Instructions to candidates

You are allowed three hours to answer this question paper.

You are allowed 20 minutes reading time before the examination begins during which you should read the question paper and, if you wish, highlight and/or make notes on the question paper. However, you will not be allowed, under any circumstances, to open the answer book and start writing or use your calculator during the reading time.

You are strongly advised to carefully read ALL the question requirements before attempting the question concerned (that is all parts and/or sub-questions). The requirements for questions 3 and 4 are highlighted in a dotted box.

ALL answers must be written in the answer book. Answers or notes written on the question paper will not be submitted for marking.

ALL QUESTIONS ARE COMPULSORY.

Section A comprises 10 sub-questions and is on pages 2 to 4.

Section B comprises 6 sub-questions and is on page 5.

Section C comprises 2 questions and is on pages 6 and 7.

The list of verbs as published in the syllabus is given for reference on page 11.

Write your candidate number, the paper number and examination subject title in the spaces provided on the front of the answer book. Also write your contact ID and name in the space provided in the right hand margin and seal to close.

Tick the appropriate boxes on the front of the answer book to indicate the questions you have answered.
SECTION A – 20 MARKS
[You are advised to spend no longer than 36 minutes on this question]
ANSWER ALL TEN SUB-QUESTIONS

Instructions for answering Section A
The answers to the ten sub-questions in Section A should ALL be written in your answer book.
Your answers should be clearly numbered with the sub-question number and ruled off so the markers know which sub-question you are answering. For multiple choice questions you need only write the sub-question number and the answer option you have chosen. You do not need to start a new page for each sub-question.
Each of the sub-questions numbered from 1.1 to 1.10 inclusive, given below, has only ONE correct answer. Each is worth two marks.

Question One

1.1 Which ONE of the following is NOT associated with the internal governance of a company?
A The use of non-executive directors (NEDs)
B Annual environmental reporting
C The operation of remuneration committees
D The operation of audit committees

(2 marks)

1.2 Brand equity is
A something that only exists in the minds of customers.
B the value due to the premium customers are prepared to pay for branded goods.
C additional production costs arising from product differentiation of branded goods.
D a purely notional concept.

(2 marks)

1.3 According to Herzberg, hygiene factors represent which ONE of the following?
A Compliance with health and safety regulations
B A particular job context that can influence levels of dissatisfaction
C Motivators to work harder
D Typical attitudes of theory Y workers

(2 marks)
1.4 A planned national economy moving towards becoming free is known as which ONE of the following?

A A transition economy
B A transactional economy
C A 'stuck in the middle' economy
D An intermediary economy

(2 marks)

1.5 Mutual 'promises' and 'expectations' of an employer and the workforce is generally known as

A the psychological contract.
B the employment contract.
C the person specification.
D the job description.

(2 marks)

1.6 Which ONE of the following activities is NOT associated with recruitment?

A Conducting panel interviews
B Performing a job analysis
C Preparing job advertisement copy
D Preparing a person specification

(2 marks)

1.7 An organisation that continually uses promotional offers in order to entice customers is known as which ONE of the following?

A Marketing orientated.
B Production orientated.
C Product orientated.
D Sales orientated.

(2 marks)

Section A continues on page 4
1.8 A technique depicting driving and restraining forces, sometimes used when overcoming problems when introducing an information system, is known as which ONE of the following?

A A fishbone diagram
B A process map
C A directional matrix
D A force field analysis

(2 marks)

1.9 Information indicating the profitability of potential markets is an example of which ONE of the following?

A 'Blue sky' information
B Operational information
C Tactical information
D Strategic information

(2 marks)

1.10 An organisation that offers the same product to the market as a whole is said to engage in which ONE of the following?

A Unitary marketing
B Concentrated marketing
C Differentiated marketing
D Undifferentiated marketing

(2 marks)

(Total for Section A = 20 marks)

Reminder

All answers to Section A must be written in your answer book.

Answers or notes to Section A written on the question paper will not be submitted for marking.

End of Section A

Section B is on the opposite page.
SECTION B – 30 MARKS
[You are advised to spend no longer than 9 minutes on each sub-question in this section]
ANSWER ALL SIX SUB-QUESTIONS IN THIS SECTION - 5 MARKS EACH

Question Two

(a) Describe FIVE possible reasons for the failure of a Total Quality Management (TQM) programme within an organisation.

(b) Explain the organisational benefits of introducing good Management Information Systems (MIS).

(c) Describe FIVE significant advantages of web-based applications for an organisation.

(d) Describe FIVE potential risks associated with computer-based operations for an organisation.

(e) Explain the reasons why a host country may encourage Foreign Direct Investment (FDI).

(f) Describe briefly, the primary activities of a value chain.

(Total for Section B = 30 marks)

End of Section B

Section C starts on page 6
Question Three

Successive governments in the country of Rainland have tried to overcome the social costs associated with the closure of certain high profile home-based companies by taking them into public ownership. As a result, a variety of nationalised companies exist in manufacturing, coal and steel production, rail travel, chemicals and aerospace. Most of these companies are regarded as inefficient and rely on big government subsidies in order to continue to operate as going concerns. This is not however the case for aRL, a large nationalised manufacturing operation. aRL is well managed, known as a ‘good employer’ and has a well-motivated workforce. The company has successfully ‘turned around’ most of its loss-making operations over the past few years and boasts high productivity levels per employee.

Following a recent general election in Rainland, a new Government with a different political agenda is promising change. The new Government has announced that all nationalised companies must both reduce their workforce 'full time equivalent' numbers by 50% and outsource a ‘significant proportion’ of their activities over the next two years. In order to implement these new policies aRL’s management has identified three crucial questions:

- Which of aRL’s activities should be outsourced?
- What are the ways of reducing workforce numbers whilst acting as honestly and as fairly as possible, consistent with being a ‘good employer’?
- What are the consequences of an inevitable loss of motivation amongst aRL’s workforce?

**Required:**

(a) **Explain** how aRL’s management should decide which of its activities should be outsourced.  

(b) **Describe** initiatives aRL can take to achieve the job reductions whilst maintaining the company’s reputation as a good employer.  

(c) **Describe** the likely impact of a loss of motivation amongst aRL’s workforce.  

(Total for Question Three = 25 marks)
Question Four

You are a management consultant with expertise in operations and marketing and have been asked to make a presentation to a conference for automobile (car) industry managers. Senior managers from all disciplines (including operations, finance, marketing, production and human resources) will attend the conference.

In a briefing from conference organisers, you understand that you will need to cover two areas of particular interest to conference delegates, specifically demand and capacity planning and the marketing implications of ‘new generation’ cars. Apparently, much research and development has gone into the development of cars that are more environmentally friendly than in the past, particularly with electric, hybrid and lower CO₂ emission models. What is different about ‘new generation’ cars is the use of hydrogen rather than petrol or diesel as fuel. (Hydrogen is burnt in a conventional internal combustion engine but produces no CO₂ emissions, only water and heat). A further feature of ‘new generation’ cars is an aim to manufacture car body parts from at least 80% recycled materials. A few companies are due to launch their version of the ‘new generation’ car in spring of next year.

You conduct further research which indicates some significant facts including those shown below:

- Companies that have been commercially successful with more environmentally friendly models in the past are those with the strongest brand name.
- The automobile industry is highly competitive and globally there is ‘overcapacity’. In some countries and at certain times however, there is unfulfilled demand for specialist makes and models. (You are already aware of different planning strategies for dealing with variations in demand and matching production capacity including ‘level capacity’, ‘demand management’ and ‘chase demand’ strategies.)

Required:

For the benefit of the senior managers who will be at the conference:

(a) Explain the implications of different capacity planning strategies. (10 marks)

(b) Explain the reasons why a strong brand could be important to the success of ‘new generation’ cars. (10 marks)

(c) Explain how future sales of ‘new generation’ cars might be understood in terms of the main stages of the product life cycle. (5 marks)

(Total for Question Four = 25 marks)

Total marks for Section C = 50 marks)

End of Question Paper
This page is blank
This page is blank
This page is blank
LIST OF VERBS USED IN THE QUESTION REQUIREMENTS

A list of the learning objectives and verbs that appear in the syllabus and in the question requirements for each question in this paper.

It is important that you answer the question according to the definition of the verb.

<table>
<thead>
<tr>
<th>LEARNING OBJECTIVE</th>
<th>VERBS USED</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level 1 - KNOWLEDGE</strong></td>
<td>What you are expected to know.</td>
<td>List Make a list of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>State Express, fully or clearly, the details/facts of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Define Give the exact meaning of</td>
</tr>
<tr>
<td><strong>Level 2 - COMPREHENSION</strong></td>
<td>What you are expected to understand.</td>
<td>Describe Communicate the key features</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Distinguish Highlight the differences between</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Explain Make clear or intelligible/State the meaning or purpose of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Identify Recognise, establish or select after consideration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Illustrate Use an example to describe or explain something</td>
</tr>
<tr>
<td><strong>Level 3 - APPLICATION</strong></td>
<td>How you are expected to apply your knowledge.</td>
<td>Apply To put to practical use</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Calculate Ascertain or reckon mathematically</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Demonstrate To prove with certainty or to exhibit by practical means</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prepare Make or get ready for use</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reconcile Make or prove consistent/compatible</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Solve Find an answer to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tabulate Arrange in a table</td>
</tr>
<tr>
<td><strong>Level 4 - ANALYSIS</strong></td>
<td>How you are expected to analyse the detail of what you have learned.</td>
<td>Analyse Examine in detail the structure of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Categorise Place into a defined class or division</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Compare and contrast Show the similarities and/or differences between</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Construct Build up or compile</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Discuss Examine in detail by argument</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interpret Translate into intelligible or familiar terms</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prioritise Place in order of priority or sequence for action</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Produce Create or bring into existence</td>
</tr>
<tr>
<td><strong>Level 5 - EVALUATION</strong></td>
<td>How you are expected to use your learning to evaluate, make decisions or recommendations.</td>
<td>Advise Counsel, inform or notify</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Evaluate Appraise or assess the value of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recommend Propose a course of action</td>
</tr>
</tbody>
</table>
Enterprise Pillar

Operational Level Paper

E1 – Enterprise Operations

November 2014

Tuesday Morning Session