) Past orientation
- (iv) Multidimensional
- (v) Cost-effective

Choose the correct answer:

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

### QUESTION 53

\_\_\_\_\_ is one method of financial control available as a control process to a manager.

- A Budgeting
- B Inventory analysis
- C Market position analysis
- D Performance analysis

### QUESTION 54

Which of the following performance standards are available to a manager against which they can compare performance?

- A Inventory standard
- B Product leadership standard
- C Financial analysis standard
- D Performance analysis standard

### QUESTION 55

\_\_\_\_\_ control uses economic forces such as prices and competition to establish control and regulate performance.

- A Market
- B Bureaucratic
- C Clan
- D Performance

### QUESTION 56

Which one of the following major principles is best associated with charismatic leadership?

- A These leaders inspire subordinates to be high achievers and put the long-term interests of the organisation ahead of their own short-term interests.
- B Individual characteristics of leaders are different from those of non-leaders.
- C Effective leaders inspire subordinates to commit themselves to goals by communicating a vision and setting a powerful personal example.
- D Leadership reflects a philosophy that a leader serves others rather than others serving the leader.

### QUESTION 57

When Nomshado behaves childishly at meetings by making personal remarks, pushing her chair back roughly and leaving the room without excusing herself. This is an example of lack of \_\_\_\_\_.

- A emotional intelligence
- B leadership skills
- C balancing skills
- D communication

### QUESTION 58

Identify the type of control exercised by an employee, when he/she inspects ingredients he/she will use in preparing a burger meal at a restaurant.

- A Preliminary
- B Concurrent
- C Feedback
- D Clan

### QUESTION 59

Which of the following are control systems of organisational tangible/physical assets?

- (i) Data control
- (ii) Administrative control
- (iii) Performance management
- (iv) Inventory control

Choose the correct answer:

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

### QUESTION 60

The three common control styles an organisation can use are \_\_\_\_\_.

- (i) market control
- (ii) bureaucratic control
- (iii) clan control
- (iv) feedback control

Choose the correct answer:

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

## SECTION B

[40 MARKS]

### QUESTION 1

[16 MARKS]

Read the scenario below and answer the Questions 1.1, 1.2 and 1.3 that follow.

#### **Shoprite: Delivering the lowest prices through increased efficiency**

We pursue efficiency in everything that we do. By streamlining our supply chain, upgrading our operations and driving down costs, we are better able to deliver the lowest prices in a first-world shopping environment to consumers across Africa. Shoprite improved its competitive advantage and sustainability by taking control of its supply chain in line with international best practices in retail and today not only commands a leadership position in the industry but has also become the African continent's largest distributor of grocery products by investing in our employees to ensure they offer the best customer service to our valued customers.

Our award-winning suppliers are diverse, which give us vast buying power, which Shoprite uses to negotiate discounts with its suppliers, which partly explains the retailer's success. We have another secret weapon that it utilises to devastating effect to undercut its competitors, such as Pick n Pay, Spar and Boxers, as we have invested billions of rand to develop a network of advanced distribution centres with their accompanying transport operations. "We created a network of advanced distribution centres to which manufacturers deliver their products and from where we distribute to our stores according to their requirements. Ours is the responsibility for getting the right product to our stores at the right time," Chairman Christo Wiese said in the report.

We have been pioneering reverse logistics initiatives that enhance our sustainability and environmental position, in line with international best practices. Our focus is on re-use, recycle and the reduction of waste to landfill. Our advanced supply chain also presents the opportunity to re-engineer our retail stores and optimise the use of retail space by dedicating the minimum area to storage and the maximum area to trading space.

Our technological platforms are continuously being refreshed to keep us abreast of technological developments. A new ERP system and investments in digital transformation have led to increased efficiencies, more collaboration and better innovation across our businesses. Continuous investment in customer science and big data allows for improved decision making in terms of promotions, products, store layouts and pricing.

<https://www.shopriteholdings.co.za/trade-partners/supply-chain-management.html>  
<https://www.iol.co.za/business-report/opinion/analysis-shoprites-success-lies-in-close-ties-with-suppliers-2012404>

#### QUESTION 1.1

[5 MARKS]

Differentiate between a free-market economic system and a command economy and distinguish in which economic system Shoprite operates.

**QUESTION 1.2**

**[5 MARKS]**

One of the market environment variables is competition. Define what competitors are and elaborate how Shoprite maintains competitive advantage and identify Shoprite competitors from the case study

**QUESTION 1.3**

**[6 MARKS]**

Define and identify which macro environmental factors are important for Shoprite from the case study.

**QUESTION 2**

**[12 MARKS]**

Fully discuss the three management skills a manager must have, and the three roles managers play in an organisation today.

**QUESTION 3**

**[12 MARKS]**

**Read the scenario below and answer the Questions 3.1, 3.2 and 3.3 that follow.**

**Fit Food**

In 2010, Julia started Fit Food, a meal delivery system that caters to working professionals who do not have time to prepare nutritious, calorie-controlled meals. Every day, Julia's team of chefs creates 7 000 lunches and dinners, which are delivered, by her drivers, on a daily basis to her customers' offices. Customers order and pay for meals through her website and she has amassed a large following of happy customers on Facebook. Her busiest months are September to February when customers are trying to look good for summer. During these periods, Julia struggles to keep up with the demand.

However, in 2013 another company operating a meal delivery system opened in the same city. The company offers frozen meals delivered once a month in environmentally friendly containers. The meals are around 20% cheaper than the offerings at Fit Food.

This new competition, coupled with the rising price of food, petrol and electricity has Julia very concerned. She needs to reevaluate her business vision and mission, her environment and her strategies.

**QUESTION 3.1**

**[6 MARKS]**

Define SWOT analysis and provide Julia with a SWOT analysis, identifying one factor of her business for each section of the assessment.

**QUESTION 3.2**

**[4 MARKS]**

What strategies can Julia use to deal with her weaknesses?

**QUESTION 3.3**

**[2 MARKS]**

Name any two things Julia can do to develop self-management.

**END OF ASSESSMENT**