

UNIVERSITY OF FORT HARE

DEPARTMENT OF BUSINESS MANAGEMENT  
MAIN EXAMINATION

Introduction to Specialised Business Management  
BEC 121 & BEC 121 E

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MARKS: 75  
DURATION: 2 hours

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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.
  8. This paper consist of 8 printed pages

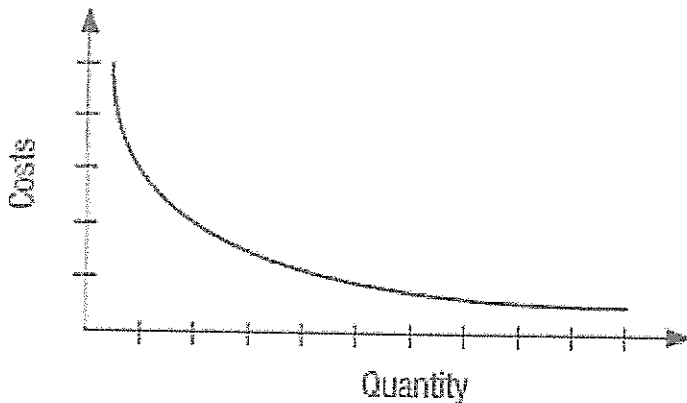
**SECTION A: (ANSWER ALL TWENTY FIVE QUESTIONS)**

**QUESTION 1 MULTIPLE CHOICE QUESTIONS**

1. Operations Management is a \_\_\_\_\_ process.
  - a) translation
  - b) transformation
  - c) transaction
  - d) transition
  
2. Selection is concerned with...?
  - a) The activity to select a suitable pool of candidates.
  - b) Always being stimulated by the departure of an employee.
  - c) Always ascertaining a candidate's personality to ensure a suitable fit.
  - d) Applying appropriate techniques and methods to select a candidate.
  
3. Buying decisions generally follow a pattern of overlapping stages. Which of the following best describes the typical stages of the buying process?
  - a) Need recognition > Information search > Evaluation > Decision > Post purchase evaluation
  - b) Need recognition > Evaluation > Information search > Decision > Post purchase evaluation
  - c) Information search > Need recognition > Evaluation > Decision > Post purchase evaluation
  - d) Need recognition > Information search > Decision > Evaluation > Post purchase evaluation
  
4. Operations can be diagnosed by volume, variety, variation and \_\_\_\_\_?
  - a) validity
  - b) visibility
  - c) value
  - d) variability
  
5. \_\_\_\_\_ refers to the on-the-job training method where a young less-experienced employee is partnered with a senior colleague who shares knowledge, skills and information in order to encourage growth and development in the younger person.
  - a) Coaching
  - b) Job enrichment
  - c) Apprenticeship
  - d) Mentoring
  
6. Market \_\_\_\_\_ is the process of identifying groups of customers with basically similar wants, needs, preferences or buying behaviours.

- a) Development
  - b) Positioning
  - c) Segmentation
  - d) Targeting
7. Hosting a major international event is an example of a \_\_\_\_\_ process.
- a) Batch
  - b) Project
  - c) Jobbing
  - d) Mass
8. What is the main disadvantage of off-the-job learning?
- a) It isn't always directly related to real organizational issues and needs
  - b) The time needed to set up
  - c) Accessibility for those being trained
  - d) Long term costs
9. The core product is best defined as:
- a) the fundamental benefit of the product.
  - b) the secondary product.
  - c) the tangible product.
  - d) the augmented product.
10. Adjusting inputs to an operation so that outputs match demand is known as \_\_\_\_\_?
- a) A level capacity plan
  - b) A demand management plan
  - c) A chase demand plan
  - d) A yield management plan
11. Which theory concerns the use of objectives to manage performance?
- a) Probability theory
  - b) Goal-setting theory
  - c) Results theory
  - d) Outcomes theory
12. At what stage in the product lifecycle does the sales growth start to slow down?
- a) Growth stage
  - b) Maturity stage
  - c) Saturation stage
  - d) Decline stage

13. Which of these criteria is not one likely to be used for screening ideas in the design of new products or services?
- Level of investment needed
  - Ease of implementation
  - Demand from customers
  - Prototype testing
14. Indirect compensation refers to the fringe benefits an employee receives, and these include things like study leave, housing allowance and \_\_\_\_\_.
- Maternity leave
  - Salary increase
  - Financial bonus
  - Medical insurance
15. In marketing, which of the following communications activities is likely to be most effective for a local hairdressing service?
- Radio advertisements
  - Sales promotion
  - Word-of-mouth referral
  - Public relations
16. What cost is being represented by the figure below?



- Total costs
  - Fixed costs per unit
  - Variable costs per unit
  - Total fixed costs
17. Long-term funds, short-term funds and shareholders' interest are detailed on the \_\_\_\_\_ side of the \_\_\_\_\_.
- asset; statement of financial position
  - liability; statement of financial position

- c) expenditure; statement of financial performance  
d) earnings; statement of financial performance
18. 'They generated sales revenue of R33 billion, accounting for 56.3% of the total value of production by the beverage manufacturing industry in South Africa.' These sales revenue figures can be found on which financial statement?  
a) Statement of Financial Position  
b) Statement of Financial Performance  
c) Funds-flow statement  
d) Liquidity statement
19. Angie wants to determine the ability of her business to repay its debts from the sale of the assets. Which set of ratios would Angie use?  
a) Profitability ratios  
b) Liquidity ratios  
c) Yield ratios  
d) Solvency ratios
20. Which one of the following formula is used to calculate the present value of a future single amount?  
a)  $PV = FV_n \left( \frac{1}{(1+i)^n} \right)$   
b)  $PV = FV_n (1 + i)^n$   
c)  $PV = 1 + \left( \frac{FV_n}{(n-i)} \right)$   
d)  $PV = 1 - FV (n + i)$
21. 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
22. In terms of quality requirements, the engineers and designers working on Toyota vehicles would contemplate \_\_\_\_\_ considerations, such as job performance and reliability, to be the most important factors, and thus they would want the highest quality materials.  
a) commercial  
b) technical  
c) descriptive  
d) explanatory
23. If an organisation engages in "bidding", what form of price determination is being used?

- a) Published price lists in trade journals
- b) The use of competitor's pricing
- c) The use of tenders and quotations
- d) Pricing based on historical data

24. Which of the following is correct regarding strategy implementation and strategic control

- a) Strategy implementation is more important than strategic control.
- b) Strategy implementation refers to the details of strategy execution whereas strategic control refers to ongoing evaluation of and adjustments to strategy. □
- c) Strategic control is more important than strategy implementation.
- d) Strategy implementation refers primarily to domain definition whereas strategic control refers primarily to domain navigation

25. what is the most logical relationship between a sustainable competitive advantage and an organisational strength

- a) Strength cannot be duplicated while a sustainable competitive advantage is easily copied.
- b) sustainable competitive advantage is a strength that is difficult for competitors to imitate,
- c) Every strength leads to a sustainable competitive advantage.
- d) Every sustainable competitive advantage leads to a strength.

**TOTAL FOR SECTION A:            25 MARKS**

## SECTION B

Choose ANY TWO of the following FOUR questions

### QUESTION 2

- A. Management in any company must understand the art of procuring the right products and services needed in their operations. Identify and briefly explain the steps in the purchasing and supply cycle. (15)
- B. Discuss the three different types of consumer products (according to the product classification) and provide an example of each one. (10)

### QUESTION 3

- A. Discuss any THREE adaptations of the final price of a product and provide examples to show your understanding. (12)
- B. Define the following concepts from operations management:
- Capacity
  - Total quality management
  - Inventory control
  - Continuous processes
- (13)

### QUESTION 4

- A. The vision and mission statement informs the first step in the strategic management process? With the aid of a diagram, explain how vision and mission relate to the other parts of the strategic management process. (15)
- B. Fort Hare Dairy is looking to expand delivery of their milk products specifically targeted at small-scale retailers. The manager of the dairy farm need to invest in a new fleet of smaller refrigerated trucks. A dealer draws up a quote for the manager for two different types of small trucks; a more expensive, reputable model manufactured domestically, and a cheaper, imported model. The owners decide to buy a fleet of the more expensive model despite the higher capital cost.

Explain why this is or is not a good financial decision in terms of cost-benefit as well as solvency.

(10)

**QUESTION 5**

- A. Discuss in detail the three main steps in the selection process. (15)
- B. Discuss the COSTS associated with inventory (stock) management in a retail business, in relation to;
- i. Any two costs of holding little or no inventory (5)
  - ii. Any two costs of holding inventory (5)

**TOTAL FOR SECTION B: 50 MARKS**

**END OF EXAM PAPER**