UNIVERSITY EXAMINATIONS

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BUSINESS MANAGEMENT IA

Duration 2 Hours

70 Marks

EXAMINERS .
FIRST : MS N LENHARD
SECOND MS N DA SILVA-ESCLANA

Closed book examination

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This paper consists of 24 pages including 4 sheets of rough work paper (pages 21-24) plus instructions for the completion of one mark reading sheet

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Each question counts one mark.

THE BUSINESS WORLD AND BUSINESS MANAGEMENT

1 The _____ **function** concerns all those activities that mobilise the resources of a business organisation to create the finished products and services that can be distributed to meet the needs of its customers

1 operations
2 purchasing and supply
3 marketing
4 human resource

2 Match the term in column A with the correct description in column B

Column A		Column B	
a	Business ethics	(i)	Those private, need-satisfying institutions of a market economy that accept risks in pursuit of profit by offering products and services on the market to the consumer
b	Consumerism	(ii)	A social science that studies how humans choose different ways of using their scarce resources to produce products and services
c	Business organisations	(iii)	A concept that focuses specifically on the ethical behaviour of managers and executives in the business world
d	Economics	(iv)	A social force that protects consumers against unsafe products and malpractice by exerting moral and economic pressure on businesses

1 a (iv) b (iii) c (i) d (ii)
2 a (iii) b (iv) c (i) d (ii)
3 a (i) b (iv) c (iii) d (ii)
4 a (iii) b (iv) c (ii) d (i)

Read the case study below and answer questions 3 to 5.

KELLOGG CASE-STUDY: FOUNDATIONS OF AN EMPIRE

The Kellogg's story starts back in Battle Creek Sanatorium, Michigan USA, in the 1870s Set up by brothers Will Keith Kellogg and Dr John Harvey Kellogg, it was founded on a deep belief that 'you are what you eat ' along with plenty of fresh air, exercise and a strict ban on caffeine, alcohol, tobacco and meat In 1876, in pursuit of a breakfast food that was at once wholesome and half-way pleasant to eat (a rarity in those days), Dr John had a 'Eureka' moment! While experimenting with different ways to cook and crush wheat to make it more palatable without losing its goodness, he inadvertently ran a batch of cooked wheat through the rollers that had been standing around for a day or so And out of the other side came Kellogg's Corn Flakes

Testing their new discovery on their patients confirmed that here indeed was the delicious, nutritious breakfast the brothers had been seeking When orders started coming for the new flakes from former patients, they knew they were onto a good thing and set up a separate company to manufacture their cereal under the name Sanitas

In 1906, Will Keith Kellogg decided to risk a portion of his hard earned capital on his first advertising campaign, with spectacular results One full-page advert in the Ladies' Home Journal boosted sales to 2, 900 cases per day and by 1909 the small company in Battle Creek was producing and selling one million cases per year Among many innovations Will Keith Kellogg made that were later to be accepted wholesale by the food industry was an insistence on consistency and quality control Not just that, he also led a relentless campaign for improvement and innovation in his products

3 Will Keith Kellogg's ability to accept the risks involved in providing his product for society, along with his relentless campaign for improvement and innovation in his product, is indicative of his role as a/an _____ in the business world

1 manager
2 leader
3 entrepreneur
4 role-leader

4 When Will Keith Kellogg ran a batch of cooked wheat through the rollers that had been standing around for a day or so, he was involved in the transformation of certain resources which resulted in the Kellogg's product This is known as the_____ **process**

1 production
2 exchange
3 profit-making
4 human activity

5 The Kellogg's company functions in an environment with a society that has_____ **needs** but _____ **resources** They therefore need to ensure the highest possible degree of satisfaction with these _____ **resources**

1 unlimited, limited, scarce
2 limited, unlimited, scarce
3 scarce, unlimited, limited
4 scarce, limited, unlimited

6 A _____ **economy** is a system of communal ownership of a country's factors of production in which the individual owns no property, with the exception of private domestic assets

1 command
2 mixed
3 socialistic
4 market

7 Which one of the following is an advantage of **socialism**?

1 The state can concentrate resources towards particular ends
2 The state stabilizes economic fluctuations
3 Private initiatives occur
4 Cyclical fluctuations occur

8 There are several economic systems in the world The country of Utopia allows and encourages all members of a community to possess houses and to earn profits on them by renting the houses out to overseas tourists Clothing and food are allocated based on free market demand and are not controlled by the government All residents of Utopia are allowed to choose which careers they want to follow Which **economic system** does Utopia use?

1 Free-market
2 Command economy
3 Socialism
4 Communism

ENTREPRENEURSHIP

9 Which one of the following people is an **entrepreneur**?

1 Lucy has started her own cleaning business following a request from a local insurance firm to take over their cleaning
2 Sam wants to learn how to do professional photography and applies for a position at the local photography shop
3 Kabelo is afraid of working at a high-risk firm and asks for a lower-level job
4 Caron is tired of being driven to perform at the hotel where she works and decides to run her mother's guesthouse

10 Joe Tshehla has just started his own shoe repair business He is a creative person, has a lot of achievement motivation and is willing to take calculated risks Joe also views any challenge as an opportunity Joe is thus a/an _____

1 economist
2 behaviourist
3 entrepreneur
4 Marxist

11 After a few years, Joe's business has grown so much that his employees cannot do all the work anymore He now makes use of Jay's shoe shine depot to polish the shoes once his employees have repaired them This is known as _____

1 housekeeping
2 in sourcing
3 furniture moves
4 outsourcing

12 If Joe decides to buy Jay's shoe shine depot, an **advantage** could be that _____

1 supplier relationships exist
2 there is obsolete inventory
3 the image of the business will be difficult to change
4 employees are inherited

13 ""The introduction of the Egg McMuffin in 1971, for example, enabled McDonald's to cater initially for the breakfast trade Filet-o-Fish, Drive-thru's and Playlands were all products or concepts developed by franchisees " This is an example of the introduction of new products in an existing business which is known as _____

a franchising
b corporate entrepreneurship
c job creation
d intrapreneurship

1 a b
2 b
3 b d
4 d

14 What **disadvantage** might a person experience should they wish to buy an existing business such as McDonald's?

1 Inexperienced employees will come with the business
2 Employees are inherited rather than chosen
3 Supplier relationships will already be in place
4 Obtaining raw material at a high cost

15 Entrepreneurs and small businesses play a key role in the economic development of a country The **strategic role** of small businesses in any economy revolves around _____ and _____

a the production of products and services
b the aiding of small businesses
c job creation
d the creation of new technologies

1 a b
2 b c
3 a c
4 c d

ESTABLISHING A BUSINESS

16 Kabelo is working at a large company that produces television shows for the local broadcaster He is keen to start his own production company and has started the process to establish his own business He will need to employ at least 50 employees to start his business and, due to the nature of the industry, he is expecting the company's turnover to be more than R50 million Which one of the following would be the biggest **consideration** for Kabelo when choosing **a form of enterprise** for his new business?

1 Legal (juristic) personality
2 Limited liability
3 Control
4 Compliance

17 Kabelo needs to take into account that the capital required to start his production company will be substantial Even though the local broadcaster has indicated that it will provide him with some start-up capital, it will not be nearly enough to finance Kabelo's new business venture Kabelo will, therefore, have to acquire capital through a different stream Taking this into consideration, which **type of enterprise** would assist Kabelo in acquiring more capital?

1 Sole proprietorship
2 Private company
3 Public company
4 Partnership

18 If Kabelo decides to start a company, which one of the following changes in the **Companies Act** will have an effect on his business?

1 To register his company, Kabelo will now only have to submit one document called the Memorandum of Incorporation
2 According to the act, there will now be five different types of classification of companies that Kabelo can choose from
3 Kabelo will no longer be able to register a company as this type of enterprise is being discontinued in the new act
4 According to the new act, Kabelo is no longer restricted as to how many partners he may have in his business

19 There are many stakeholders that need to be considered when drawing up a business plan Which of the following are **internal stakeholders** that need to be considered?

a new venture management
b employees
c banks
d customers

1 a b c
2 a b
3 b c d
4 a b c d

20 Sam is wondering if his new business venture, The Boerewors Stand, is the right business for him to start right now To convince himself from a personal point of view that the business is right for him, Sam draws up a business plan to _____

1 sell the business to himself
2 obtain finance
3 obtain investment funds
4 motivate and focus the management team

21 Tebogo is a sole proprietor for his dry cleaning shop named Dry Wonder in Gugulethu in the Western Cape Indicate which one of the following aspects about a **sole proprietorship** is correct

1 The lifespan of Dry Wonder is linked to Tebogo's legal capacity
2 Dry Wonder is a juristic person with its own rights, assets and liabilities
3 Dry Wonder is a separate taxpayer and liable for tax at a fixed rate
4 Ownership of Dry Wonder is transferred through unlimited and free transfer of shares

22 Match the components of the business plan in column A with its correct description in column B

Column A	**Column B**	
a Marketing plan	(i)	Presents projections of revenues, costs and profits
b Management plan	(ii)	Shows who will be the business's customers and what type of competition the business will face
c Operating plan	(iii)	Identifies the 'key players' the active investors, management team and directors
d Financial plan	(iv)	Describes the facilities, labour, raw materials and processing requirements

1 a (iii) b (ii) c (iv) d (i)
2 a (ii) b (iii) c (iv) d (i)
3 a (iv) b (iii) c (ii) d (i)
4 a (ii) b (iii) c (i) d (iv)

23 _____ with legal formalities and regulations can impose a considerable administrative and financial burden on an enterprise

1 Compliance
2 Taxation
3 Limited liability
4 Legal personality

THE BUSINESS ENVIRONMENT

Read the case study below and then answer questions 24 to 26

Troubled low-cost airline Velvet Sky started to lay off staff, during 2012, as it battled with cash flow problems Reportedly, the airline's staff were only given notice of temporary layoff rather than being retrenched Staff was not being paid their salaries during the layoff period The layoffs come as the airline faced a liquidation application in the Pietermaritzburg High Court, which it is challenging

The action was initiated by fuel supplier BP Southern Africa (BPSA) after alleging that Velvet Sky owes it R29 million This also forced BPSA to suspend fuel supply to the airline in January 2012, in order to mitigate against any further financial risk exposure The airline also suspended its flights between February 27 and March 5 "as a result of recent events, the negative impact on business" and "the adverse publicity"

Source Sapa Velvet Sky lays off staff Available online
http //www fin24 com/Companies/TravelAndLeisure/Velvet-Sky-lays-off-staff-20120316

24 From the case study it is evident that Velvet Sky is having problems within its business environment Which of the following represents their biggest problem within the **market environment**?

1 Staff layoffs
2 Supplier suspensions
3 Flight suspensions
4 Bankruptcy

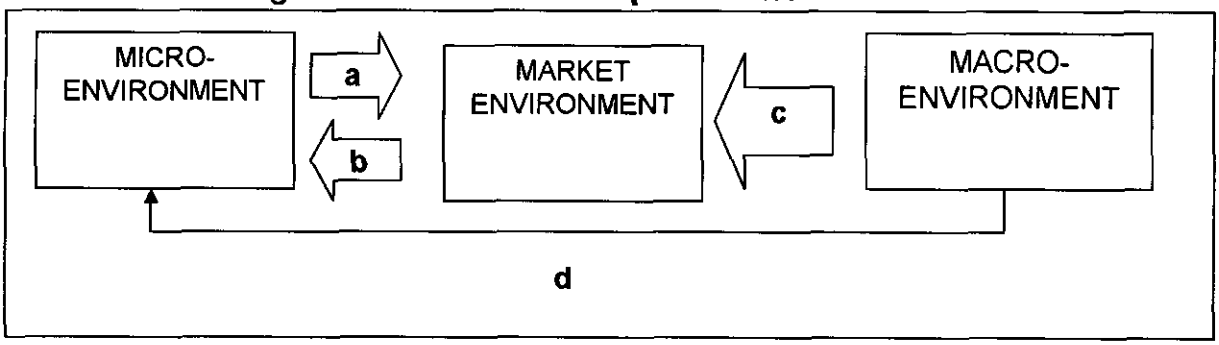
25 Mega-trends such as fuel price increases occur in the _____ environment which forms part of the _____ environment

1 economic, macro
2 technological, market
3 economic, market
4 technological, macro

26 A lot of consumers were negatively influenced by Velvet Sky's suspension of their flights and many people were left stranded Which one of the following strives to protect consumers by exerting pressure on management?

1 Social justice
2 Corporate social responsibility
3 Consumerism
4 Consumer Protection Act

27 **Consider the diagram below and answer question 27.**



The various sub-environments within the management environment influences each other in different ways In the diagram above, (b) represents _____ while (d) represents _____

1 influence on consumers through strategy, direct influence through economic policies and social variables
2 influence on consumers through strategy, direct influence by competitors
3 direct influence by competitors, indirect influence through factors such as interest rates or legislation
4 indirect influence on competitors through strategy, direct influence through technological innovation and legislative developments

28 It is very important that Velvet Sky scans the environment in which it operates to ensure that it remains viable The extent of environmental scanning is determined by several factors Which one of the following is such a factor in Velvet Sky's case?

1 The outer relationship between Velvet Sky and its environment
2 The complex nature of the aviation industry and environment in which Velvet Sky needs to operate
3 The support provided by the business environment
4 Changes in the environment will only affect one part of Velvet Sky's business

29 Duma has been very aware of the number of orphanages in the Port Elizabeth area The increase in the number of children in orphanages is due to the prevalence of HIV and Aids in this region of the country Duma knew that he would want to give back to the community when he started his own business He has decided to have several events for children in orphanages throughout the year at Kids and Things (children's playground & party venue) Duma is responding to changes in the _____ environment

1 economical
2 social
3 physical
4 technological

30 When Woolworths made the decision a few years ago to stop selling five Christian magazines, a few Christian organizations called for their members to boycott the retailer Woolworths then found that they had no choice but to reverse their decision This situation sketched above refers to the _____ sub-environment which is part of the _____ environment

1 technological, macro
2 consumer, micro
3 social, macro
4 supplier, micro

31 The **market environment** of a business consists of consumers, competitors, suppliers and _____

1 resources
2 intermediaries
3 technology
4 the economy

CORPORATE SOCIAL RESPONSIBILITY

Read through the case study below and answer questions 32 and 33.

Coca-Cola and citizenship

For more than a century, the Coca-Cola Company has used its resources to benefit the global community and to demonstrate its leadership to such an extent that the Coca-Cola name has become synonymous with good corporate citizenship Philanthropy is a central part of the Coca-Cola culture and contributes to one of the Company's strongest assets — public goodwill The Coca-Cola Foundation is the Company's main philanthropic arm Its goal is to give something back to the communities in which the Company operates by supporting education and community development activities The Foundation is nearing completion of a ten-year goal of contributing $100 million, during the 1990s, in support of education

Source http //businesscasestudies co uk/coca-cola-great-britain/corporate-citizenship-and-the-community/coca-cola-and-citizenship html#ixzz1sHNTZTI0

32 Philanthropic initiatives by Coca-Cola such as the Coca-Cola Foundation, set up to contribute $100 million in support of education, are referred to in South African terms as _____

1 sustainable development
2 corporate social investment
3 corporate governance
4 the triple bottom line

33 A company such as Coca-Cola recognises that it is in its own interests to be socially responsible, since an enhanced public image is more likely to be attractive to its stakeholders such as investors, employees, customers, consumers, suppliers and host governments The **primary stakeholders** within Coca-Cola consist of the _____

1 community and employees
2 community and shareholders
3 employees and shareholders
4 employees and the media

34 A company wishing to embark on a **stakeholder engagement process** should start by _____

a writing up a business plan
b mapping only the internal stakeholders as they have a direct impact on the business
c mapping all internal and external stakeholders
d defining all stakeholders' roles in and impact on the organisation

1 a b
2 a c
3 b d
4 c d

35 Indicate which of the following statements about **corporate social responsibility** are **correct?**

a The triple bottom line refers to the need to consider the social, environmental and socio-cultural impacts in an organisation
b Stakeholder engagement is at the heart of good corporate social responsibility
c The business case for corporate social responsibility refers to the argument that being a good corporate citizen can contribute to a company's profitability
d Practising corporate social responsibility guarantees economic benefits for a company

1 a b
2 a c
3 b c
4 b d

36 The term _____ recognises corporations as legal persons with certain rights and responsibilities in the same way as individual citizens have rights and responsibilities as members of a community

1 "fiduciary relationship"
2 "corporate citizenship"
3 "corporate social investment"
4 "corporate governance"

37 Stakeholder engagement is a crucial element of corporate social responsibility policies and consists of several consecutive steps When a company co-develops the engagement plan, it is busy with _____ *which is* **step** _____ in the **stakeholder engagement process**

1 design, four
2 design, three
3 engage, three
4 engage, four

38 A/an _____ director is a _____ director who has no existing or prior business, employment, consultancy or other relationship with the company

1 independent, non-executive
2 dependent, executive
3 independent, executive
4 dependent, *non- executive*

39 In South Africa, the _____ provides organisations with guidance on good corporate governance practices and explicitly defines and substantiates concepts such as "social responsibility" and "triple bottom line performance"

1 The King 3 report
2 JSE Socially Responsible Investment Index
3 AA1000 framework
4 The Global Reporting Initiative (GRI)

PLANNING

Read the case study below and answer questions 40 and 41.

By setting aims and objectives, companies give themselves a sense of purpose and direction Having a sense of direction and a coherent, overall plan is particularly important to a global organisation like Michelin, which produces many different product lines worldwide One major challenge is to communicate the plan clearly to everyone in a form that they can understand and put into practice In 2002, the Michelin Group, at the initiative of its Managing Partners, Edouard Michelin and René Zingraff, launched the 'Michelin Performance and Responsibility' approach Based on the Group's traditional five values, it established a formal framework for the Group's day-to-day activities and responsibilities in all areas

Source http //businesscasestudies co uk/michelin/business-aims-objectives-and-values

40 A business such as Michelin needs to set goals according to the **SMART framework** which ensures that effective goals are set This means that the goals that are set are _____

1 specific, measurable, attainable, relevant and time bound
2 strategic, measurable, attainable, relevant and time bound
3 specific, measurable, accurate, relevant and time bound
4 sensible, measurable, attainable, relevant and time bound

41 The managing partners, Edouard Michelin and Rene Zingraff, are part of _____ management and therefore responsible for setting the _____ goals for the business

1 middle, operational
2 middle, strategic
3 top, operational
4 top, strategic

42 _____ is a technique designed to achieve the integration of individual and organisational goals in organisations

1 Management by objectives
2 Top-down management
3 Reactive planning
4 Strategic goal setting

43 Match the corporate strategy in Column A with the correct description in Column B

Column A	Column B
a Market development	(i) An organisation constantly improving products to take advantage of the initial high profitability of a better product
b Product development	(ii) A business that directs all its resources and skills to the profitable growth of a single product in a single market
c Concentration-growth strategy	(iii) An organisation develops new products for existing markets
	(iv) The organisation plans to develop existing markets for its present products more intensively
	(v) Two or more firms embark on some project that is too big for one to tackle on its own

1 a(iv) b(ii) c (iii)
2 a (iv) b (iii) c (ii)
3 a (ii) b (iv) c (i)
4 a (ii) b (i) c (v)

44 The marketing manager at SAA, Phindiwe, plans to increase her expenditure on advertising by 20% over the next three years What she does not know however is that the Chief Financial Officer at SAA is planning to cut the marketing department's budget in the short term Phindiwe's goal does not meet the requirements of a **good goal** as it lacks _____

1 measurability
2 acceptability
3 *horizontal* consistency
4 vertical consistency

45 The planning process consists of several steps Which one of the following will be done **last** in the **planning process**?

1 Do reactive planning
2 Implement the plan
3 Select the plan
4 Evaluate alternative plans

46 The most **obvious advantage** of the **management by objectives approach** is that _____

1 only top level managers have a say in setting goals and are part of the decision-making process
2 Employees have a say in setting goals, which improves worker motivation
3 Only middle managers and top managers are involved in setting goals and lower managers do not have a say in setting goals
4 *Consultants from outside* the organisation set the goals of the organisation

ORGANISING

47 **Organising** means _____

1 that direction is given to the organisation in the form of goals and plans
2 that management has to develop mechanisms in order to implement the strategy or plan
3 narrowing the gap between what was planned and the actual achievement of management, and ensuring all activities are carried out as they should be
4 influencing employees to work willingly toward the achievement of organisational objectives

48 **Formal authority** is distinguished by which of the following **characteristics**?

a Formal authority is vested in people
b Formal authority is vested in organisational positions
c Formal authority flows down the vertical hierarchy of an organisation
d Positions at the top of the organisational hierarchy are vested with less formal authority than positions at the bottom

1 a b
2 a c
3 b c
4 c d

49 Which one of the following is **not** a fundamental aspect or a building block of organising that managers can use in constructing an organisation?

1 Designing jobs
2 Grouping jobs
3 Developing a business plan
4 Establishing reporting relationships

50 A large organisation such as Unisa has a tall organisational structure In a tall organisational structure, managers are usually _____ utilised and there is _____ control over subordinates

1 over, excessive
2 under, excessive
3 over, moderate
4 under, moderate

51 Thandie is a lecturer at Unisa She requests advice from the legal advisor at Unisa regarding a student who wants to lay charges against her for discrimination The legal advisor has _____ **authority**

1 line
2 staff
3 functional
4 strategic

52 Siemens AG is a global electrical and electronics business For Siemens, matching talent with tasks produces competitive advantage Each individual at Siemens can make best use of their talents, whatever they may be Talent Management encourages individuals to take on extra tasks and increase the control over the job This refers to _____

1 job enrichment
2 job enlargement
3 job rotation
4 job specialisation

53 A company like Woolworths has shops in most shopping malls in South Africa Groups of shops are organised into a regional division which has overall supervision over such features as training of staff and distribution policy This is an example of which type of **departmentalisation**?

1 *functional*
2 location
3 product
4 customer

54 Match the form of departmentalisation in column A to the appropriate example in column B

Column A		**Column B**	
a	According to function	(i)	The company has departments which focus on selling equipment to the motor industry, the computer industry and the Navy
b	According to location	(ii)	The company has departments that specialise in selling its products in Gauteng and KwaZulu-Natal respectively
c	According to customer	(iii)	Sasol has various business units which focus on the production of different products such as Sasol Synthetic Fuels, Sasol Fertilizers, and Sasol Plastics
d	According to product	(iv)	The company has grouped all its financial activities under the financial manager or section and all its marketing activities under the marketing manager or section

1 a (iv) b (ii) c (i) d (iii)
2 a (ii) b (iv) c (iii) d (i)
3 a (iii) b (iv) c (i) d (ii)
4 a (ii) b (iii) c (iv) d (i)

55 Arthur owns a small second-hand bookstore and would like to hire an assistant to help him with the management of the shop He determines that the new assistant will be responsible for assisting clients and answering the phone To which one of the **building blocks** of organising does this refer to?

1 Designing jobs
2 Job enrichment
3 Grouping jobs
4 Reporting relationships

LEADING

Siemens is the engineering group that is behind many of the products and services people take for granted in their daily lives Siemens' employees are motivated by being recognised for their achievements and by having opportunities for progression, regardless of the level at which they started working for Siemens Siemens runs schemes in which suggestions and projects for improvements are rewarded This could be financially, either individually or as part of a team, or in terms of peer or management recognition of their achievements For skilled, creative workers, like engineers, these are likely to be of great importance

Source http //businesscasestudies co uk/siemens/motivation-within-a-creative-environment/hierarchy-of-needs html#ixzz1uFprlWJn

56 By recognising their employee's achievements, Siemens helps to meet the_____ **needs** of the employee

1 esteem
2 safety and security
3 self-actualisation
4 physiological

57 Siemens offers engineering staff training and development opportunities This meets the _____ **needs** of the employees as it helps engineers to extend their capabilities which may lead to a progression up the career ladder

1 esteem
2 safety and security
3 self- actualisation
4 physiological

58 Blake and Mouton developed the 'Managerial Grid' – an instrument that identifies various leadership styles based on a two-dimensional grid In developing the grid they measured two dimensions, namely _____ and _____

1 concern for people, concern for profit
2 concern for personality, concern for profit
3 concern for people, concern for production
4 concern for personality, concern for production

59 The regional manager of Game in Gauteng instructs the store manager of Game in Sandton to reduce stock of non-digital cameras because they might become obsolete soon This refers to _____

1 delegation
2 authority
3 power
4 responsibility

60 Who developed the **path goal model**, asserting that it is the leader's responsibility to help employees achieve their goals?

1 Paul Hersey
2 Ken Blanchard
3 Robert House
4 Fred Fiedler

61 Match the type of group in column A with the correct description in column B

	Column A		Column B
a	Interest groups	(i)	The marketing manager assigns a group of employees to work together in a group for a new marketing campaign
b	Command groups	(ii)	A group of employees starts a research group to investigate how often students use the online myUnisa tool
c	Task groups	(iii)	A group of lecturers at UNISA decide to arrange a fun walk around campus to raise money for charity
		(iv)	A group of employees at work start a coffee club, where they get together once a week for an hour social

1 a (iii) b (i) c (ii)
2 a (iii) b (ii) c (i)
3 a (iv) b (i) c (ii)
4 a (iv) b (ii) c (i)

62 _____ is the process leaders follow when communicating ideas, gaining acceptance of them, and inspiring followers to support and implement the ideas through change

1 The communication process
2 Planning
3 Influencing
4 Motivation

63 The late Steve Jobs of Apple Computers possessed more knowledge and professional ability in the field of computers than many other people in the industry This describes his_____ **power**

1 reward
2 referent
3 coercive
4 expert

CONTROL

64 Which one of the following statements is **not** a reason why the control process is necessary?

1 Without control, planning is pointless
2 It helps companies cope with increasing organisational size and complexity
3 It allows an unstructured source for conducting performance evaluations
4 It helps minimise cost

65 Which of the following statements concerning the **control process** are **correct**?

a As the size of a business increases it becomes easier to identify areas of weak performance
b An effective control system allows management to identify problems before they become critical for the organisation
c Increasing competition results in ineffective cost and quality control
d Control usually results in better quality

1 a b
2 b c
3 a c
4 b d

66 **Physical resources** are controlled by means of _____ and _____

1 inventory management, budget
2 quality control, ratio analysis
3 budget, ratio analysis
4 inventory management, quality control

67 Sarah owns an outdoors clothing company called Extreme Sports She realised after assessing the actual performance that sales had in fact decreased by 7%, when they had initially set a performance target of a 10% increase Sarah needs to decide what **corrective action** to take to ensure that the deviation does not recur What possible actions can she take given the current situation?

a She can raise the performance standard to make the target more challenging
b She can lower the performance standard to make the target more realistic
c Keep their current strategy and hope the deviation does not recur
d Revise their strategy to accomplish the standards

1 a c
2 b c
3 b d
4 c d

68 Sarah should have a control system that accommodates change and that provides an objective and accurate picture of the situation Which **two characteristics** of an **effective control system** are referred to here?

1 Integration and flexibility
2 Integration and accuracy
3 Flexibility and timeliness
4 Flexibility and accuracy

69 It is not only important for Sarah to have good control instruments for her financial and physical resources, she also needs to ensure that she has control systems in place to control the human resources Which is a **human-resource control instrument** she can make use of in order to control human resources?

1 Specific ratio analysis
2 Just in time system
3 Total quality management
4 Economic ordering quantity

70 For a control system to be effective it should be designed in such a way that it provides an objective picture of the situation and errors and deviations should not be concealed in the data Which **characteristic of a control system** is being described here?

1 Integration
2 Accuracy
3 Flexibility
4 Simplicity

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ROUGH WORK

ROUGH WORK

ROUGH WORK

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4 ENTER YOUR STUDENT NUMBER FROM LEFT TO RIGHT
5 CHECK THAT YOUR STUDENT NUMBER HAS BEEN FILLED IN CORRECTLY
6 CHECK THAT THE UNIQUE NUMBER HAS BEEN FILLED IN CORRECTLY
7 CHECK THAT ONLY ONE ANSWER PER QUESTION HAS BEEN MARKED
8 DO NOT FOLD

BELANGRIK

1 GEBRUIK SLEGS N HB-POTLOOD OM HIERDIE BLAD TE VOLTOOI
2 MERK AS VOLG
3 KONTROLEER DAT U VOORLETTERS EN VAN REG INGEVUL IS
4 VUL U STUDENTENOMMER VAN LINKS NA REGS IN
5 KONTROLEER DAT U DIE KORREKTE STUDENTENOMMER VERSTREK HET
6 KONTROLEER DAT DIE UNIEKE NOMMER REG INGEVUL IS
7 MAAK SEKER DAT NET EEN ALTERNATIEF PER VRAAG GEMERK IS
8 MOENIE VOU NIE

PART 2 (ANSWERS/ANTWOORDE) DEEL 2

10

1	36	71	106
2	37	72	107
3	38	73	108
4	39	74	109
5	40	75	110
6	41	76	111
7	42	77	112
8	43	78	113
9	44	79	114
10	45	80	115
11	46	81	116
12	47	82	117
13	48	83	118
14	49	84	119
15	50	85	120
16	51	86	121
17	52	87	122
18	53	88	123
19	54	89	124
20	90	125
21	56	91	126
22	57	92	127
23	58	93	128
24	59	94	129
25	60	95	130
26	61	96	131
27	62	97	132
28	63	98	133
29	64	99	134
30	65	100	135
31	66	101	136
32	67	102	137
33	68	103	138
34	69	104	139
35	70	105	140

Specimen only