General Comments

Generally candidates appeared to cope well with this new examination paper. Most candidates handled question 1 with ease and a substantial number also produced fine answers to question 2. In terms of the elective questions in Section C, Question 4 proved to be the more popular choice.

SECTION A – 50 MARKS
ANSWER *ALL* TWENTY SUB-QUESTIONS
– Questions 1.1 to 1.15 are worth 2 marks each (30 marks in total)
– Questions 1.16 to 1.20 are worth 4 marks each (20 marks in total)

Question 1.1

The operating system

A forms part of a system's software.
B forms part of a system's hardware.
C is another term for a system's hardware.
D is a standalone end-user (operator) system solution.

(2 marks)

The answer is **A**

Question 1.2

Core features of world-class manufacturing involve

A competitor benchmarking and an investment in training and development.
B an investment in IT and technical skills.
C global sourcing networks and an awareness of competitor strategies.
D a strong customer focus and flexibility to meet customer requirements.

(2 marks)

The answer is **D**

Question 1.3

An ABC system refers to

A a Japanese style problem solving device that is particularly helpful in inventory management.
B an inventory management method that concentrates effort on the most important items.
C accuracy, brevity and clarity in the quality of system reporting.
D a mainframe solution to managing inventory.

(2 marks)

The answer is **B**

Question 1.4

Corrective work, the cost of scrap and materials lost are

A   examples of internal failure costs.
B   examples of external failure costs.
C   examples of appraisal costs.
D   examples of preventative costs.

(2 marks)

The answer is **A**

Question 1.5

An assessment centre

A   helps selection by assessing job candidates by using a comprehensive and interrelated series of techniques.
B   is the training headquarters where job interviews take place.
C   is a desk-based process of reviewing job application forms for suitability.
D   is a place where job applicants are subjected to psychological testing.

(2 marks)

The answer is **A**

Question 1.6

Training workers in methods of statistical process control and work analysis

A   overcomes a crisis of control in an organisation's life cycle.
B   is part of a succession planning approach to Human Resources.
C   is part of a quality management approach.
D   is part of a scientific management approach.

(2 marks)

The answer is **C**

Question 1.7

The use of standard questions in job interviews helps ensure

A   fairness.
B   validity.
C   reliability.
D   completeness.

(2 marks)

The answer is **A**

Question 1.8

The so-called "psychological contract" is a notion that is based on

A   segmenting then accessing a market.
B   the buyer/supplier relationship.
C   a distinctive style of testing used in selection procedures.
D   the expectations the organisation and employee have of one another.

(2 marks)

The answer is **D**

Question 1.9

Economies of scope refers to

A   the economic viability of making alterations to systems.
B   an organisation becoming economically viable through a process of "rightsizing".
C   mass production assembly lines achieving economies through volume of output.
D   economically producing small batches of a variety of products with the same machines.

(2 marks)

The answer is **D**

Question 1.10

According to Douglas McGregor

A   "Theory X" people dislike work, need direction and avoid responsibility.
B   "Theory Y" people dislike work, need direction and avoid responsibility.
C   self actualizing people dislike work, need direction and avoid responsibility.
D   hygiene factors determine whether people like work, need direction or take responsibility.

(2 marks)

The answer is **A**

Question 1.11

The purpose of a person specification is to provide details of

A   organisational size and diversity of activity.
B   the types of responsibilities and duties to be undertaken by the post holder.
C   personal characteristics, experience and qualifications expected of a candidate.
D   individual terms of engagement and period of contract.

(2 marks)

The answer is **C**

Question 1.12

Reck and Long's strategic positioning tool identifies an organisation's

A   purchasing approach.
B   sales approach.
C   manufacturing approach.
D   warehousing approach.

(2 marks)

The answer is **A**

Question 1.13

Inbound logistics is

A   a secondary activity that refers to price negotiation of incoming raw materials.
B   a secondary activity that refers to receipt, storage and inward distribution of raw materials.
C   a primary activity that refers to inbound enquiries and customer complaints.
D   a primary activity that refers to receipt, storage and inward distribution of raw materials.

(2 marks)

The answer is **D**

Question 1.14

The five elements of a computer system are

A   data, communication, flexibility, hardware and data integrity.
B   installation, hardware, maintenance, audit and compliance.
C   hardware, software, procedures, data and people.
D   input, processing, monitoring, control and reporting.

(2 marks)

The answer is **C**

Question 1.15

Supply chain partnerships grow out of

A   quality accreditation.
B   recognising the supply chain and linkages in a value system.
C   an expansion of trade.
D   adopting a marketing philosophy.

(2 marks)

The answer is **B**

Question 1.16

Describe the main advantages of an organisation developing and using an "extranet".

(4 marks)

Answer:

Extranet: an extended Intranet that links business partners.

Advantages:
- Fosters collaboration and information sharing.
- Adds speed and cohesion.
- Facility to link and maximise dispersed networks.
- Enhanced inter-organisational communication.
- Allows electronic data interchange and e-procurement.
- Communication strengthens relationships with customers, suppliers and trade organisations.

Question 1.17

Explain the relationship between open systems and adaptive maintenance.

(4 marks)

Answer:

An open system interacts with its external environment. This thinking is consistent with adaptive maintenance. Adaptive maintenance is a mid-to long-term process that adjusts information systems (IS) applications to reflect changing business operations and environments. In this way it accounts for opportunities or threats.

Question 1.18

Parallel running and pilot schemes are methods of systems changeover. Explain the reasons why an organisation might instead choose a direct approach to a system changeover.

(4 marks)

Answer:

At a predetermined time an old system ceases entirely and a new one starts. Why this approach?
- Complete confidence in the system.
- Symbolic act to encourage commitment.
- Part of unfreezing the change process.
- Reduced system usage; lower risk of disruption at chosen time.

Question 1.19

Explain the reasons why a department of an organisation might be continuing to use manual records rather than using a new, recently installed and fully operational computer system.

(4 marks)

Answer:

- Group resistance to change.
- Cultural resistance.
- Lack of confidence in new system.
- Complexity of new system.
- Efficiency of manual system.
- Individuals' lack confidence to cope.
- Individuals' jobs feel threatened.
- Ineffective management, control, communication, training, support and so on.

Question 1.20

Describe the ways in which Total Productive Maintenance might contribute towards a manufacturing organisation's quality programme.

(4 marks)

Answer:

Total productive maintenance plans and implements the systematic maintenance of all equipment. This increases productivity and prevents unplanned breakdowns.
- Helps consistent production.
- Reduces scrap and rework so lowering cost of quality.
- Improves accuracy of forecasting requirements.
- Staff morale improved as quality increases.

Examiner's Comments
Questions 1.1-1.15 test candidates' knowledge of a wide variety of topics within the syllabus through the use of objective test questions in a conventional "multiple choice" format.

Questions 1.16-1.20 provide further objective tests requiring a short answer response. These sub questions (valued at 4 marks each) test knowledge and understanding. Sub questions 1.16 to 1.19 test various aspects of the Information Systems topic of the syllabus (learning outcomes A(ii), (v), (vi) and (vii)) while 1.20 tests the operations management learning outcome C(iv).

Most candidates coped well with the requirements of this question and scored heavily as a result. A substantial number of scripts did not conform to the 50 word/half page limit.

Common Errors
- A common failing on 1.18 was to compare and contrast changeover methods rather than to address the question asked.
- It is clear from the answers given to 1.20 that a substantial number of candidates did not know what Total Productive Maintenance was.

Question 2

Prepare brief notes containing bullet points and no more than two to three sentences for each of the key points identified below. Use a separate page of your answer book for **each** key point (meaning that your notes are contained on **no more than six** pages in total).

(a)   Explain how the proposed approach can be understood within the context of the marketing mix.
(5 marks)

(b)   Explain the human resource implications of using "cosmetic associates".
(5 marks)

(c)   Explain the concept of direct marketing.
(5 marks)

(d)   Explain the advantages of the internet as a marketing channel.
(5 marks)

(e)   Describe how V might use internet and mobile phone technology as part of its marketing approach.
(5 marks)

(f)   Identify the main ethical issues associated with the proposal to market V cosmetics.
(5 marks)
(Total for Section B = 30 marks)

Rationale

Question two offers a common and hopefully realistic scenario from which a series of sub questions arise.

Parts (a) to (f) test candidates' knowledge and understanding by the application of thinking from Marketing and Managing Human Capital topics to the scenario. Learning outcomes D(iii), D(iv), D(v), E(iii) and E(vi) are tested.

Responses for each sub question are expected on a single side of A4 and in a form that might include a few sentences and bullet points. This limit simulates a real life scenario in which accuracy, brevity and clarity is called for and also hopefully prevents candidates from spending a disproportionate amount of time on each sub question.

Sub questions (a), (b), (e) and (f) all require application of knowledge to the scenario, although in the case of (c) and (d) purposeful illustrations might also be drawn from the scenario.

Suggested Approach/Marking Guide	**Marks**

Responses were expected in the form of bullet points with some elaboration in the form of a few short sentences, brief definitions and examples.

Part (a)
The marketing mix
- Explanation of the marketing mix.
- Description of the four main components.
- Identification of key aspects of each as they relate to the scenario.

5

Part (b)
Human resource implications of cosmetic associates
- Explanation of why HR is important in this context.
- Identification of key HR implications (for example, selection criteria, training, remuneration, supervision, monitoring & control. Others identified acceptable if relevant.)
- Each of several implications related appropriately to the scenario.   5

Part (c)
Direct marketing
- Definition/explanation of direct marketing.
- Explanation of key features and benefits (for example, direct marketing shortens supply chain so takes costs out of value system. Others identified acceptable if relevant.)
- Citation of illustrative examples.
- Explanation of marketing mix implications (place and promotion).   5

Part (d)
Advantages of the internet
- Establish relationship of internet and marketing.
- List benefits.   5

Part (e)
Internet and mobile telephone
- Identify potential marketing uses of internet using scenario to illustrate likely application for V.
- Identify potential marketing uses of mobile telephones using scenario to illustrate likely application for V.   5

Part (f)
Ethical issues
- Set ethical context.
- Cite specific areas related to scenario (background to V, using parties, using associates, selling approach, targeting customers) and questions or implications.   5

Examiner's Comments

Most sub questions were well handled by candidates. Several candidates illustrated their answers with examples drawn from well known companies (for example, Virgin).

Common Errors
- Responses exceeding the limit required.
- A lack of understanding of the concept of ethics and its relationship to the proposals.
- Unclear understanding of direct marketing.

SECTION C – 20 MARKS
ANSWER *ONE* QUESTION ONLY

Question 3

(a) Describe the main issues and stages involved in developing a human resource (HR) plan for the CX buy-out idea.

(12 marks)

(b) Discuss how the buy-out team can achieve workforce flexibility.

(8 marks)
(Total for Question Three = 20 marks)

Rationale

Question 3(a) tests candidates' understanding of the issues and stages involved in developing an HR plan applied to the detail contained in the scenario. This part addresses the learning outcome E(ii).

Part (b) explores the candidates' understanding of workforce flexibility based on the scenario. This sub question arguably covers dimensions of Change Management and Managing Human Capital and could be applied in the testing of learning outcomes B(iii) and E(v).

Suggested Approach/Marking Guide	**Marks**
Part (a)	
• Identify main considerations of HR planning generally and relate to scenario.	
• Identify main issues for CX (integration into business plan, main initiatives (developments) identified, flexibility, company image, etc).	
• Identify main stages of HR planning generally (audit of the existing human resources, forecasting future HR demand, forecasting supply & reconciling demand and supply).	
• Applying this thinking to the scenario and discuss each stage in turn.	12 (max)
Part (b)	
• Explain why flexibility is necessary at CX (work seasonal, new developments to smooth fluctuations, etc).	
• Approaches to flexibility used by other firms (for example, yearly hours, outsourcing, numerical flexibility, functional flexibility, financial flexibility, etc).	
• Relate potential of these to CX.	8 (max)

Examiner's Comments

There was a real range of performance on this question from well-prepared candidates who successfully applied known theory to the scenario in a purposeful manner to those who merely reproduced their understanding of general HR issues.

Common Errors
• A tendency to adopt an "all I know about…." approach.

Question 4

(a) Discuss what initiatives R & L can take to achieve the job reductions needed given the company's reputation for being a good employer. (Your answer should include reference to appropriate support for any individuals affected.)

(10 marks)

(b) Discuss the potential strategies available in order to overcome resistance to change, and identify those strategies that would be most suitable for R & L.

(10 marks)
(Total for Question Four = 20 marks)

Rationale

Another short scenario forming the basis for two separate questions.

Question 4(a) offers the potential to apply realistic initiatives for job reductions and support within the context of the scenario. This tests the candidates' knowledge, understanding and application of Managing Human Capital learning outcome E(iii).

Part (b) tests learning outcome B(ii) and involves the discussion and formulation of suitable ways of overcoming resistance to change. Practical, realistic and appropriate measures are again required. These potentially could be generated by using the structured thinking and frameworks of theorists or through analytical discussion of dimensions of the scenario.

Suggested Approach/Marking Guide | Marks

Part (a)
- Explain the implications of R&L's reputation.
- Identify relevant practical issues arising from scenario.
- Describe potential initiatives and conceptualise to scenario.
- Identify support mechanisms for the individual arising from the above.

10 (max)

Part (b)
- Describe main strategies for dealing with resistance (for example, education and communication, participation and involvement, facilitation and support, negotiation and agreement, manipulation and co-optation, explicit/implicit coercion).
- Use each as a framework for discussion.
- Identify based on reasoned argument those that represent a suitable strategy.

10 (max)

Examiner's Comments

This was a popular question and most candidates answered part (a) in particular well. Some candidates drew purposeful examples from similar organisations including the recent MG/Rover experience.

Common Errors
- A large number of candidates described change management theories in part (b) without relating them to the scenario or addressing the central issue of how resistance might be overcome.