ONLINE ASSESSMENT

FACULTY/COLLEGE	College of Business and Economics
SCHOOL	School of Management
DEPARTMENT	Business Management
CAMPUS	APB
MODULE NAME	Business Decision-making
MODULE CODE	HC1BDMG
SEMESTER	Second
ASSESSMENT OPPORTUNITY, MONTH AND YEAR	MAIN Summative Online Assessment 28 October 2021

SUBMISSION DATE	28 October	**SUBMISSION TIME**	Before midnight
ASSESSOR	Dr P Thomas		
MODERATOR	Dr J Usher		
DURATION	2 hours (120 minutes)	**TOTAL MARKS**	100

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	6

INFORMATION/INSTRUCTIONS:

- This is an online assessment.
- Read the questions carefully and answer only what is asked.
- **Answer all the questions online in BlackBoard.**
- **ANSWER ALL QUESTIONS IN SECTION A**
- **READ THE CASE STUDY TO ANSWER ALL QUESTIONS IN SECTION B**
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

Declaration of original work

Submitting this assessment serves to declare that my academic work is in line with the Plagiarism Policy of the University of Johannesburg which I am familiar with. I further declare that the work presented is authentic and original. I understand that plagiarism is a serious offence and should I contravene the Plagiarism Policy, I may be found guilty of a serious criminal offence (perjury).

You have one 2 hour opportunity to write BOTH Section A and Section B on BlackBoard.

There is only one online opportunity to write section A and section B
Do not stop and let the system submit in the middle of the online exam as you cannot start again.
Make sure you have EXCELLENT connectivity.
It is YOUR responsibility to successfully complete the exam in one sitting by ensuring excellent connectivity.

Read the case study to answer questions in section B.

SECTION A (60 marks = 30 x 2 marks)

Answer all questions presented on BlackBoard in the randomised pool. Use all the online materials you have in HC1BDMG BlackBoard to answer these questions.

In section A each question is:
2 marks if right.
Zero marks if wrong.
Answer all 30 questions BlackBoard presents to you in section A (30 x 2 marks per question = 60 marks). You can backtrack.
Each question is either multiple choice (4 options for the answer) or True/False.

Examples of questions in section A from the online pool of over 100 randomised questions:

Multiple Choice
A risk matrix has how many options for LIKELIHOOD?

Multiple Choice
A risk matrix has a severity rating of how many options?

Multiple Choice
The problem as the SQUARE in a decision tree is often called the.........................?

Multiple Choice
In a decision tree the opportunities are often shown by which shape?

Multiple Choice
Step 4 in the 7 step decision making process is............................?

Multiple Choice
The scenario development process has 4 steps, the first step is....................?

Multiple Choice
Scenarios are ....?

Multiple Choice
A risk analysis tries to create a plan to ....?

Multiple Choice
Uncertainty is reduced by having....................?

Multiple Choice
Programmed decisions are those that are ....?

Multiple Choice
A business policy is generally the result of.................

Multiple Choice
Risk profiling has how many steps?

Multiple Choice
The colours in a risk matrix are always the same internationally.
They are ....?

Section B (10x4 marks = 40 marks)

Review the case study you have been given on BlackBoard for this exam before the exam.
All the section B online questions are based on this case study.
Then answer all 10 questions associated with this case study.

In Section B each question is:
4 marks if right.
Zero marks if wrong.
Use all the content loaded to BlackBoard from the course to answer 10 questions in Section B (10x4marks = 40 marks). You can backtrack.
<u>The questions in section B are ONLY true/False.</u>

Main exam HC1BDMG case study
Read this case study thoroughly (from end to end several times and read in conjunction with your course notes) before beginning to answer section B of the online BlackBoard main exam
The store manager tells the senior manager they are running out of TVs on the showroom floor. The boundaries of this problem are that the number of TVs have fallen to an inadequate stock level and there maybe not enough TVs on the showroom floor to sell if several customers arrive to buy them. A big rugby match is scheduled to be shown on the TV in two weekend's time so customers are expected to come in to buy. This is a serious problem if no new TVs can be brought in to sell prior to the rugby match, as this will affect the business performance financially. JVU
Generally in business, you need to achieve a specific goal(s) from your decision. The overall goal is to have enough TVs to sell to maximise business profit. The manager needs to gather information relevant to this specific problem area to help make an informed decision.
To make an informed decision the manager must understand the problem fully and to do this he must gather more information about how the current situation of a shortage of TVs occurred so that he can fix the problem from its root. The manager needs to

use business tools (studied in this module) to gather reliable and valid information on which to base his final decision.
Any decision taken must be <u>measurable</u> (measurements are called metrics and are known in business as Key Performance Indicators (KPIs).
The manager decides on a time parameter associated with the goal of getting the TVs on the showroom floor – the TVs have to be on the show room floor 2 weeks before the big rugby game.
The business tools revealed that the business's online stock control system (software) did in fact tell the showroom employees that the stock of TVs was getting low. The employees had sent in an order for more TVs but their supplier keeps sending messages that the TVs are on this way. But nothing has arrived.
The manager's use of business tools to diagnose the root cause of the TV shortage problem has pinpointed that a competitor is seemingly, deliberately cornering the supply of TVs to drive our own business out of the market. Some of the management team had also heard that a competing TV business was selling TVs cheaper and that the TV supplier was in fact channelling all their TV supplies at the moment to that competing TV business first. This competing TV sales business seems to have created a sole supplier contract with our own business's supplier meaning you need a new supplier.
After a great deal of brainstorming by the showroom employees and managers, two options were decided as available to the business (remember this is an imaginary case study and there may be as many as 7-10 options but this case study is just to demonstrate the Decision-Making Process (Figure 1.1)).
The management team decided that the possible options on which to develop possible scenarios that can be adopted going forward were:

1) Get a new South African based supplier.

2) Cut out the South African middleman supplier and order straight from the manufacturer in Taiwan.

Having decided on these 2 possible scenarios the TV management team must now brainstorm the possible risks and rewards associated with each scenario. In this way they can make an informed decision as to which scenario offers the least risk and maximised opportunity for reward. Once the team have this information they can make an informed decision on which scenario to launch as their business strategy to solve the business problem. A few of the impacts of risk and reward/opportunities from business activity are as follows:

Risk: the possibility of business failure, financial loss, lack of security for the business and employee, loss of intellectual property, loss of a competitive advantage in the industry.

Reward: the possibility of business success, financial profit, business growth, market-share growth, innovation.

- There may be uncertainties in your scenarios.
  JVU
- Uncertainty simply means the lack of certainty or sureness of an event happening. Scenarios are only the best, information-informed prediction of the future but do not guarantee that the scenario will play out exactly as brainstormed.

- A business will face uncertainty when a lack of information makes an outcome difficult to predict.
- Risk is the possibility of something going wrong, for businesses this will usually be seen in lower sales and reduced profits, i.e. reduced business performance. Businesses face many risks. These can be internal (inside the business), or external (outside the business).

The management team decided that the two best options going forward to consider, were:

- Option 1 – Get a new South African based supplier.
- Option 2 – Cut out the South African middleman supplier and order straight from the manufacturer in Taiwan.

Risks in option (1) ***(****Get a new South African based supplier****)*** **are:**

Risk 1.1 – getting a new South African supplier might take time and the showroom needs TVs for the big rugby game.
Risk 1.2 – the business finds a new supplier who can supply in time but the TVS cost more per unit than the old supplier.

Risks in option (2) ***(****Cut out the South African middleman supplier and order straight from the manufacturer in Taiwan)* **are:**
Risk 2.1 – a global pandemic may stop the containers being shipped for a while.
Risk 2.2 – the landed price per TV from Taiwan will be lower but the time to order will be longer than a South African based supplier.

Risk analysis scenario 1 / Option 1 – Get a new South African based supplier.

Risk 1.1 – getting a new South African supplier might take time and the showroom needs TVs for the big rugby game. It takes time to negotiate with a supplier
Likelihood 4
Severity / magnitude of impact 3

Risk 1.2 - the business finds a new supplier who can supply in time but the TVs cost more per unit than the old supplier.
Likelihood 3
Severity / magnitude of impact 2

Opportunities- using a South African supplier probably means there will be reduced shipping costs getting the TVs from somewhere within South Africa from the supplier warehouse. Also, the TVs will not be held up at customs.

Risk analysis scenario 2 - Cut out the South African middleman supplier and order straight from the manufacturer in Taiwan**:**
Risk 2.1 – a global pandemic may stop the containers being shipped for a while.JVU
Likelihood 4
Severity / magnitude of impact 5

Risk 2.2 – the landed price per TV from Taiwan will be lower but the time to order will be longer than a South African based supplier.

Likelihood 3

Severity / magnitude of impact 3

Opportunities – The Taiwanese supplier may have better technology in their TVs than the shop is currently offering their customers and this may drive TV sales.

Case study ends.