

FACULTY/COLLEGE	College of Business and Economics
SCHOOL	Johannesburg Business School
DEPARTMENT	Business Management
CAMPUS	APB, DFC, SWC
MODULE NAME	Business Management 1B
MODULE CODE	BEM11B2 / BMA01B1 / BME1B00 / BME0YB1
SEMESTER	Second
ASSESSMENT OPPORTUNITY	Final Summative Assessment
MONTH AND YEAR	October 2020

ASSESSMENT DATE	October 2020	SESSION	
ASSESSORS	Mr J Venter, Mr T N	Mlilo, Mr A Masakale,	Mr R Roberts
MODERATOR	Mr M Nchabeleng		
DURATION	2 Hours	TOTAL MARKS	100

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	21
--	----

## **INFORMATION/INSTRUCTIONS:**

- 1. This is a closed-book assessment.
- 2. Question papers must be handed in together with your answer books.
- 3. Read the questions carefully and answer only what is asked.
- 4. Answer all questions.
- 5. Answer **Section A** on the appropriate page at the back of your answer book, by indicating the correct answer for the multiple choice questions with an **X**.
- 6. Answer **Section B** in the answer book.
- 7. Number your answers clearly.
- 8. Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
- 9. Structure your answers by using appropriate headings and subheadings.
- 10. The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

SECTION A [60 MARKS]

### **QUESTION 1**

Which of the following can be considered as characteristics of effective relationships?

- (i) Collaboration
- (ii) Longevity and commitment
- (iii) Trust
- (iv) Customer service and care

Choose the correct answer:

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

## **QUESTION 2**

Which one of the following is the body that represents professionals in public relations and communication management throughout the Southern African region?

- A CCM
- B CCMA
- C PRISA
- D BCCSA

### **QUESTION 3**

Which one of the following is a group of people who have a common interest or common values in a particular situation?

- A Shareholders
- B Players
- C Practitioners
- D Publics

## **QUESTION 4**

\_\_\_\_\_ media is media where the message is organised by the public relations practitioner.

- A Controlled
- B Uncontrolled
- C Sponsored
- D Non-sponsored

Advertisements aimed at building up the organisation's image are called \_\_\_\_\_advertisements.

- A corporate
- B prestige
- C public relations
- D publicity

### **QUESTION 6**

"A set of three or more businesses linked directly by one another or more of the upstream or downstream flows or products, services, finances and information from a source to a customer", is best known as \_\_\_\_\_\_.

- A distribution
- B intermediaries
- C production
- D supply chain management

### **QUESTION 7**

Which of the following can be considered as a supply chain macro processes in an organisation?

- (i) Customer relationship management
- (ii) External supply chain management
- (iii) Internal supply chain management
- (iv) Supplier relationship management

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

Which combination best represents the different stages of the supplier selection process?

- (i) Development stage
- (ii) Exploratory stage
- (iii) Post-evaluation stage
- (iv) Selection stage

Choose the correct answer:

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

# **QUESTION 9**

Which of the following is an operational and tactical level purchasing function of supply management?

- (i) Top management recognises the strategic role of purchasing.
- (ii) Purchasing is focused on the attainment of the overall organisational goals.
- (iii) Relationships with suppliers have a short-term vision.
- (iv) Other functions and suppliers are involved in major purchasing decisions.

Choose the correct answer:

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

### **QUESTION 10**

With \_\_\_\_\_\_, organisations advertise widely for suppliers to apply to become a supplier or provider to the organisation, usually for a large project or a contract over a certain period.

- A organisation websites
- B public tenders
- C Internet search engines
- D chambers of commerce

What does the abbreviation BBBEE stand for?

- A Basic Black Economic Empowerment
- B Broad-based Basic Economic Empowerment
- C Broad-based Black Economic Empowerment
- D Basic Broad-based Economic Empowerment

### **QUESTION 12**

Operations management involves which of the following?

- (i) Demand and capacity planning
- (ii) Product and service design
- (iii) Production system design
- (iv) Strategic planning and programming

Choose the correct answer:

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

#### **QUESTION 13**

Which one of the following statements regarding total quality management (TQM) is correct?

- A It eliminates waste, promotes value-adding activities and quality and focuses on lead time reduction.
- B It is a holistic and integrative approach to quality, it does not exclude any part of the organisation.
- C It is also referred to as lean production to use less of everything and to focus only on adding value.
- D It is the ideal series of transformational processes whereby each step increases the value of an item.

Which one of the following options refer to the individual business's operations that focus on how well operations perform in terms of value, effectiveness, efficiency, utilisation, impact and quality?

- A Micro-productivity
- B External productivity
- C Internal productivity
- D Macro-productivity

### **QUESTION 15**

Which one of the following options regarding the agile supply operation is correct?

- A Higher profit margins
- B Low product variety and long life cycles
- C More predictable
- D Stable stock demand

## **QUESTION 16**

Α	model is a	representation	that	makes	use	of	lines	and	colours	to
represent some	thing, such a	as graphs, maps	s and	diagrar	ns.					

- A geographic
- B mathematical
- C schematic
- D physical

## **QUESTION 17**

Which of the following can be considered as technology application for automation?

- (i) CAD
- (ii) ERP
- (iii) RP
- (iv) SCM

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

Improved quality of life is an example of which one of the following in the transformation process?

- A Business type
- B Outputs
- C Inputs
- D Transformation

# **QUESTION 19**

Which of the following are primary lead time elements?

- (i) Breakdown time
- (ii) Queue time
- (iii) Processing time
- (iv) Set-up time

Choose the correct answer:

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

## **QUESTION 20**

Just-in-time (JIT) is associated with which of the following advantages?

- (i) Long lead times
- (ii) Inventory reduction
- (iii) Dependability
- (iv) Speediness
- (v) Flexibility
- (vi) High cost
- A (i), (ii), (iii), (iv), (v) and (vi)
- B (ii), (iii), (iv) and (v)
- C (i), (ii), (iii) and (iv)
- D (i), (iii), (iv) and (v)

\_\_\_\_\_ planning must be done thoroughly in order to place the productive unit on an organisational footing from the start.

- A Optimal production
- B Matched capacity
- C Fixed-capacity
- D Operations

### **QUESTION 22**

Which one of the following tangible and intangible capital can be considered as human capital?

- A Renewable and non-renewable environmental resources
- B Knowledge-based organisational intangibles
- C Manufactured physical objects
- D Financing, equity and debt

### **QUESTION 23**

Which of the following can be considered as common HR strategy models?

- (i) Business partner model
- (ii) Personnel model
- (iii) Generalist model
- (iv) Self-service model

Choose the correct answer:

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

# **QUESTION 24**

Managing labour relations, as a typical HR activity, consists of \_\_\_\_\_\_.

- A performance management
- B recruiting qualified employees
- C promoting health, safety and well-being at work
- D establishing good relationships with staff and unions

Which of the following can be regarded as major parts of an organisation's total expenditure?

- (i) The additional cost of training
- (ii) Statutory compliance with skills development
- (iii) Statutory compliance with health and safety legislation
- (iv) Employment relations and other human resources management activities

Choose the correct answer:

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

## **QUESTION 26**

There is widespread acceptance of the need to measure the contribution and economic value of human capital. The reason for this is because \_\_\_\_\_.

- A HR measurement data are more often collected for administrative rather than evaluation purposes
- B HR tends to promote worker participation
- C the Skills Development Levies Act (Act 9 of 1999) frowns upon it
- D monitoring and evaluation are already being done through the performance evaluation interview

### **QUESTION 27**

Irrespective of which format of performance appraisal is used in the business, to be effective, the appraisal system should meet the basic requirements of .

- (i) relevance
- (ii) sensitivity
- (iii) reliability
- (iv) practicality

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

Incentive compensation differs from other forms of compensation in that it constitutes a reward

- A that is linked to employment rather than to performance
- B for outstanding efforts aimed at achieving organisational goals
- C that is an indirect form of compensation, which is mainly intended to improve the quality of work life
- D that is a non-financial intrinsic reward

#### **QUESTION 29**

Which of the following can be regarded as indirect remuneration?

- (i) Study leave
- (ii) Commission on sales made
- (iii) A organisation car
- (iv) Housing subsidy

Choose the correct answer:

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

## **QUESTION 30**

Which of the following are the main purposes of appraisals?

- (i) To be relevant
- (ii) Developmental to assist in identifying training needs
- (iii) Evaluative to let employees know where they stand
- (iv) Reliability

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

Which one of the following is the advantage of the common HR strategy model known as the generalist model?

- A HR solutions that fit unique business unit needs and quick reaction to local problems
- B Minimal impact on business performance and employee productivity
- C Structure that is simple and easy to manage and provides transactional excellence
- D Strong interpersonal relationships with high visibility with executive management

#### **QUESTION 32**

Which of the following can be considered as the three broad strategies that businesses can follow in the recruitment process?

- (i) Modern
- (ii) The culture fit
- (iii) The flexible person
- (iv) Traditional

Choose the correct answer:

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

# **QUESTION 33**

Which one of the following is an internal recruitment strategy?

- A The timing of recruitment efforts and candidates' job search efforts have to coincide.
- B There must be a common communication medium, i.e. advertisements should be placed in media that potential candidates are likely to peruse.
- C Employee referrals, where current employees refer potential candidates and receive some financial reward if such a candidate is successfully hired.
- D Candidates must perceive that there is a match between their personal characteristics and the stated job requirements.

Which of the following can be considered as the three elements in the process of performance?

- (i) Defining performance by setting clear goals
- (ii) Retrenching staff that are not necessary
- (iii) Facilitating performance by identifying and eliminating obstacles
- (iv) Encouraging performance

Choose the correct answer:

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

### **QUESTION 35**

Which one of the following is a specific reason for performance appraisal?

- A Paying performance bonuses
- B Not allocating share options
- C Not justifying merit increases
- D Weeding out high performers

### **QUESTION 36**

Which of the following can be regarded as some of the policies and procedures the HR function needs to ensure are in place?

- (i) Progressive discipline and counselling
- (ii) Grievance hearings that are compliant with legislated guidelines
- (iii) Trade unions
- (iv) Codes of good practice

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

Wheat is harvested in the summer months, but consumers want wheat products throughout the year. Therefore, wheat that is harvested in the summer months and stored in silos will be available all year round. Which one of the following marketing gaps to be bridged, is being referred to?

- A Seasonal gapB Space gap
- C Time gap
- D Value gap

## **QUESTION 38**

Which one of the following is an individual factor that affects the behaviour of consumers?

- A Lifestyle
- B Opinion leaders
- C Reference group
- D Social class

## **QUESTION 39**

The specific psychological characteristics of people that both determine and reflect their reaction to environmental influences, is best referred to as an individual's

- A attitude
- B motives
- C perception
- D personality

### **QUESTION 40**

Segmenting the market according to individuals' social class, lifestyle or personality, is best referred to as \_\_\_\_\_ segmentation.

- A demographic
- B physical
- C psychographic
- D social

Arrange the steps in the marketing research process in the correct order by selecting the correct option below.

- 1 Describing the research problem
- 2 Fieldwork
- 3 Preparing the research design
- 4 Processing, tabulating and analysing
- 5 Reporting the research results
- 6 Selecting the research design
- A 1, 6, 3, 2, 4, 5
- B 4, 1, 6, 5, 3, 2
- C 2, 3, 6, 1, 5, 4
- D 6, 2, 3, 5, 4, 1

### **QUESTION 42**

Marketers can make provision for different market segments based on how frequently consumers buy their products. This statement refers to which one of the following types of behavioural segmentation?

- A Purchase locations
- B Benefits sought
- C User status
- D Usage rate

## **QUESTION 43**

Which one of the following important evaluation criteria of selecting potential target markets implies that the market offering must have an undoubted differential advantage to target market members?

- A Segment size and growth possibilities
- B Attractiveness and potential profitability
- C The resources and skills of the organisation
- D Compatibility with the organisation's objectives\

Which one of the following marketing mix elements tries to deliver the right product to the right place at the right time to satisfy customer needs?

Λ.		1 1
Δ	⊃r∩	duct
$\overline{}$	110	uucı

- B Promotion
- C Place
- D Price

### **QUESTION 45**

A strategy to ensure that a safe and healthy work and social environment is created and maintained is known as \_\_\_\_\_.

- A employees wellness
- B union relations
- C discipline, counselling and grievances
- D human resources

### **QUESTION 46**

Which one of the following refers to (1) facts about objects, people and events, while (2) refer to data that has been concerted or processed into a meaningful and useful context for specific users?

- A (1) Data (2) information
- B (1) Information
- C (1) Numbers
- (2) statistics
- D (1) Statistics
- (2) data

(2) data

## **QUESTION 47**

Which one of the following indicates the consequences of occurrences, such as less credit being used as a consequence of higher interest rates?

- A Comparative information
- B Descriptive information
- C Explanatory information
- D Quantitative information

Processing is done in a certain manner and produces a specific outcome, cal	led
---	-----

- A feedback
- B processed information
- C the input
- D the output

# **QUESTION 49**

Which one of the following is the last step in the development of an information system?

- 1 Analysis
- 2 Evaluation
- 3 Support
- 4 Testing

## **QUESTION 50**

Which of the following can be considered as elements of an information system?

- (i) Transactional Processing Systems (TPS)
- (ii) Executive Information Systems (EIS)
- (iii) Management Information Systems (MIS)
- (iv) Expert Systems (ES)

Choose the correct answer:

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

# **QUESTION 51**

Systems are often developed as \_\_\_\_\_ systems and are not linked to other systems in the business.

- A stand-alone
- B combined
- C mechanical
- D integrated

A manager's job consists mostly of \_\_\_\_\_.

- A recruiting staff
- B solving problems
- C handling information
- D planning strategy

## **QUESTION 53**

The business culture consists of which of the following?

- (i) Beliefs
- (ii) Commitment
- (iii) Attitudes
- (iv) Priorities

Choose the correct answer:

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

## **QUESTION 54**

Which of the following types of communication includes recorded messages, such as letters, memorandums, and reports, by which information is transmitted from senders to receivers?

- A Electronic
- B Spoken
- C Written
- D Printed

Which of the following can be considered as a method to distribute hard copy information within and outside the business?

- (i) Messengers
- (ii) Conveyor systems
- (iii) Self-propelled delivery vehicles
- (iv) Short-message-system

Choose the correct answer:

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

## **QUESTION 56**

Which of the following statements regarding public relations are correct?

- (i) It is a deliberate activity.
- (ii) It is an unexpected activity.
- (iii) It is a sustainable activity.
- (iv) It is an established activity.

Choose the correct answer:

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

### **QUESTION 57**

Which one of the following takes place when the business communicates openly with the stakeholders to establish precisely what they think of the business?

- A Direct communication
- B Direct evaluation
- C Indirect communication
- D Indirect evaluation

Which one of the following objectives is a primary objective of the public relations function and derives from the main objectives of the business?

- A Damage control and counteracting negative publicity.
- B Establishing goodwill among the public.
- C Handling internal communication.
- D Stimulating demand through various media.

### **QUESTION 59**

Which one of the following is the second step in the public relations process?

- A Evaluation and feedback
- B Research and development
- C Strategic planning and programming
- D Taking action and communication

## **QUESTION 60**

The act of putting the thoughts or feeling into	o symbolic form that conveys the intended
meaning, and ensures that the receiver rec	ognises and understands what the sender
wants to convey, is referred to as	in the communication process.

- A decoding
- B encoding
- C the communicator
- D transmission

SECTION B [40 MARKS]

QUESTION 1 [9 MARKS]

Sound financial management decisions are based on three core principles. Name and critically discuss these principles.

QUESTION 2 [12 MARKS]

Read the scenario below and answer the question that follows.

### FOODS DISTRIBUTORS (PTY) LTD

Foods Distributors (Pty) Ltd developed an innovative wellness product that addressed the concern for adequate nutrition by bringing to market a nutrient dense Ice Cream Food named Miss K Ice Cream Food (trademarked) and patented.

### The Business of Ice Cream

Ice cream needs no introduction. Young and old alike are lured by the combination of creamy mouth feel, sweet taste and easy eating.

## **Market Segmentation and Value**

The ice cream market consists of artisanal ice cream, frozen yogurt, impulse ice cream and take-home ice cream.

- The global ice cream market had total revenues of \$60 571.
- Market consumption volume increased by 3%.
- The performance of the market is forecast to follow a similar pattern.

Foods Distributors (Pty) Ltd began to explore the world of ice cream both globally and in the local retail space.

## **Targeted Customers**

Young mothers were their primary target market. In terms of a lean start-up, it was necessary to select key markets from which to ascertain and test market acceptance.

- Age: 28-40
- Gender: female
- Location: high disposable income areas
- Social class and occupation: LSM 6-8
- Educated
- Concerned about nutrition and would like to supply healthy alternative treat experiences to their kids
- Secondary: anyone ailing and not wanting to eat regular food
- Secondary: sports enthusiasts addition to smoothies and protein shakes

#### Strategy

"Although many organisations would like to speed this process along, we believe that consumers do not respond well to attempts to 'educate' them," notes Balanko. "When spoken to as a peer and presented with high-quality products (regardless of health-and-wellness positioning), consumers respond with interest as they seek high-quality experiences for a quality life."

<u>Source</u>: Adapted from: Nel, J. & de Beer, A. 2018. Business Management: A contemporary approach. 3rd edition. Cape Town: Juta. p. 309-310.

### Question:

Identify and explain the group factors that could influence consumer buying decisions of Miss K Ice Cream Food.

<u>Note</u>: Use examples from the case study to indicate your knowledge of the subject matter.

QUESTION 3 [6 MARKS]

Contrast method study and work measurement.

QUESTION 4 [10 MARKS]

Publics are groups of people who have a common interest or common values in a particular situation. Every business has to interact with its environment, and included in this environment are role players that could have a significance influence on the fortunes of the organisation.

Identify and discuss the most notable stakeholders from a public relations point of view.

QUESTION 5 [3 MARKS]

Essentially, the HRM system can be defined as an overall approach to management of people, comprising the philosophies, strategies, policies and practices related to the activities in the functional HR value chain

Explain the HRM system under the headings of: HR strategies, HR policies and HR practices.

## **END OF ASSESSMENT**