

**INSTRUCTIONS TO CANDIDATES:****SECTION A**

Answer **ALL** of the short theory TRUE/FALSE questions in your exam book like this:

1. TRUE

2. TRUE

3. FALSE and so on...

**So not write T or F as these will be awarded zero marks**

**SECTION B - ANSWER ALL QUESTIONS IN SECTION B**

- This is a closed book assessment.
- Read the questions carefully and answer only what is asked.
- **Number your answers clearly.**
- **Write neatly and legibly.**
- Structure your answers by using appropriate headings and sub-headings.
- **Answer in COMPLETE sentences**
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

<b>SECTION A (40 marks) THEORY ANSWER <u>ALL THE</u> QUESTIONS</b>	<b>MARKS</b>
<b>There is NO negative marking so try and answer all 20 questions</b>	
1. In making a business decision, you first must gather as much valid information as you can about the business problem you have to deal with..	<b>2</b>
2. The process of team bonding has 3 stages	<b>2</b>
3. PESTEL, SWOT, Porter's 5 Forces and a Risk Analysis - are all tools to be used to diagnose the <u>root cause of a problem</u> in both structured and unstructured problem solving.	<b>2</b>
4. Potential return on investment from Technologies is a T under PESTEL.	<b>2</b>
5. Step 7 of the decision-making process is: <b>Implement the chosen action/scenario.</b>	<b>2</b>
6. Programmed decisions are those that are the result of frequently encountered similar problems - we know what to do, we have successfully done it before, we often have a policy about this to guide us.	<b>2</b>
7. A business's Carbon Footprint is the E for Environmental under PESTEL	<b>2</b>
8. Business decision making has a goal to maintain and improve the business's performance over time.	<b>2</b>
9. PESTEL is an analysis tool of the micro-environment of the business.	<b>2</b>
10. During a brain storming meeting with your team it is not your place as the senior manager to ensure all team members get a chance to speak their ideas to solve a business problem.	<b>2</b>
11. The PESTEL analysis model is used by managers in decision-making to examine the internal factors affecting their company.	<b>2</b>
12. <b>A BUSINESS STRATEGY:</b> refers to the actions and decisions that a company takes to reach its business goals and be competitive in its industry.	<b>2</b>
13. The acronym KPI stands for Key People Indicator.	<b>2</b>
14. <b>Societal</b> trends regarding how people think and behave have major implications for management in making strategic decisions about products and markets.	<b>2</b>

15. Structured decisions are often built into a company's procedures and policies.	2
16. <b>DECISION-MAKING</b> skills influence a manager's ability to work well with people.	2
17. Business <b>OUTPUT</b> resources are human resources, information, physical assets (machinery etc.) and financial resources.	2
18. <b>STRUCTURED DECISIONS:</b> These are the easiest types of decisions to make.	2
19. Business decision making requires managers to use the business resources in mixes that lead to their best use in creating business optimised performance. There are several ways a manager can make the resource mixes and it is the manager's job to decide which mix will be best for the company. The options to be chosen as resource mixes are called scenarios.	2
20. Michael Porter's model of industry rivalry influences on a business interrogates 4 forces.	2

**SECTION B (60 marks)****ANSWER ALL QUESTIONS IN THIS SECTION**

**NUMBER EACH ANSWER CORRECTLY – using the wrong numbering in answering may result in a zero mark.**

**USE THE CASE STUDY TO DEMONSTRATE YOUR KNOWLEDGE IN ANSWERING THESE QUESTIONS**

**CASE STUDY - READ THROUGH BEFORE YOU BEGIN TO ANSWER THE QUESTIONS**

Best Shoes is a very successful shoe seller in Gauteng province. The company is thinking of expanding into the Limpopo province where they have never made sales before.

To do this there has to be a marketing campaign run by Best Shoes in Limpopo to let everyone on Limpopo know that Best Shoes is now selling shoes in Limpopo.

To run the marketing campaign the Best Shoes marketing team brainstorms about what type of media (social media? Magazines? Newspapers?) could give them best access to attracting customers.

The marketing team come up with two scenarios for their marketing.

**Scenario 1**

Go the social media route using 4 social media channels as follows: WhatsApp, a website, Instagram and, LinkedIn.

But will the adverts reach a shoe buying audience? This is a risk the marketing team must consider.

Some of the marketing team think the adverts should only go out on 2 channels (WhatsApp and a website) to save money.

So, should the marketing team use 4 social media channels or just 2?

Using only 2 would be cheaper so a benefit.

**Scenario 2**

Go the printed media route.

Use two printed media marketing channels = magazines and newspapers.

Advertising in printed magazines and newspapers is very expensive.

This is a risk.

Will people read the print?

*Scenario 2 continues.....*

Does the Best Shoes marketing team need both magazines + newspapers?

A benefit of using printed marketing media is that people keep newspapers/ magazines several weeks and re-read them.

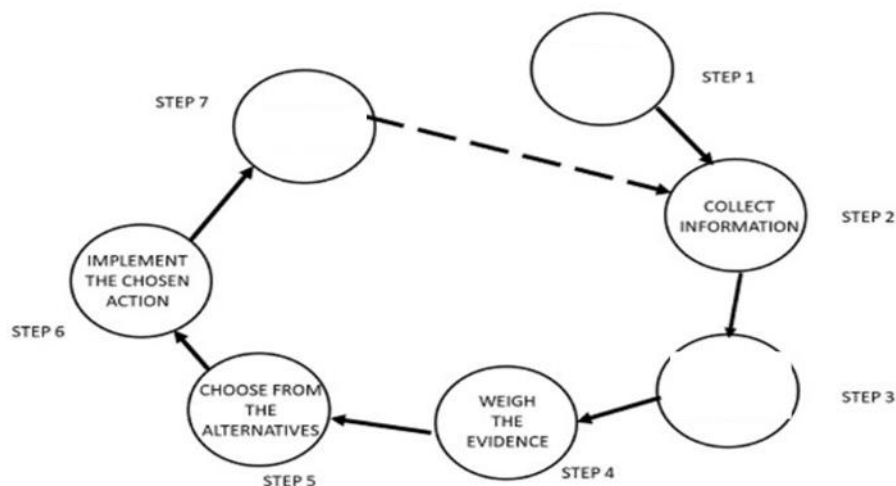
Best Shoes may get more value out of the expensive printed media advertising if people look several times at Best Shoes adverts.

**B1.1 (18 marks)**

**Review the business decision- making process (Figure 1).**

**The names on some of the steps in Figure 1 are missing.**

**Figure 1.**



B1.1.1 Name STEP 1 and then describe why STEP 1 of the process is important to the Best Shoes business to undertake (6 marks).

B1.1.2 Name STEP 3 and then describe why STEP 3 of the process is important to the Best Shoes business to undertake (6 marks).

B1.1.3 Name STEP 7 of the process and then describe why STEP 7 of the process is important to the Best Shoes business to undertake (6 Marks).

**B.2 (18 marks)**

One of the brainstorming tools Best Shoes can use to gather information to help them make an informed decisions is Figure 2 – the SWOT analysis.

In the SWOT – Threats (T) and Opportunities (O) come from the outside environment and affect Best Shoes.

While, Strengths (S) and Weaknesses (W) are elements within Best Shoes.

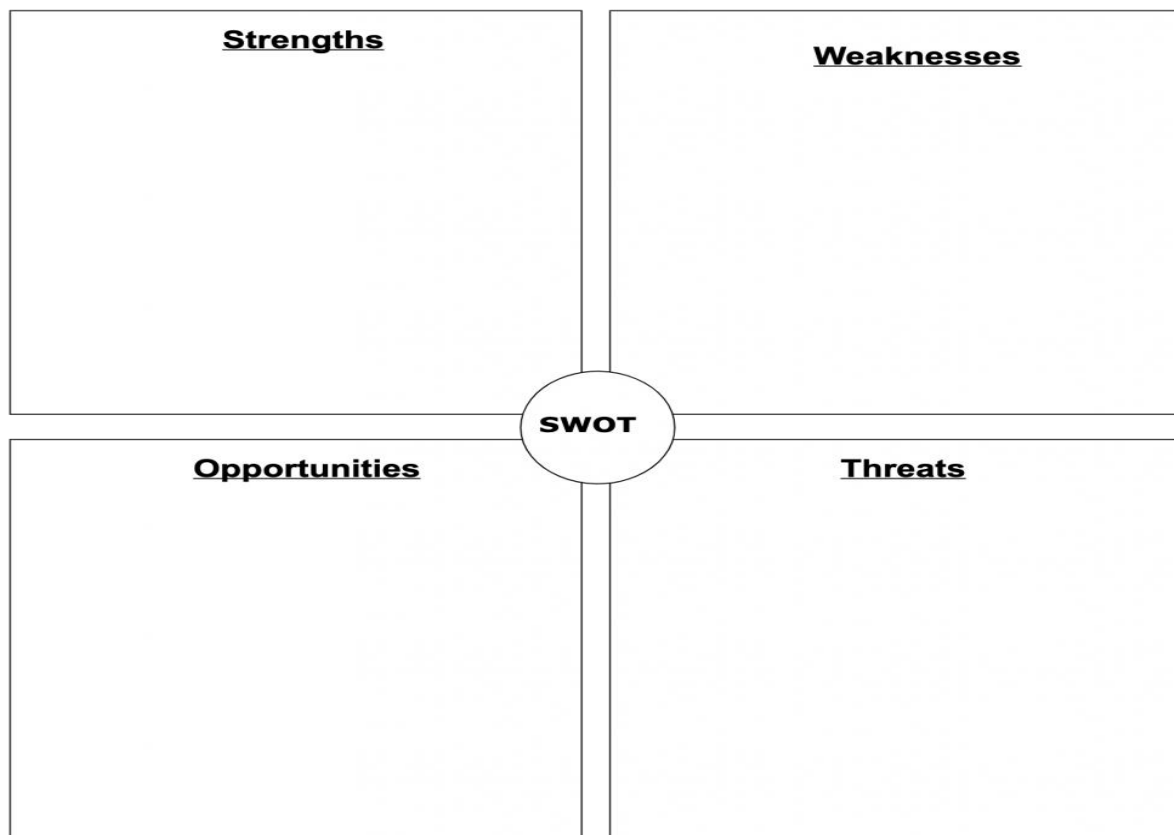
**Read the following about Best Shoes and answer B2 questions below.**

Best Shoes has a very good sales staff in Gauteng. The sales staff manage to sell over 1000 pairs of shoes a month.

However, the storeroom for new shoes at Best Shoes is often a mess. The storekeeper does not do a good job of getting in new shoes from shoe suppliers and putting them neatly on the storeroom shelves.

The sales team is very excited about the possibility of expanding shoe sales for the first time to the Limpopo province. But the sales team realise they will have competition in Limpopo to sell Best Shoes products because there are already well-established Limpopo shoe sellers.

**Figure 2**



B2.1 Name one (1) strength Best Shoes has and explain why this is a strength (4 marks).

B2.2 Name one (1) threat for Best Shoes from the case study and describe how that threat could be minimised (5 marks).

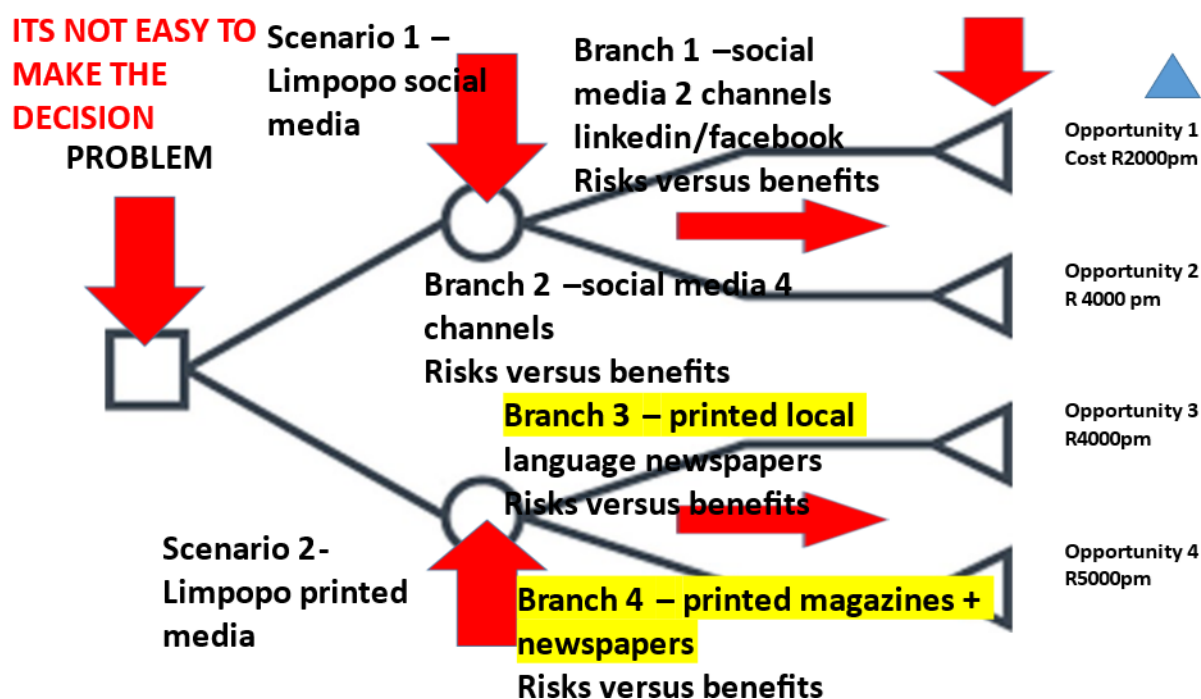
B2.3 Name one (1) opportunity for Best Shoes from the case study and describe how the opportunity can benefit Best Shoes (5 marks).

B2.4 Name one (1) weakness of Best Shoes and explain what could be done to fix that weakness (4 marks).

### B3 (24 marks)

B3.1 Best Shoes draws a decision tree (figure 3) to help them illustrate what scenarios they have. See Figure 3 below – the decision-tree for Best Shoes showing their two (2) scenarios.

Figure 3



B3.1 Demonstrate your understanding of a decision tree by explaining the branch described as **scenario 1**. Begin your explanation at PROBLEM and complete your explanation up to and including the triangles of **Branch 1 and Branch 2**. In writing your answer, ensure you apply the terms **risk and opportunity (benefit)** for Best Shoes. (10 marks).

B3.2 The owner of the Best Shoes marketing leader must guide the employees in making a FINAL group decision from the possible scenarios. However, one of the employees in the brainstorming team (an older lady) is too shy to speak up about her ideas. But this employee has very good ideas. What could the leader do to encourage this lady to speak up? (2 marks).

B3.3 Review figures 4a and 4b (below) that the Best Shoes brainstorming team is using to calculate a **risk rating in questions B3.3.1, 3.3.2, and 3.3.3 below** for each scenario the team have identified.

**Figure 4a – Likelihood of the risk**

Likelihood table		
#	Likelihood category	Category definition
5	Almost Certain	The risk is already occurring, or is likely to occur more than once within the next 12 months
4	Likely	The risk could easily occur, and is likely to occur at least once within the next 12 months
3	Possible	There is an above average chance that the risk will occur at least once in the next two years
2	Unlikely	The risk occurs infrequently and is unlikely to occur within the next two years
1	Rare	The risk is conceivable but is only likely to occur in extreme circumstances

**Figure 4b – severity of the risk (impact) if it happens**

	Severity Ranking	Assessment
5	Catastrophic	Negative outcomes or missed opportunities that are of critical importance to the achievement of objectives or severe injury that could result in to death of employee
4	Critical	Negative outcomes or missed opportunities that are likely to have a relatively substantial impact on the ability to meet objectives or very serious injury medical attention required
3	Serious	Negative outcomes or missed opportunities that are likely to have a relatively moderate impact on the ability to meet objectives or serious injury medical attention required
2	Significant	Negative outcomes or missed opportunities that are likely to have a relatively low impact on the ability to meet objectives or moderate injury 1st aid required and or medical attention required
1	Minor	Negative outcomes or missed opportunities that are likely to have a relatively negligible impact on the ability to meet objectives or Minor Injury 1st aid required

**B3.3.1 (4 marks)**

The Best Shoes marketing team decide they need to calculate a risk rating to calculate for undertaking no advertising at all to launch in Limpopo because the Best Shoes finance accountant wants to save money – but rather just open Best Shoe stores all over Limpopo with no prior advertising. The risk rating for this happening would be:

Likelihood **LIKELY**

Severity **CRITICAL**

Calculate the risk rating using the Likelihood and Severity

Ensure you show all the numeric elements of your calculation.

**B3.3.2 (4 marks)**

The Best Shoes marketing team decide they need to work out a risk rating for the threat posed by the existing Shoes sellers in Limpopo will be to Best Shoes entering the Limpopo market. The risk rating for this happening would be:

Likelihood **3**

Severity **3**

Calculate the risk rating using the Likelihood and Severity

Ensure you show all the numeric elements of your calculation.

**B3.3.3 (4 marks)**

If the Best Shoes marketing team does not get the marketing campaign going in the next month the first Best Shoes store will open in Limpopo and there will have been no advertising done to promote the store. The risk rating for this happening would be:

Likelihood **RARE**

Severity **CATASTROPHIC**

Calculate the risk rating using the Likelihood and Severity

Ensure you show all the numeric elements of your calculation.

**EXAM ENDS**

**The action verbs below are not part of this exam – they are here to help you understand what each question is asking**

Apply	Put to practical use or make use of a relevant equation or law.
Calculate	Determine the value, using formulae or specific calculation methods.
Classify	Group concepts or subjects together based on certain characteristics or commonalities.
Compare	Point out the similarities and differences between objects or points of view. The word <i>contrast</i> can also be used.
Convert	Transform a quantity expressed in one unit to a quantity expressed in another unit.
Define	Give a short and clear description of a term or concept.

Demonstrate	Show clearly/prove/make clear by reasoning or evidence/illustrate and explain, especially with many examples.
Derive	Deduce or infer something from the given information.
Describe	Tell in detail how a process works or how a subject appears. You need not comment on the process or the subject or give your own point of view.
Differentiate	Find differences between objects or statements.
Discuss	Explain terms or concepts in your own words. Give comments or give your own point of view.
Distinguish	Write down the differences between subjects or concepts.
Draw	Create a drawing, diagram or representation of a subject or concept.
Explain	Write about the subject in your own words. Clarify or give reasons – use examples or illustrations. You must prove that you understand the content.
Formulate	Express in a concise, systematic way.
Identify	Establish the identity or recognise a process.
Illustrate	Explain by means of detailed descriptions and drawings.
Interpret	Explain or clarify the meaning of a concept/value.
List/Name	Briefly write down the facts or main points.
Motivate	Give reason(s) for your answer.
Name	Nominate or specify a site or process.
Organise	Arrange data according to certain criteria.
Predict	Use the facts available to derive an outcome.
Relate	Show the relation/connection of entities, how the concepts can be linked.
Solve	Find an answer by using critical thinking and/or calculations.
Summarise	Briefly state/list/write down only the most important detail/facts.