1. Answer THREE questions:

   Question 1 in SECTION A, which is compulsory and TWO questions from Section B

2. Number the questions correctly.

3. Write your student number and name on your answer books.

4. Write legibly.

5. Enter the numbers of the questions answered on the front cover of your answer books.

6. Indicate the number of answer books handed in on the front cover of each book.

7. Enter your student number on the multiple choice answer sheet provided with this paper and place the answer sheet inside the front cover of your answer book.

PLEASE NOTE: THIS PAPER CONSISTS OF 10 PAGES.
SECTION A:  (All TWENTY FIVE Questions are Compulsory)

QUESTION 1  MULTIPLE CHOICE QUESTIONS

1. Which one of the following is NOT a control point to consider when measuring the effectiveness of purchasing and supply activities?
   a. Timeliness
   b. Price proficiency
   c. Relationship performance with customers
   d. Workload
   e. Inventory holding

2. Which of the following would be classified as shopping products:-
   i. Toothpaste
   ii. Jewellery
   iii. Boutique clothing
   iv. Microwave
   v. Fire extinguisher
   a. i, ii, iv
   b. ii, iv, v
   c. ii, iii, iv
   d. iii, iv
   e. ii, iv

3. To calculate the acid-test ratio of a firm, one will need information from the ___________.
   a. Income statement only
   b. Balance sheet
   c. Income statement and balance sheet
   d. Balance sheet and the fund-flow statement
   e. Income statement and the funds-flow statement
4. Having an effective and efficient operation can give a business all the following advantages, except ____________.

   a. Reduces the amount of time spent on research and design
   b. Reduces the cost of making the product
   c. Increases revenue that the business receives for its products
   d. Reduces the amount of investment needed to make the product
   e. Stimulates innovation and creativity

5. One of the most popular explanations of human motivation was developed by the psychologist, Abraham Maslow, and popularized during the early 1960s. According to Maslow, an employee who has a need for more self-respect, has unmet:-

   a. Physiological needs
   b. Social needs
   c. Esteem needs
   d. Self-actualization needs
   e. Lower order needs

6. Which of the following combinations represents the benefits of digital dashboards to strategic management users?

   i. the ability to make more informed decisions based on collected business intelligence
   ii. the ability to identify and correct negative trends
   iii. the visual presentation of performance management
   iv. the ability to forecast short-term sales and purchasing patterns
   v. measurement of inefficiencies and efficiencies
   vi. time-saving when running multiple reports

   a. i, ii, iii, iv, v
   b. ii, iii, iv, v, vi
   c. i, ii, iv, v
   d. i, iii, iv, v, vi
   e. i, ii, iii, v, vi
7. James purchases textbooks for his bookstore. To avoid his stock of business management textbooks becoming depleted, he orders the same number of new textbooks each time that his stock has reached a predetermined level. What inventory control system does James use in his store?
   a. Fixed-order quantities
   b. Materials-requirements planning
   c. Just-in-time system
   d. Cyclical-ordering system
   e. Just-in-time system

8. Long-term funds, short-term funds and shareholders’ interest are detailed on the _________ side of the _________.
   a. asset; statement of financial position
   b. liability; statement of financial position
   c. expenditure; statement of financial performance
   d. earnings; statement of financial performance
   e. right, income statement

9. Examples of benefits include all the following, except:
   a. A medical aid scheme
   b. A parking space for your car
   c. Financial bonus for good performance
   d. Housing loan subsidies
   e. Pension scheme

10. The planning of the purchasing and supply function, like planning in the business itself and other functional management areas, takes place at strategic, tactical and operational level. ________ is not done at a strategic level.
   a. returns and recycling
   b. supplier alliances
   c. supply-chain integration
   d. policy formulation
   e. long-term planning
11. Which one of the following is an example of a non-current asset?
   a. Cash in the bank
   b. Inventories
   c. Debtors
   d. Vehicles
   e. Prepayments

12. Operations managers must take customers’ needs into account when formulating strategies. These customer needs include which of the following six main elements?
   a. Higher quality, better price, greater adaptability, less variability in specifications, better service, longer lead time
   b. Higher quality, greater usefulness, more reliability, more variations in design, friendly customer service, better price
   c. High level of service, fewer problems, better designs, satisfactory turnaround time, moderate quality, lower prices
   d. Higher quality, lower costs, shorter lead time, more flexibility, more reliability, better service
   e. Creative products, bigger profits, international quality standards, quicker service, friendly operators, good management

13. The group factors that influence consumer purchasing decisions include:-
   a. family, reference groups, culture, income
   b. reference groups, age, gender, culture
   c. family, lifestyle, culture, opinion leaders
   d. reference groups, lifestyle, family, culture
   e. reference groups, opinion leaders, culture, family

14. Share capital comprises of _____________.
   a. ordinary shares and bonds
   b. ordinary shares and preference shares
   c. ordinary shares, debentures and preference shares
   d. Financial leases, loans and debentures
   e. ordinary shares, debentures, bonds, undistributed profits, financial leases and preference shares

15. Which of the following is NOT one of the most important operations management performance objectives?
   a. Do things right the first time
   b. Do things cost effectively
   c. Do things regularly
   d. Do things quickly
   e. Do things right every time
16. When calculating ratios, the value of __________ can be found both in the income statement and in the statement of the financial position.
   a. fixed assets  
   b. inventory  
   c. debtors  
   d. sales  
   e. purchases

17. Market segmentation is best defined as __________.
   a. The process in which the total heterogeneous market is divided into smaller more homogeneous groups  
   b. The process in which the total market is divided into smaller more heterogeneous groups  
   c. A group of people with different needs and different wants  
   d. An approach where marketers concentrate on only one market offering aimed at the total market  
   e. The behavioural criteria according to which the consumer market can be segmented

18. Which of the following is NOT an advantage of branding:-
   a. products are more easily identified  
   b. customers are assured about the quality standards  
   c. promotes brand loyalty  
   d. brand loyal customers are more price conscious  
   e. allows marketers to easily expand the product range

19. Operations can be classified according to their volume and variety of production as well as the degree of variation and visibility. Which of the following operations would be classified as high volume, low variety?
   a. A family doctor  
   b. A fast food restaurant  
   c. A carpenter  
   d. A front office bank  
   e. A cell phone manufacturer
   a. ii, iv, v  
   b. iii, iv, v  
   c. ii, v  
   d. i, ii, iv  
   e. iv, v
20. _____ budgeting enables a business to look at its activities and priorities afresh on an annual basis.
   a. Zero-base
   b. Traditional
   c. Capital
   d. Balanced
   e. Limited

21. Which of the following are regulated by the Basic Conditions of Employment Act 75 of 1997?
   i. Working time
   ii. Collective bargaining
   iii. Leave
   iv. Employment and remuneration particulars
   v. Worker participation
   vi. Night work
   vii. Termination of employment
   
   a. i, ii, iii, iv, vi
   b. i, iii, iv, v, vi
   c. i, iii, iv, vii
   d. i, iii, iv, vi, vii
   e. all of the above

22. The four main principles underlying the marketing concept include all the following except:
   a. Profitability
   b. consumer orientation
   c. market segmentation
   d. social responsibility
   e. organisational integration

23. Which of the following most accurately represents the human needs identified by McClelland in his theory of motivation?
   a. Need for hygiene, motivators and stability
   b. Need for power, achievement and affiliation
   c. Need for safety, esteem and self-actualisation
   d. Need for power, wealth and security
   e. Need for existence, relatedness and growth
24. Which of the following does NOT form part of an organisation's cultural web?
   a. Technology
   b. Power structures
   c. Routines and rituals
   d. Symbols
   e. Control systems

25. Choose the most correct definition of "capacity" as referred to in operations management
   a. The most satisfactory level of production that the manufacturing process can achieve over a period of time
   b. The most profitable level of production that the manufacturing process can achieve over a period of time
   c. The most valuable level of production that the manufacturing process can achieve over a period of time
   d. The highest quality production that the manufacturing process can achieve over a period of time
   e. The maximum level of production that the manufacturing process can achieve over a period of time

TOTAL FOR SECTION A: 25 MARKS
SECTION B

Choose ANY TWO of the following FOUR questions

QUESTION 2

A. Every time a consumer makes a decision to purchase a product, they move through a number of phases in their decision making. Outline these phases in relation to the purchase of a new cell phone.

B. Too much or too little stock is undesirable since both conditions have certain cost implications or disadvantages. Describe the disadvantages of holding too much and too little inventory in an organization.

QUESTION 3

A. Recruitment and selection form an important part of a Human Resource Manager's job. Define the concept of selection and discuss the steps in the selection process that will be followed for middle management posts.

B. Describe any two liquidity ratios and any two solvency ratios that can be used for financial analysis.

QUESTION 4

A. In manufacturing, the most commonly used system classifies different operations processes according to the volume of output and variety of products. Discuss, with examples, the five main categories that can be identified in this classification system.

B. Describe the steps in the purchasing process that can be followed by an organization.
QUESTION 5

A. Identify and explain with the aid of examples, any FIVE sources of financing for small businesses.

B. Explain the CCMA and discuss its role as outlined in the Labour Relations Act of 1995.

TOTAL FOR SECTION B: 50 MARKS

END OF EXAM PAPER