



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

SUBJECT:	BUSINESS STUDIES
CODE:	BMX2B01/BMX22B2
DATE:	02 November 2020
TIME ALLOWED:	180 Minutes
TOTAL MARKS:	125

EXAMINER:	Dr C Diniso
MODERATOR:	Dr C Mara
NUMBER OF PAGES:	50

INSTRUCTIONS:

- The assessment consists of Section A and B and should be completed on Blackboard.
- It will be open for a period of 24 hours and once the begin button has been clicked, there is no turning back, you have 180 minutes to complete the assessment.
- Read the questions carefully and answer only what is asked.
- It is the student's responsibility to note and ensure the following before starting the test:
 - The device used for the test is functional and the battery is fully charged.
 - The network is well connected.
- Do not wait for the last day to do this test, there will be no other chance granted.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

SECTION A**[50 MARKS]****QUESTION 1**

What task is Peter as production manager fulfilling when he set performance standards to ensure that the objectives of his unit are achieved?

- A. planning
- B. organising
- C. leading
- D. controlling

QUESTION 2

What is the phase in the creative process known as when a person temporary distance him or herself from the problem or opportunity?

- A. incubation
- B. elaboration
- C. identification
- D. illumination

QUESTION 3

For an invention to be successful, it has to comply with which of the following?

- (i) Understand supplier needs
- (ii) Add value to the organisation
- (iii) Provide a unique competitive advantage for the organisation
- (iv) Be aligned with the strategy of the organisation

Choose the correct combination:

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

QUESTION 4

_____ is one of the four primary tasks of management.

- A. Coordinating
- B. Organising
- C. Motivating
- D. Monitoring

QUESTION 5

Why is it necessary to develop new best practices in the workplace today?

- (i) To ensure better adaptation to a changing world
- (ii) To become more innovative
- (iii) To avoid risk
- (iv) To create an organisation people want to be part of

Choose the correct combination:

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

QUESTION 6

Which of the following stages according to Van Oech are part of the creative process?

- (i) Manipulation
- (ii) Elaboration
- (iii) Illumination
- (iv) Frustration

Choose the correct combination:

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

QUESTION 7

Creativity should be strongly aligned with the _____ of an organisation.

- A sustainability
- B business strategy
- C profitability
- D turnover

QUESTION 8

Peter, an engineer of a research and development organisation has invented a new battery storage system which could assist households in South Africa with back-up power during periods of load shedding. What will he have to keep in mind when making this invention a successful innovation?

- (i) It has to provide a unique competitive advantage
- (ii) It has to add value
- (iii) It has to support the strategic direction of the organisation
- (iv) It has to be a creative idea

Choose the correct combination:

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

QUESTION 9

A _____ is developed for a specific project and it is the justification for projects that makes it possible to decide between alternative projects and ultimately select a project or projects an organisation becomes involved in.

- A project charter
- B case study
- C project plan
- D business case

QUESTION 10

In a broad sense _____ involves the capacity to produce some idea or product that is both original and functional. _____ on the other hand involves the act of introducing something new.

- A. uniqueness; Novelty
- B. innovation; Creativity
- C. novelty; Uniqueness
- D. creativity; Innovation

QUESTION 11

Which of the following could be seen as sources attributable to creativity?

- (i) Divine inspiration
- (ii) Learning processes
- (iii) Pure luck
- (iv) Determination

Choose the correct combination:

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

QUESTION 12

Robert tends to get upset when confronted with difficult situations in the workplace. This could prevent him from applying his mind creatively when trying to solve a problem. What type of barrier to creativity is Robert facing?

- A. Perceptual
- B. Emotional
- C. Cultural
- D. Intellectual

QUESTION 13

Which of the following can enhance and improve individual creativity?

- (i) A deliberate decision
- (ii) Practising premature judgements
- (iii) Focusing on key issues
- (iv) Looking anew at things

Choose the correct combination:

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

QUESTION 14

_____ thinking is employed when an individual is faced with an open-ended task and many possible solutions are explored.

- A. Convergent
- B. Lateral
- C. Rational
- D. Divergent

QUESTION 15

An IBM study conducted between 2011 and 2015 identified three important leadership qualities in various proportions, which are vital for CEO's. Rank the qualities in the correct order of importance.

- A. Creativity, intellectual ability, integrity
- B. Creativity, integrity and global thinking
- C. Creativity, intellectual ability and global thinking
- D. Creativity, global thinking and integrity

QUESTION 16

_____ creativity bringing two opponents together or using décor, relationships, sequence of happenings or background to create an occasion.

- A. Organisation
- B. Material
- C. Idea
- D. Event

QUESTION 17

Which component of creativity would technical knowledge of engineers to service and repair a turbine at a power supply station, referred to?

- A. Creative thinking skills
- B. Motivation
- C. Competency
- D. Expertise

QUESTION 18

Thulani is a human resource manager and his staff members are regularly taking extended tea times. When Zodwa, one of his staff members suggested the use of a tea trolley whereby staff could be served at their desks, Thulani responded as follows: "We have tried that before." What is Thulani actually doing?

- A. Destroying creativity
- B. Taking the easy way out
- C. Stimulating creativity
- D. Requesting more input

QUESTION 19

_____ involves a willingness to pursue opportunities that have the reasonable likelihood of producing losses or significant performance discrepancies.

- A. Uncertainty
- B. Risk-taking
- C. Perseverance
- D. Accountability

QUESTION 20

According to Lambardo and Roddy, to enable a wide range of product and process innovations creative leaders need to accelerate the development of creative capital by which of the following?

- (i) Uncovering the key capabilities of an organisation
- (ii) Capping the capabilities of leaders
- (iii) Catalysing the capabilities of leaders
- (iv) Unleashing the organisational potential

Choose the correct combination:

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

QUESTION 21

Which of the following is an example of a cultural block?

- A. Any problem can be solved by scientific thinking.
- B. Belief that change is preferable to tradition.
- C. The ability to compromise.
- D. Indulging in fantasy is a waste of time.

QUESTION 22

Which may be complementary or alternative solutions for boosting the organisations creativity wealth?

- (i) Establish good external networks
- (ii) Create partnering ability
- (iii) Work exclusively with internal stakeholders
- (iv) Involve a wide range of other organisations

Choose the correct combination:

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

QUESTION 23

Which of the following statements are correct?

- A Creativity underlies innovation.
- B When a business idea is actualised it becomes an innovation.
- C Lateral thinking is part of the creative process.
- D Creativity means the same thing as innovation.

Choose the correct combination:

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

QUESTION 24

_____ involves an unconventional thinking process that includes adaptation or rejection of previous thoughts and ideas to solve problems or improve on existing products, services or idea.

- A invention
- B change
- C creativity
- D innovation

QUESTION 25

_____ is associated with a product or service that is entirely new to the market and represents a technological breakthrough.

- A Continuous innovation
- B Modular innovation
- C Incremental innovation
- D Radical innovation

QUESTION 26

_____ involves bringing totally new product, service or process to the market.

- A Radical innovation
- B Incremental innovation
- C Modular innovation
- D Continuous innovation

QUESTION 27

According to Van Oech the creative process consists of:

- (i) preparation
- (ii) incubation
- (iii) illumination
- (iv) elaboration

Choose the correct combination:

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

QUESTION 28

For inventions to become successful innovations they must:

- (i) add value to the organisation
- (ii) commercialise the invention
- (iii) be aligned with the strategy of the organisation
- (iv) provide unique competitive advantage to the organisation

Choose the correct combination:

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

QUESTION 29

The first stage in the creative process is _____.

- A illumination
- B incubation
- C preparation
- D frustration

QUESTION 30

Although bringing new innovative products to the market is the most obvious and easily observable innovation. What are other levels of innovation?

- (i) Operational innovations that improve operations within organisation.
- (ii) Product or service innovations.
- (iii) Project innovations that improve the performance of the organization at the highest level.
- (iv) Architectural innovations that affect interaction and components of an industry.

Choose the correct combination:

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

QUESTION 31

Which of the following are some of the attractions of developing countries to global companies ?

- (i) Large numbers of consumers
- (ii) Government incentives
- (iii) Labour issues
- (iv) Limited competition

Please choose the correct combination:

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

- D (i), (iii) and (iv)

QUESTION 32

_____ involves understanding and conforming to the culture and compliance to the laws and regulations of the host country as well as social responsibility.

- A Globalisation of businesses
- B Internationalisation of businesses
- C International trade
- D Multinational businesses

QUESTION 33

Which of the following statements are correct?

- (i) Creative leaders inspire others.
- (ii) Creative leaders actively hunt for orthodox challenges.
- (iii) Creative leaders alienate poorly motivated staff.
- (iv) Creative leaders possess significant vision.

Please choose the correct combination:

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

QUESTION 34

Which statement below most accurately describes innovation?

- A Transforming an existing product into an economically viable one.
- B The commercialisation of an invention, a product, service, method or process.
- C The diffusion of new services in a market where it did not previously exist.
- D Creating a competitive advantage where previously there was none.

QUESTION 35

A _____ enables the owner of that particular intellectual property to exclude others from making, using, exercising or disposing of a registered invention.

- A design agent
- B copyright
- C patent
- D trademark

QUESTION 36

Globalisation is sometimes unpopular although it is said to have many benefits. Choose the correct statement that describes one of the stages in globalisation strategy best.

- A Develop the core strategy in the host country.
- B Businesses are unable to explain the impact of globalisation.
- C Countries gain, but not necessary individuals or businesses.
- D Internationalisation through expansions related to the core strategy.

QUESTION 37

Which of the following are definitions of creativity that have been developed over the years?

- (i) Creativity is the process of sensing problems or gaps
- (ii) A conscious act of human intelligence
- (iii) A function of knowledge, imagination and evaluation
- (iv) Looking at the world with a fresh pair of eyes
- (v) The ability to flexibly produce work that is novel

Please choose the correct combination:

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

QUESTION 38

Which of the following are factors that managers need to give attention to enable employee to become more creative as identified by Amabile and Cougher?

- (i) Challenge
- (ii) Freedom
- (iii) Positive stress
- (iv) Idea trapping
- (v) Reflection time
- (vi) Resources

Please choose the correct combination:

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

QUESTION 39

According to Cougher perceptual blocks are obstacles that prevent us from clearly perceiving either the problem itself or information needed to see the problem. Which one of the following is typical example of perceptual barriers?

- A Making assumption about something with narrow picture.
- B Using narrow mind set when analysing problems.
- C Relying on 'gut feeling' when doing research.
- D Assuming it cannot be done even before trying.

QUESTION 40

Which of the following statements are correct? According to Lombardo Roddy, to enable a wide range of product, process and business model innovations, creative leaders need to accelerate the development of creative capital by:

- (i) covering the key capabilities of the creative organisation.
- (ii) unlocking and catalysing the creative capabilities of leaders
- (iii) unleashing and scaling organisational creativity
- (iv) establish good external networks.

Please choose the correct combination:

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

QUESTION 41

_____ refers to the ability to give the correct answer to a set of standard questions that do not require significant creativity.

- A Divergent thinking
- B Innovative thinking
- C Convergent thinking
- D All of the above

QUESTION 42

_____ are countries with advanced economies, high income, gross domestic product, standard of living, literacy and life expectancy.

- A Developing countries
- B Developed countries
- C Advanced economies
- D Emerging economies

QUESTION 43

The creative potential of the organisation's leadership can be unlocked by:

- A creating experiences that require the leader to explore the future
- B promote a culture of inspiring vision built on trust and authenticity
- C design experiential learning tied to real business challenges
- D None of the above

QUESTION 44

Drewery indicates that there are various well-established individual profiling tools that can be used to assess an individual's creative potential. Which of the following are the well-known tools for individual profiling?

- (i) Gough's Creative Personality traits that measures individual potential for creative performance

- (ii) Myers-Briggs Type Indicator that measures individual personality types
- (iii) Herman Brain Dominance Instrument that determines an individual's creative thinking styles
- (iv) Cattell's 16 PF that covers a broad range of personality traits

Choose the correct combination:

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

QUESTION 45

Some of the complementary or alternative solutions for boosting the organisations' creativity wealth include _____.

- A working with internal bodies
- B large numbers of consumers
- C creating partnering ability
- D establishing good internal networks

QUESTION 46

Which of the following apply to important skills of creative leaders?

- (i) Creativity
- (ii) Discuss the old factor of resistance to change while giving attention to the possible barriers.
- (iii) Integrity
- (iv) Global thinking

Choose the correct combination:

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

QUESTION 47

Which of the following are the steps in assessing organisation's creative wealth?

- (i) measuring how creative organisation is
- (ii) diagnosing the support features
- (iii) diagnosing obstructions to creativity
- (iv) evaluating change initiatives

Choose the correct combination:

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

QUESTION 48

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 49

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 50

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 51

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

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

QUESTION 52

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 53

Tembi is one of those bank tellers who can deal with any difficult customer in an especially effective manner and is very creative in a one-on-one situation. Tembi is said to have _____

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

QUESTION 54

An intrinsic reward appeals to our desire for_____

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

QUESTION 55

The fourth stage in Van Oech's process is _____.

- A incubation
- B frustration
- C elaboration
- D illumination

QUESTION 56

An example of a perceptual barrier to creativity is _____.

- A disturbing other people
- B stereotyping
- C punishment for risk-taking that doesn't work out
- D relying on "gut feeling" without doing proper research

QUESTION 57

Simphiwe is a very outgoing person and she will never hesitate to speak her mind during meetings. She also does not have a problem to say in few words without prior notification. Which areas of creativity is Ntombi displaying?

- A Event creativity
- B Spontaneous creativity
- C Idea creativity
- D Organisation creativity

QUESTION 58

According to Lumdsdaine and Binks, creativity can be attributed to a variety of sources such as _____.

- (i) divine inspiration
- (ii) determination
- (iii) learning process
- (iv) coincidence

Choose the correct answer:

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

QUESTION 59

An inclination to use only the tried and tested methods, not exploring other alternatives, is an example of _____ barrier to creativity.

- A environmental
- B emotional
- C intellectual
- D perceptual

QUESTION 60

When Sipho, a marketing manager, sets objectives and develops strategies for her department, she is fulfilling the _____ task.

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

QUESTION 61

Dumisani is a factory manager. He tends to be very upset when confronted with difficult situations at the workplace. This could prevent him from applying his mind creatively when trying to solve problems. What type of barrier to creativity is Dumisani facing?

- A Perceptual
- B Emotional
- C Cultural
- D Intellectual

QUESTION 62

Which of the following statements could be seen as sources attributable to creativity?

- (i) Divine inspiration
- (ii) Learning processes
- (iii) Pure luck
- (iv) Determination

Choose the correct answer:

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

QUESTION 63

A _____ is developed for a specific project and is the justification for projects that makes it possible to decide between alternative projects and ultimately select a project or projects in which an organisation becomes involved.

- A project charter
- B case study
- C project plan
- D business case

QUESTION 64

Mary is a surgeon who operates on a patient in a hospital theatre. Which component of creativity would her technical knowledge be referred to?

- A Creative thinking skills
- B Motivation
- C Competency
- D Expertise

QUESTION 65

The fourth stage in Van Oech's creative process is _____ .

- A introduction
- B frustration
- C elaboration
- D illumination

QUESTION 66

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 67

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

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

QUESTION 68

Which one of the following is the second last level of innovation?

- A Management innovation
- B Operational innovation
- C Product and service innovation
- D Architectural innovation

QUESTION 69

_____ involves the change of some of the components to new components or significantly adapted components.

- A Modular innovation
- B Radical innovation
- C Incremental innovation
- D Continuous innovation

QUESTION 70

_____ is/are used to protect new or non-obvious inventions that are suitable for trade, industry or agriculture.

- A Design registrations
- B Copyright
- C Patents
- D Trademarks

QUESTION 71

Which one of the statements below best describes innovation?

- A Creating a competitive advantage where previously there was none
- B The diffusion of new services in a market where they did not previously exist
- C The commercialisation of an invention, a product, service, method or process
- D Transforming an existing product into an economically viable one

QUESTION 72

In the correct sequence, which one of the following is the process of innovation?

- A Invention-Commercialisation-Diffusion
- B Invention-Diffusion-Commercialisation
- C Commercialisation-Invention-Diffusion
- D Diffusion-Commercialisation-Invention

QUESTION 73

Globalisation depends upon a/an _____ strategy and a government that appreciates _____ trade.

- A innovative; competitive
- B focussed; continuous
- C green; local
- D sustainable; international

QUESTION 74

Globalisation is sometimes unpopular although it is said to have many benefits. Choose the correct statement that describes the globalisation paradox best.

- A There are many risks and costs and it is unclear who carries it
- B Countries gain, but not necessarily individuals or businesses
- C It is unclear who the winners are and losers are in globalisation
- D Businesses are unable to explain the impact of globalisation

QUESTION 75

Which one of the following statements is incorrect?

- A Increasing international trade is crucial to the continuance of globalisation
- B International trade is mostly restricted to trade in capital, labour or other factors of production
- C International trade is mostly restricted to trade in goods and services
- D International trade is more costly than domestic trade

QUESTION 76

Which one of the following statements best describes “Globalisation”?

- A The growing interdependence of countries worldwide
- B A business based primarily in one country but transacting outside its boundaries
- C The increasing geographical dispersion of economic activities
- D Economic activities across national borders

QUESTION 77

The theory of absolute advantage advocated by Adam Smith (1776) in his book *The Wealth of Nations* argued that _____

- A the capability of one country to produce more of a product with the same input than another country, gives absolute advantage
- B the capability of one country to produce a single product with the same input than another country, does not give absolute advantage
- C the capability of two countries to produce more of a product with the same input than another country, gives absolute advantage
- D None of the above

QUESTION 78

According to Ewah and Ekeng, the advantage of doing business in developing countries include:

- (i) Expensive human capital resources
- (ii) Decreased levels of economic development
- (iii) Limited competition and large unexplored markets
- (iv) Growing affluence of an emerging middle class

Choose the correct answer:

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

QUESTION 79

Developing countries are the _____ of the future, offering many and varied business opportunities for investors from more developed countries.

- A constraints
- B growth economies
- C problems
- D threats

QUESTION 80

Which one of the following factors is to be considered potential challenges of doing business in Africa and in developing countries?

- A Red tape
- B Diversity
- C Infrastructure
- D All of the above

QUESTION 81

Emerging economies refer to_____.

- A countries that are more resource based, often exporting raw material instead of beneficiating locally
- B countries whose economies are developing at a rate that differentiates them from the mass of developing nations
- C countries with advanced economies and high income per capita
- D none of the above

QUESTION 82

To do business effectively in developing countries, companies should _____.

- A focus on economies of scale through mass production and low mark-up
- B focus on low maintenance projects and infrastructure
- C design products to meet the needs of the population
- D establish and maintain convenient distribution networks
- E all of the above

QUESTION 83

Innovation in an organisation could include a variety of approaches. They are:

- (i) Technological innovation of products
- (ii) Technological innovation of services or processes
- (iii) Product-market innovations
- (iv) Innovative marketing strategies
- (v) Management innovations

Select the correct combination

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

QUESTION 84

Which one of the following is part of the creative process?

- A. Virtual thinking
- B. Decision making
- C. Problem generation
- D. Idea actualisation

QUESTION 85

Select only the correct forms of innovation as identified by Schumpeter.

- A. Substantially altering the way in which work is carried out
- B. Production of a new product or service
- C. Patenting a new method of production
- D. Exporting to new markets

QUESTION 86

Which statement below most accurately describes innovation?

- A. Transforming an existing product into an economically viable one.
- B. The commercialisation of an invention, a product, service, method or process.
- C. The diffusion of new services in a market where it did not previously exist.
- D. Creating a competitive advantage where previously there was none.

QUESTION 87

A _____ enables the owner of that particular intellectual property to exclude others from making, using, exercising or disposing of a registered invention.

- A. registered design
- B. copyright
- C. patent
- D. trademark

QUESTION 88

Certain factors resulted from South Africa joining BRICS (the trade alliance between Russia, Brazil, India, China and South Africa). These are:

- A. New business opportunities were created in Gauteng and the Western Cape.
- B. The structural weaknesses in the local South African economy were highlighted.
- C. South African businesses have to face new competitive treats.
- D. Strong South African companies now have the opportunity to become even stronger.

QUESTION 89

Identify the correct driver of **industry** globalisation as part of the development of a total global strategy.

- A. Market: Countries are selected for their potential contribution to global benefits.
- B. Costs: Economies of scale and mass production versus customised products and services.
- C. Environment: New technologies, new products and services, and new entrants.
- D. Competition: This depends on the competitive forces in the industry and the specific location.

QUESTION 90

Complete the sentence below with the statement that best describes the triple bottom line approach.

The triple bottom line approach _____.

- A. defines a business's ultimate worth in financial terms
- B. requires responses to how the business impacts positively on individuals or communities
- C. improves good corporate citizenship as it takes into account social and environmental responsibilities along with financial ones
- D. assists in providing a big picture of the local and global impact

QUESTION 91

_____ take(s) place when firm either buys an existing foreign company that is in operation in a host country, or buys into a foreign company that is in operation.

- A. A brown field investment
- B. A green field investment
- C. Foreign direct investment
- D. Mergers and acquisitions

QUESTION 92

How may the intra-African free trade change the dynamics of trade in Africa?

- (i) By improvement of cross-border trade by simplifying import procedures.
 - (ii) By controlling the number of exporters at the borders.
 - (iii) By improving the professionalism of officials.
 - (iv) By supporting traders' associations.
 - (v) By improving the flow of information on market opportunities.
- A. (i), (ii), (iii) and (v)
 - B. (iii), (iv) and (v)
 - C. (i), (iii) and (v)
 - D. (i), (ii), (iii), (iv) and (v)

QUESTION 93

Select only the true statement from the list below:

- A. Some multinational companies (MNC's) from developed countries have primary market share in their fields.
- B. The increase in disposable income in South African has given rise to large retailers to expand further into Africa.
- C. Some South African retailers like Shoprite are planning large scale expansions.
- D. Only a small minority of African countries fall in the bottom half of the *World Bank Ease of doing Business Index*.

QUESTION 94

Which of the following will help a MNC to effectively do business in developing countries?

- (vi) manufacturing and selling affordable products
 - (vii) designing products to meet the government's standards
 - (viii) establishing and maintain capital intensive distribution infrastructure
 - (ix) focussing on low maintenance projects and infrastructure
 - (x) focussing on economies of scale through mass production and low mark-up
- A. (i), (iii) and (v)
 - B. (i), (ii), (iii) and (v)
 - C. (iii), (iv) and (v)
 - D. (i), (iv) and (v)

QUESTION 95

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 96

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 97

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.

QUESTION 98

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 99

The four common traits of successful trade blocs 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 100

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 101

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)

QUESTION 102

In order to effectively and efficiently implement change, firms may employ a range of different measurement systems which include _____.

- A reinforcing
- B follow-up
- C benchmarking
- D stakeholder management

QUESTION 103

An organisation that gradually improves its products over time, such as an IT company, would apply which type of innovation?

- A Ad hoc innovation
- B Modular innovation
- C Radical innovation
- D Incremental innovation

QUESTION 104

_____ consumers in emerging economies have strong purchasing power and are becoming increasingly qualified, informed and sophisticated and are of key importance to the success of organisations that would like to invest.

- A High-income class
- B The bottom of the pyramid
- C Lower-income class
- D Middle-income class

QUESTION 105

_____ is associated with a product or service that is entirely new to the market and represents a technical breakthrough.

- A Radical innovation
- B Modular innovation
- C Incremental innovation
- D Continuous innovation

QUESTION 106

Which of the following statements are correct?

- (i) International trade is more costly than domestic trade.
- (ii) International trade is mostly restricted to trade in goods and services.
- (iii) International trade is mostly restricted to trade in capital, labour or other factors of production.
- (iv) Increasing international trade is crucial to the continuance of globalisation.

Choose the correct answer:

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

QUESTION 107

Inventors and designers of new products or services can protect their intellectual properties by _____ .

- (i) design registrations
- (ii) research
- (iii) registration of patents
- (iv) copyright protection

Choose the correct answer:

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

QUESTION 108

The following are forms of foreign direct investment:

- (i) Greenfield investment
- (ii) Mergers and acquisition
- (iii) Multinationals
- (iv) Brown-field investment

Choose the correct answer:

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

QUESTION 109

The hierarchy of innovation is from the lowest at level one to the highest at level five. The third level is _____ .

- A architectural innovation
- B product and service innovation
- C business model innovation
- D management innovation

QUESTION 110

The competitiveness of a country directly influences the level of development and income per citizen as well as the employment level in a country. Economies can be classified as:

- (i) Factor-driven
- (ii) Service-driven
- (iii) Efficiency-driven
- (iv) Innovation-driven

Choose the correct answer:

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

QUESTION 111

There are numerous ways to determine with which partners to trade. The most important trade theories are:

- (i) Country similarity theory
- (ii) Country risk theory
- (iii) Country differences theory
- (iv) Country travel theory

Choose the correct answer:

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

QUESTION 112

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.

QUESTION 113

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)

QUESTION 114

The _____ encourages the board to be well balanced and to avoid group think; and to increase the accountability of directors and management.

- A. Cadbury committee (1991)
- B. The UK Corporate Governance Code
- C. The Greenbury report (1995)
- D. The King III Code

QUESTION 115

_____ suggest(s) that the CEO of a public organisation must take responsibility for financial (annual) reports by certifying that these statements do not contain any untrue statement, omit any material fact, or are misleading.

- A. Audit regulations
- B. Management assessment
- C. Corporate responsibility
- D. Company recordkeeping

QUESTION 116

Which of the following elements are the minimum elements to be included in a risk register?

- (i) The (inherent) risk related to the objective without any controls (intervention).
- (ii) A preventative control that will reduce the impact of the risk
- (iii) The date that the RACI people must provide feedback on the risk
- (iv) The risk that remains after the implementation of controls

Select only the correct combination of answers.

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

QUESTION 117

The IDEF0 (Integration definition for function modelling) methodology is applied to the field of _____

- A. risk management
- B. project management
- C. change management
- D. business management

QUESTION 118

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 119

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 120

To assist the project management team in identifying required people elements, a _____ can be used.

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

QUESTION 121

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

QUESTION 122

In order to effectively and efficiently implement change, firms may employ a range of different measurement systems which include _____.

- A reinforcing
- B follow-up
- C benchmarking
- D stakeholder management

QUESTION 123

Which of the following can be considered as inputs in the risk identification process?

- (i) The objective to be achieved
- (ii) Business in context
- (iii) Lesson learnt
- (iv) Assumptions

Choose the correct answer:

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

QUESTION 124

Risk management refers to _____

- A the amount of risk an organisation is willing to pursue
- B the consequence thereof
- C the event itself
- D the effect of uncertainties on objectives

QUESTION 125

Duduzile is working for a local bakery and one of her duties is to bake 50 loaves of bread every morning. In order to do so, the following are needed: flour, eggs, milk, salt and water. With reference to a typical risk management process, the ingredients will be part of the _____.

- A techniques
- B constraints
- C inputs
- D resources

QUESTION 126

Benefits of the ISO 31000 risk management framework that can be exploited in determining and understanding the context in which the objectives take place include enabling management to _____.

- (i) minimise surprises and losses
- (ii) enhance risk response decisions
- (iii) increase operational effectiveness and efficiencies
- (iv) assist in business and progress reporting

Choose the correct answer:

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

QUESTION 127

ISO 31000 indicates that the monitor, review and control process should determine _____.

- (i) whether new risks have arisen
- (ii) whether the risk priorities have changed
- (iii) whether the risk still exists
- (iv) the outcome of the risk analysis

Choose the correct answer:

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

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

QUESTION 128

A project refers to _____.

- A an activity with a fixed start date, but no end date
- B a number of ongoing tasks an organisation undertakes
- C a set of activities with fixed start and end dates
- D a task without a budget

QUESTION 129

Project management refers to_____.

- A any other kind of management
- B a planning technique used differently in Africa and Europe
- C a job that should only be undertaken by technical staff
- D the planning and controlling of resources for a specific time to achieve a pre-determined goal

QUESTION 130

Which one of the following is the second last step of the project life cycle?

- A The monitoring and control process
- B The definition process
- C The planning process
- D The implementation process

QUESTION 131

A project can fail because:

- A The project is planned in too much detail
- B The project is not controlled closely
- C Stakeholder requirements are too specific
- D Project risks are identified too early in the project

QUESTION 132

Dumisani is an electrical engineer and he is tasked to develop an affordable solar panel battery-operated system for households that could be used to keep the lights on during load-shedding. The only certainty is what he must do, but the how is not clear. Which type of project would be applicable in this case?

- A Agile project management
- B Virtual project management
- C Extreme project management
- D Traditional project management

QUESTION 133

A _____ is developed for a specific project and it is the justification for projects that makes it possible to decide between alternative projects and ultimately select a project or projects an organisation becomes involved in.

- A Project charter
- B Case study
- C Project plan
- D Business case

QUESTION 134

Generally, a risk exists when the following conditions are met.

- (i) A situation arising that is likely or has a potential to lead to an undesired outcome
- (ii) The outcome of a risk may be evaluated
- (iii) The likelihood or chance that an event may or may not occur
- (iv) Disbelief in the possibility of new outcomes

Choose the correct answer:

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

QUESTION 135

It does not matter how a project is defined, it will always _____ .

- (i) be unique
- (ii) be permanent
- (iii) have limited resources
- (iv) have defined deliverables

Choose the correct answer:

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

QUESTION 136

There are many types of change measurements used by organisations, some of which are as follows:

- (i) Cost-benefit analysis
- (ii) Benchmarking
- (iii) Key performance indicators
- (iv) Best practice

Choose the correct answer:

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

QUESTION 137

In the South African business environment, corporate governance is introduced by means of the King I (and currently King IV) report on corporate governance. By using the comply-or-explain approach, the King Code tries to achieve the overarching corporate governance principles of which of the following?

- (i) Fairness
- (ii) Accountability
- (iii) Responsibility
- (iv) Transparency

Choose the correct answer:

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

QUESTION 138

Risk management has some disadvantages. Which of the following can be considered as some of the disadvantages of risk management?

- (i) Seeing risk management as just another burdensome process
- (ii) Burdening overstretched resources
- (iii) Assisting in the optimal use and allocation of resources
- (iv) Assisting in business reporting

Choose the correct answer:

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

QUESTION 139

Risk identification is a process of finding, recognising and describing risks. It is one of the three sub-processes used in _____.

- A risk control
- B risk assessment
- C risk management
- D risk appetite

QUESTION 140

Change can be _____.

- (i) proactive or reactive
- (ii) concentrated or dispersed
- (iii) accidental or deliberate
- (iv) relevant or irrelevant

Choose the correct answer:

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

QUESTION 141

Which of the following are the main barriers to organisational change?

- (i) Lack of change readiness
- (ii) Trade unions
- (iii) Poor leadership
- (iv) Poor communication

Choose the correct answer:

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

QUESTION 142

What measures may an organisation consider in order to entrench a risk management culture effectively?

- A Having a senior manager supporting and defending risk management throughout the organisation.
- B Seeking acceptability in management practices.
- C Encouraging only senior staff to gain knowledge and skills in risk management.
- D Recruiting staff based on their technical skills and abilities.

QUESTION 143

Residual risk can be defined as _____ .

- A the risk related to the objective without any controls
- B potential source that can influence the objective
- C preventative control that will reduce the impact of the risk
- D the risk that remains after the implementation of controls

SECTION B**[75 MARKS]****CASE STUDY: MULTICHOICE TO OFFER NETFLIX AND AMAZON THROUGH ITS NEW DECODER**

Since Netflix entered the South African market in 2016, it has given MultiChoice a serious run for its money, with premium subscribers leaving in droves in favour of the US-based video-on-demand service. MultiChoice is fighting tooth and nail to remain relevant amid tough competition from online streaming services. The pay-TV operator lost more than 100,000 premium subscribers in the previous financial year. It has lost a further 40,000 subscribers to date. MultiChoice SA CEO Calvo Mawela attributed this loss of business to unregulated competition from video-streaming company Netflix, saying it had an unfair advantage as it was not under any regulatory pressure in SA. The Johannesburg-based company decided not pursue the court case. Instead, the company introduced its own streaming product, called Showmax, to offer cheaper deals on premium packages to shore up its customer base. Subsequently, MultiChoice Group Ltd has signed deals with Netflix and Amazon to offer their streaming services through its new decoder, a move intended to help Africa's largest pay-TV company retain subscribers.

For giants like Netflix and Amazon, the MultiChoice deal offers real scale and a footprint into Africa. MultiChoice CFO Tim Jacobs said these agreements are part of a new streaming platform MultiChoice would launch that would include content from international players. This agreement ensures that MultiChoice is a “one-stop-shop” where customers pay a single bill and get access to all streaming content – including Netflix and Amazon Prime Video. This project entails how the Netflix and Amazon content will be integrated into MultiChoice’s Explora decoder. In terms of pricing, MultiChoice could consider offering an opening special for the full package of Netflix and Amazon Prime Video at a discounted rate. MultiChoice’s Satellite TV, DStv currently serves about 20 million households across 50 South African countries. With the new partnership, the numbers are about to rise. It is important to highlight that this is an unusual move considering that both Amazon and Netflix are competitors to the satellite TV giant.

MultiChoice already provides a streaming offering, Showmax, which is also available on Explora and can be seen as a competitor with Netflix and Amazon to some extent, and the move to integrate the latter represents a significant shift in strategy.

Sources: Adapted from: <https://businesstech.co.za/news/media/406683/multichoice-to-offer-netflix-and-amazon-through-its-new-decoder/>;
<https://mybroadband.co.za/news/broadcasting/356421-dstv-package-with-netflix-and-amazon-what-it-could-cost.html>.

QUESTION 1

[20 MARKS]

The decision to introduce new content from different platforms such as Showmax, Netflix and Amazon by MultiChoice is typical example of organisational change, which has three (3) steps (pre-change, change and post-change). Use the organisational change management model to describe how MultiChoice can apply this framework to manage the transition effectively (**NB: Cover all the elements of each step to get maximum marks**).

QUESTION 2

[25 MARKS]

- 2.1 There are five options (**i.e. treat, tolerate, transfer, take the risk and terminate**) available to MultiChoice to respond to the risk of introducing a new online streaming service and working with competitors. From the case study, identify applicable options and explain how MultiChoice can use them to deal with the risk. (10)

QUESTION 3

[20 MARKS]

MultiChoice will invest capital at cost of 12% to buy content from Netflix and Amazon with the intention to recoup the capital invested and generate profit in five years. Information is provided in the tables below for both projects. Use this information to answer questions 3.1, 3.2 and 3.3.

Netflix Project	
Capital: R 2,000,000	
Revenue - Year 1	R 390,000
Revenue - Year 2	R 500,000
Revenue - Year 3	R 510,000
Revenue - Year 4	R 600,000
Revenue - Year 5	R 490,000

Amazon Project	
Capital: R 2,000,000	
Revenue - Year 1	R 360,000
Revenue - Year 2	R 490,000
Revenue - Year 3	R 505,000
Revenue - Year 4	R 515,000
Revenue - Year 5	R 540,000

Period	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	12%	14%	15%
1	0.990	0.980	0.971	0.962	0.952	0.943	0.935	0.926	0.917	0.909	0.893	0.877	0.870
2	0.980	0.961	0.943	0.925	0.907	0.890	0.873	0.857	0.842	0.824	0.797	0.769	0.756
3	0.971	0.942	0.915	0.889	0.864	0.840	0.816	0.794	0.772	0.751	0.712	0.675	0.658
4	0.961	0.924	0.889	0.855	0.823	0.792	0.763	0.735	0.708	0.683	0.636	0.592	0.572
5	0.951	0.906	0.863	0.822	0.784	0.747	0.713	0.681	0.650	0.621	0.567	0.519	0.497

- 3.1 Calculate the payback period for the Netflix and Amazon projects. (2)
- 3.2 Calculate the net present value for the Netflix and Amazon projects (**NB:** show all your calculations to get full marks). (14)
- 3.3 Based on the information in answers 3.1 and 3.2, advise the management at MultiChoice on which project or projects they should focus on and why. (6)

QUESTION 4

[10 MARKS]

The project for MultiChoice to integrate the Netflix and Amazon online streaming services needs to follow the project transformation process, which mainly consist of input, transformation and output phases. Based on the case study, identify the *input*, *transformation* and *output* elements. (10)

END OF ASSESSMENT