



<b>FACULTY/COLLEGE</b>	College of Business and Economics
<b>SCHOOL</b>	Johannesburg Business School
<b>DEPARTMENT</b>	Business Management
<b>CAMPUS</b>	APB, DFC & SWC
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<b>ASSESSMENT DATE</b>	November 2020	<b>SESSION</b>	
<b>ASSESSOR</b>	Mr T Mlilo		
<b>MODERATOR</b>	Mr SM Nchabeleng		
<b>DURATION</b>	2 Hours	<b>TOTAL MARKS</b>	100

<b>NUMBER OF PAGES OF QUESTION PAPER (Including cover page)</b>	20
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#### INFORMATION/INSTRUCTIONS:

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- 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** at the back of your answer book provided. Circle the correct answer.
    - 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.
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**SECTION A****[60 MARKS]****QUESTION 1**

The \_\_\_\_\_ is defined as a strategy to ensure that a safe and healthy work and social environment is created and maintained, together with individual wellness commitment that enables employees to perform optimally while meeting all health and safety legislative requirements and other wellness good practices in support of the achievement of organisational objectives.

- A employee wellness standard
- B rewarding and recognition
- C performance appraisal
- D learning and development

**QUESTION 2**

Job \_\_\_\_\_ is the systematic process of determining the value of each job in relation to other jobs in the organisation.

- A rotation
- B specification
- C description
- D evaluation

**QUESTION 3**

Assessing the \_\_\_\_\_ includes establishing the quality awareness of personnel at all levels within the functional areas, and examining the supplier's entire organisation.

- A continuous performance
- B quality assurance system
- C quality control process
- D organisational level

**QUESTION 4**

Which one of the following is the fifth step for the implementation of strategic supplier alliances?

- A Align purchasing and supply strategy with corporate strategy
- B Identify products/materials and services
- C Evaluate probable alliance
- D Executives give commitment

**QUESTION 5**

\_\_\_\_\_ can be asked to do a presentation to a cross-functional team of the organisation about what they can offer the organisation, which is particularly important with the purchasing of services.

- A Suppliers
- B Business directories
- C Trade directories
- D Chamber of commerce

**QUESTION 6**

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 internet search engines
- B public tenders
- C chambers of commerce
- D national associations

**QUESTION 7**

Marketers can make provision for different market segments based on how frequently they buy their products. This statement refers to which type of behavioural segmentation?

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

**QUESTION 8**

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

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

**QUESTION 9**

The process of receiving, organising and assigning meaning to information or stimuli detected by the five senses is known as \_\_\_\_\_.

- A motivation
- B learning ability
- C perception
- D personality

**QUESTION 10**

Wheat is harvested in the summer months, mainly in the Western Cape, but consumers want wheat products all through the year, and all over South Africa. Therefore, wheat is harvested in summer months and stored in silos to be available all year round. This is a good example of \_\_\_\_\_ gap.

- A information
- B time
- C ownership
- D space

**QUESTION 11**

\_\_\_\_\_ management is the process of planning and executing the concept, pricing, marketing communication and distribution of ideas, products, and services to create exchanges that satisfy individual and organisational goals.

- A Operations
- B Administrative
- C Marketing
- D Public relations

**QUESTION 12**

Apart from the fact that scheduling is much easier in a continuous or repetitive manufacturing situation, the success of the so-called 'process operations' also depends on a number of other factors. Identify one of the factors referred to.

- A Rigorous preventive maintenance
- B Identification of a suitable location
- C Promotion of small and medium enterprises
- D A well-functioning legal and accounting framework

**QUESTION 13**

\_\_\_\_\_ is defined as the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance, such as cost, quality, service and speed.

- A Innovation
- B Creativeness
- C Process re-engineering
- D Production system

**QUESTION 14**

Which of the following are advantages of the just-in-time approach?

- (i) Dependability
- (ii) Speediness
- (iii) Flexibility
- (iv) Set-up time
- (v) Processing time

Choose the correct combination:

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

**QUESTION 15**

\_\_\_\_\_ refers to the application of techniques that are specially designed to determine the time within which an average trained worker can complete a specific task in a particular situation at a specific rate.

- A Method study
- B Work measurement
- C Motion study
- D Productivity

**QUESTION 16**

Which one of the following factors is an example of lean supply?

- A High product variety and short life cycle
- B Higher profit margins
- C Volatile stock demand
- D More predictable

**QUESTION 17**

Which one of the following is an example of continuous or repetitive operations systems when it comes to materials handling?

- A Special equipment often necessary; high cost.
- B Variable because of production time.
- C Materials flow determinable, systemised and often automated.
- D Handling depends on the product, therefore highly variable and expensive.

**QUESTION 18**

Which one of the following is an example of a project operations system when it comes to labour requirements?

- A High degree of adaptability to various tasks commissioned
- B Highly skilled artisans working without supervision and with moderate adaptability
- C Highly specialised routine tasks at a specific rate
- D Relatively high fixed cost; low variable cost per unit

**QUESTION 19**

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

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

**QUESTION 20**

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?

- A Product
- B Promotion
- C Place
- D Price

**QUESTION 21**

\_\_\_\_\_ has to do with high price and aggressive marketing to increase rate of market.

- A Low skimming
- B Rapid skimming
- C Rapid penetration
- D Slow penetration strategy

**QUESTION 22**

\_\_\_\_\_ takes place when the business communicates openly with the stakeholders to establish precisely what they think of the business.

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

**QUESTION 23**

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 Stimulates demand through various media
- B Handling internal communication
- C Establish goodwill among the public
- D Damage control and counteracting negative publicity

**QUESTION 24**

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 combination:

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

**QUESTION 25**

“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 a(n) \_\_\_\_\_.

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

**QUESTION 26**

\_\_\_\_\_ 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



**QUESTION 27**

What is the last step in the development of an information system?

- A Analysis
- B Evaluation
- C Support
- D Testing

**QUESTION 28**

Processing is done in a certain manner and produces a specific outcome, called \_\_\_\_\_.

- A feedback
- B processed information
- C the inputs
- D the outputs

**QUESTION 29**

Debt finance is usually cheaper than equity because \_\_\_\_\_.

- A equity investors demand a higher rate of return on their investments
- B it can evaluate the ability of the organisation to repay its debt and interest
- C it determines if the organisation needs to seek outside sources of funds, beyond sales, to manage anticipated cash shortages.
- D it helps managers to develop budgets and plans to meet financial needs

**QUESTION 30**

\_\_\_\_\_ activities show the cash exchanged between the firm and its owners and creditors, including dividend payments and debt services.

- A Operating
- B Investing
- C Financing
- D Revenue

**QUESTION 31**

\_\_\_\_\_ is/are obligations an organisation is responsible for paying within a year or less and are listed first on the statement of financial position.

- A Owner's equity
- B Current liabilities
- C Non-current liabilities
- D Operating expenses

**QUESTION 32**

Cash flow budgets help financial managers to \_\_\_\_\_.

- A predict future investment opportunities due to surges in cash flow
- B decide what objectives must be achieved
- C prepare a plan to implement the best alternative
- D strengthen internal planning, decision making and control

**QUESTION 33**

\_\_\_\_\_ analysis is a comparison of numbers and is used to compare current data to data from the previous years, competitors' data, or industry averages.

- A Relative
- B Systematic
- C Ratio
- D Strategic

**QUESTION 34**

\_\_\_\_\_ information indicates the consequences of occurrences, such as less credit being used as a consequence of higher interest rates.

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

**QUESTION 35**

Which of the following are primary functions of a financial manager?

- (i) To make financial and investment decisions
- (ii) To analyse and plan the financial operations of the enterprise
- (iii) To oversee the financial operations of an organisation
- (iv) To keep exchange rates constant
- (v) To maintain strong policy development

Choose the correct combination:

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

**QUESTION 36**

Financial \_\_\_\_\_ produces information that is necessary to monitor the general financial position of the organisation and to limit the risk of the organisation's failure.

- A management
- B market
- C analysis
- D investment

**QUESTION 37**

The results of the ratio calculations serve as \_\_\_\_\_ indicators as to the potential strengths and weaknesses in the finances of the organisation.

- A risk
- B decision
- C financial
- D performance

**QUESTION 38**

Which of the following examples use the financial ratios of the organisation?

- (i) Investors
- (ii) Financial managers
- (iii) Labour unions
- (iv) Creditors
- (v) Banks

Choose the correct combination:

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

**QUESTION 39**

Operations management deals with the \_\_\_\_\_ and control of the inputs, process and outputs of operations.

- A planning
- B organising
- C leading
- D productivity

**QUESTION 40**

Which one of the following is an example of transformation in a hospital?

- A Patients, doctors, nurses, theatres, rooms, ambulances, equipment
- B Improved quality of life, satisfied clients, recovered and healthy patients, extended life expectancies
- C Medical procedures, therapy, service delivery, professional handling and care of patients, application and administration of medicine
- D Workers have personalised hearing protectors, comfortable ear plugs worn with ease, protecting them from noise so that noise-induced hearing loss is eliminated

**QUESTION 41**

\_\_\_\_\_ tell(s) you how much money an organisation makes just from its products, and how efficiently management controls costs in the production process.

- A Operating expenses
- B Gross profit
- C Net profit
- D Revenue

**QUESTION 42**

\_\_\_\_\_ risk is an asset's risk that is related to a particular organisation event, such as a strike and risk connected to market conditions, such as inflation.

- A Financial
- B Investment
- C Demand
- D Measurement of non-diversifiable

**QUESTION 43**

Which of the following are examples of current liabilities?

- A Cash and cash equivalents
- B Short-term financial assets
- C Trade and other receivables
- D Short-term financial debts

**QUESTION 44**

The statement of \_\_\_\_\_ reveals how effectively the organisation's expenses and profits are managed as compared to other organisations in a similar industry.

- A comprehensive income
- B financial position
- C change in equity
- D cash flow

**QUESTION 45**

\_\_\_\_\_ ratio indicates how efficient management is in using its labour and raw materials to produce goods.

- A Earnings per share
- B Operating profit margin
- C Gross profit margin
- D Working capital

**QUESTION 46**

Process \_\_\_\_\_ refers to process performance in terms of the ratio of total throughput time for a product in terms of the value-added time.

- A visibility
- B velocity
- C volume
- D variation

**QUESTION 47**

Which one of the following is an element of primary lead time?

- A Decision-making time
- B Change management time
- C Inventory time
- D Transportation time

**QUESTION 48**

Which basic layout is suitable for mass processes or pure continuous repetitive processes?

- A Fixed position layout
- B Process layout
- C Product layout
- D Cell layout

**QUESTION 49**

\_\_\_\_\_ can be defined as determining the demand for a product produced by the business, but with a view to accommodating a future event.

- A Demand management
- B Forecasting
- C Mathematical models
- D Schematic model

**QUESTION 50**

\_\_\_\_\_ are time series that produce forecasts for more than one future period working on the assumption that no trend or seasonal component is present in the demand pattern.

- A Qualitative techniques
- B Time-series analysis
- C Causal methods
- D Multi-period pattern projections

**QUESTION 51**

The act of putting the thoughts or feeling into symbolic form that conveys the intended meaning, and ensures that the receiver recognises 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

**QUESTION 52**

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

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

**QUESTION 53**

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

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

**QUESTION 54**

Which one of the following strategies can be followed to make full use of production capacity, especially if the capacity is too small for demand?

- (i) Appointing another joiner who can work at almost the same pace as the existing one
- (ii) Increasing capacity by acquiring additional fixed assets
- (iii) Generating capacity by a transfer of surplus capacity from other divisions
- (iv) Reducing the number of products and specialising in one
- (v) Choosing to differentiate products

Choose the correct combination:

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



**QUESTION 55**

Which of the following are the principles of operations that promote value and save time in the organisation?

- (i) Cutting set-up, changeover, get-ready and start-up lead times
- (ii) Just-in-time production, or at the customer's rate of use
- (iii) Machining centres where machine tools are changed automatically as part of the process
- (iv) Product design using computer-aided design (CAD)
- (v) Creating a unified purpose via shared information and team involvement in the planning and implementation of change

Choose the correct combination:

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

**QUESTION 56**

\_\_\_\_\_ involve(s) all applicable operations, materials, and knowledge in order to satisfy a need with a view to improving people's private or work environments.

- A Creativeness
- B Technology
- C Innovation
- D Digital gauges

**QUESTION 57**

Which of the following factors are included in the operations management?

- (i) Product and service design
- (ii) Production system design
- (iii) Production planning and control
- (iv) Demand and capacity planning
- (v) Improvement, problem solving and maintenance

Choose the correct combination:

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

**QUESTION 58**

\_\_\_\_\_ is the risk that the organisation is not capable of providing a product or service that is of value to the customer and for which the customer is willing to pay.

- A Capability risk
- B Competitive risk
- C Risk indifference
- D Risk averse

**QUESTION 59**

A motor vehicle and machinery are regarded as \_\_\_\_\_.

- A current assets
- B non-current assets
- C current liabilities
- D non-current liabilities

**QUESTION 60**

The \_\_\_\_\_ principle helps us to be clear about our objectives, work out the costs and benefits of different choices, determine standards to measure choices and then decide on the most rewarding action.

- A time value of money
- B risk-return
- C cost-benefit
- D mark-up

**SECTION B****[40 MARKS]**

**Read the case study and answer the questions that follow:**

Purca Limited's Statement of comprehensive income for the year ended 30 September 2019.

	<b>2018</b>	<b>2019</b>
	<b>R</b>	<b>R</b>
<b>Revenue</b>	<b>1 000 000</b>	<b>1 700 000</b>
<b>Less: Cost of sales</b>	<b>400 000</b>	<b>1 000 000</b>
<b>Gross profit</b>	<b>600 000</b>	<b>700 000</b>
<b>Less: Operating expenses</b>		
<b>Selling expense</b>	<b>50 000</b>	<b>70 000</b>
<b>General and administrative expenses</b>	<b>60 000</b>	<b>120 000</b>
<b>Lease expense</b>	<b>10 000</b>	<b>40 000</b>
<b>Depreciation expense</b>	<b>50 000</b>	<b>100 000</b>
<b>Less: Total operating expense</b>	<b>170 000</b>	<b>330 000</b>
<b>Profit from operations (EBIT)</b>	<b>430 000</b>	<b>370 000</b>
<b>Less: Finance cost</b>	<b>120 000</b>	<b>70 000</b>
<b>Net profit before tax</b>	<b>310 000</b>	<b>300 000</b>
<b>Less: Income tax expense</b>	<b>93 000</b>	<b>90 000</b>
<b>Profit for the year</b>	<b>217 000</b>	<b>210 000</b>

Purca Limited's Statement of financial position as at 30 September 2019.

	<b>2018</b>	<b>2019</b>
	<b>R</b>	<b>R</b>
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Plant and equipment	1 050 000	1 200 000
Property and machinery	800 000	850 000
Furniture and fixtures	220 000	300 000
Vehicles	80 000	100 000
Other non-current assets	50 000	50 000
Total gross non-current assets (at cost)	2 200 000	2 500 000
Less: Accumulated depreciation	1 200 000	1 300 000
	1 000 000	1 200 000
<b><u>Current assets</u></b>		
Inventory	900 000	600 000
Trade receivables	500 000	400 000
Cash	500 000	1 000 000
	1 900 000	2 000 000
<b>TOTAL ASSETS</b>	<b>2 900 000</b>	<b>3 200 000</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b><u>Equity</u></b>		
Share capital	600 000	600 000
Retained earnings	500 000	600 000
Total equity	1 100 000	1 200 000
<b><u>Non-current liabilities</u></b>		
Long-term borrowings	400 000	600 000
<b><u>Current liabilities</u></b>		

	<b>2018</b>	<b>2019</b>
	<b>R</b>	<b>R</b>
<b>Trade payables</b>	<b>500 000</b>	<b>700 000</b>
<b>Short-term borrowing</b>	<b>700 000</b>	<b>600 000</b>
<b>Accruals</b>	<b>200 000</b>	<b>100 000</b>
	<b>1 400 000</b>	<b>1 400 000</b>
<b>Total equity and liabilities</b>	<b>2 900 000</b>	<b>3 200 000</b>

*Source: Strydom, J. (2009). Principles of Business Management. Cape Town: Oxford.*

**QUESTION 1****[16 MARKS]**

By using the information provided in the case study above, calculate the following ratios:

- 1.1. Gross profit margin (3)
- 1.2. Working capital (3)
- 1.3. Current ratio (3)
- 1.4. Debt to equity ratio (4)
- 1.5. What is meant by working capital management? (3)

**QUESTION 2****[6 MARKS]**

There are several goals that can be set for the purpose of public relations, but these should be practical, observable and sustainable. Identify six secondary goals for the public relations role.

**QUESTION 3****[18 MARKS]**

- 3.1. Let us presume that you are a brand consultant and that one of your staff is not comfortable with the actions that customers are taking when ordering goods. As a boss, you need to clarify to your staff the moves that customers are considering through the lengthy decision-making process. Briefly address five phases in the buying decision-making process. (10)
- 3.2. Discuss four group factors influencing consumer buying decisions in an organisation. (8)

**END OF ASSESSMENT**