Enterprise Pillar

E2 – Enterprise Management

29 August 2014 - Friday Session

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 are not allowed, under any circumstances, to open the answer book and start writing or use your calculator during this 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).

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 5 questions and is on pages 2 to 4.

Section B 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 the examination subject title in the spaces provided on the front of the examination 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 which questions you have answered.
Question One

FP has recently been appointed to be the Finance Manager for GR Company's Finance Department. Although FP has worked for the company for four years, this is his first role where he will have line management responsibilities.

As part of his new responsibilities FP is aware that he needs to improve his understanding on how to deal with discipline problems so that he is prepared should any occur. He has contacted the department's HR advisor to ask her to brief him on the disciplinary process and procedures.

**Required:**

**Explain** the points that the HR advisor should include in her briefing for FP on the disciplinary process and procedures.

*(Total for Question One = 10 marks)*

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Question Two

The Head Office of DV Bank is based in RZ Country. Although many of its competitors have invested in setting up business processing centres in other countries, the Board of DV Bank has, to date, given a commitment for all of its operations to be carried out in RZ Country.

The high operating costs has meant that DV Bank is now facing pressure to rethink its strategy. In particular, the bank is considering moving some of its processing activities to a business processing centre in PQ Country, where the work can be carried out at a much lower cost. The financial business case has been presented but the Board is mindful that there are other factors that should inform the decision, including the nature of the national culture in PQ Country.

**Required:**

**Discuss** why national culture should be considered in the decision on whether DV Bank should move some of its processing activities to a business processing centre in PQ Country. Your answer should make reference to Hofstede's research on national culture.

*(Total for Question Two = 10 marks)*
Question Three

Required:

Explain the relationship between the management terms of **authority**, **responsibility**, **accountability** and **delegation**.

*(Total for Question Three = 10 marks)*

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Question Four

B4L Supermarkets has positioned itself as offering a high quality customer service, at the same time as offering competitively priced products through its national chain of supermarkets.

PR, a management consultant, is advising the Board of B4L Supermarkets on how it can best sustain its competitive advantage. Whilst much of B4L’s focus has been on addressing the primary activities associated with its business, PR has recommended that the company should not forget the importance of the support activities. He has suggested that B4L should use Porter’s value chain framework to help it understand where value could be added in its support activities.

Required:

Explain how the support activities of Porter’s value chain could contribute to the competitive advantage of B4L Supermarkets.

*(Total for Question Four = 10 marks)*

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Section A continues on page 4
Question Five

In the face of falling reserves of traditional resources such as oil and gas, the Government of DI Country is investigating alternative sources of energy production. One project it has just initiated is to explore the feasibility of using new technologies that use wind power to generate energy. This would involve the construction of a large scale wind farm which would consist of one hundred wind turbines which are big, noisy and unattractive structures. If the project goes ahead, the location identified for the wind farm is one of the country's most picturesque and beautiful national parks.

The next stage of the project is to assess the feasibility of the wind farm project.

Required:

Explain the purpose of project feasibility, making reference to the different types of feasibility studies that should be undertaken for the wind farm project.

(Total for Question Five = 10 marks)

(Total for Section A = 50 marks)

End of Section A. Section B starts on page 6
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Question Six
EV Company has for many years manufactured industrial electric powered vehicles including load carriers, tow tractors and other utility vehicles. The company adopts a positioning approach to achieving competitive advantage, in particular by differentiating its offer from rival vehicle manufacturers. Most recently the company has benefited hugely from public concerns about increasing oil prices and the need to reduce greenhouse gas emissions.

Last year EV Company successfully launched its first electric car aimed at mainstream consumers. With recent advances in battery and power management technology, meaning higher performance and a longer travel distance between battery charges, this market is predicted to grow in the next few years. EV Company’s design team is confident that it has the capability to produce a range of affordable electric cars to compete with those currently available.

Strategic planning is undertaken at the company’s head office and follows the rational/formal approach to strategy development. The company has recently started its planning for the next five years for all of its business units. A corporate appraisal has been completed for the business units, involving analysis of the external and internal environments, with a view to determining EV Company’s future strategic direction.

**Required:**
(a) **Explain** how EV Company is currently attempting to achieve competitive advantage using the positioning approach including any potential problems of this approach.  

(b) **Describe** the stages of the rational/formal approach to strategy development which will occur after the corporate appraisal stage undertaken by EV Company.

(Total for Question Six = 25 marks)
Question Seven

C Company has been awarded the contract to construct an access road, including a tunnel link for passengers, to a new terminal at GH airport. The Board of C Company has appointed S as the project manager and she is currently in the early stages of setting up the project. This will be a large and complex project that will involve a number of different specialist contractors and equipment suppliers.

It is critical that the new road and tunnel are completed in time for the opening of the new airport terminal. The project requirements have been established and the project manager is now at the stage of planning for the work to take place. This will include an assessment of the risk and uncertainty that could hinder the progress of the project and its delivery on time.

The complex nature of the project means that the use of project management software will be an important tool in assisting S, the project manager, and her team at the various stages of the project lifecycle to ensure the project objectives are delivered on time.

Required:

(a) Describe THREE techniques which could assist the project manager when planning for risk and uncertainty for the time aspect of the airport access road project.

(b) Discuss how project management software could help the project manager and the project team during the lifecycle of the airport access road project.

(Total for Section B = 50 marks)

(Total for Question Seven = 25 marks)

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

E2 – Enterprise Management

September 2014

Friday Session