



Enterprise Pillar

## E1 – Enterprise Operations

20 November 2012 – Tuesday Morning Session

### ***Instructions to candidates***

You are allowed three hours to answer this question paper.
You are allowed 20 minutes reading time <b>before the examination begins</b> during which you should read the question paper and, if you wish, highlight and/or make notes on the question paper. However, you will <b>not</b> be allowed, <b>under any circumstances</b> , 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 <b>not</b> 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.

# E1 – Enterprise Operations

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## 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** Organisations that move part of their activities to another country are said to do which ONE of the following?

- A** Downsize
- B** Divest
- C** Offshore
- D** Outsource

*(2 marks)*

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**1.2** The so called BRIC economies do NOT include which ONE of the following?

- A** Britain
- B** Russia
- C** India
- D** China

*(2 marks)*

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**1.3** The advantages of a database management system (DBMS) include

- A** end-user flexibility and power.
- B** open communication and social networking.
- C** data sources compiled by the user.
- D** data integrity and elimination of duplication.

*(2 marks)*

**1.4** Certified approval of documented work procedures including procedure manuals and work instructions are associated with which ONE of the following?

- A** Workforce skills audits
- B** Appraisal costs
- C** Total Quality Management (TQM)
- D** ISO 9000 accreditation

*(2 marks)*

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**1.5** Which ONE of the following is NOT associated with quality improvement?

- A** Fishbone diagrams
- B** Pareto analysis
- C** Why/why analysis
- D** Political lobbying

*(2 marks)*

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**1.6** Which ONE of the following is NOT an inventory management system?

- A** Periodic
- B** EOQ
- C** ABC
- D** 5S

*(2 marks)*

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**1.7** Which ONE of the following should logically precede market segmentation?

- A** Market research
- B** Targeting
- C** Positioning
- D** Promotional activity

*(2 marks)*

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**1.8** In marketing the concept of 'physical evidence' refers to

- A** seeing the product before it is purchased.
- B** a physical meeting between vendor and buyer.
- C** some form of reassurance of service quality before purchase.
- D** proof that market research has actually been conducted.

*(2 marks)*

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*Section A continues on the next page*

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- 1.9 Which ONE of the following is an example of a durable good?
- A Hand made shoes
  - B Long life milk
  - C Long lasting deodorant
  - D A jar of instant coffee

(2 marks)

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- 1.10 Computer to computer transmission of structured data using standardised documentation is known as
- A electronic data interchange (EDI).
  - B online networking.
  - C systems compatibility testing.
  - D a 'cookie'.

(2 marks)

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(Total for Section A = 20 marks)

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*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 starts 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

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### Question Two

(a) **Describe** FIVE benefits of process mapping. (5 marks)

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(b) **Identify** FIVE factors that should be taken into account when forecasting an organisation's need for additional staff. (5 marks)

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(c) Technology has transformed organisations, industries and ways of doing business.  
**Explain** the reasons for the growth of business-to-consumer (B2C) trading through online trading. (5 marks)

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(d) **Describe** the ways in which a furniture making firm could use IS and IT to transform its manufacturing operations. (5 marks)

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(e) **Explain**, with examples, the idea of a variable pricing policy. (5 marks)

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(f) **Explain** the reasons why a department of an organisation might continue to use manual records rather than a new, recently installed and fully operational computer system. (5 marks)

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*(Total for Section B = 30 marks)*

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*End of Section B*

*Section C starts on the next page*

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## SECTION C – 50 MARKS

[You are advised to spend no longer than 45 minutes on each question in this section]

ANSWER *BOTH* QUESTIONS IN THIS SECTION – 25 MARKS EACH

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### Question Three

The country of Changeland has, for many years, operated as a military dictatorship. Last year, however, a people's revolution brought a democratic election for the first time in living memory. The newly elected Government has pledged to improve housing, healthcare and levels of education. It has also promised a 'fair' system of taxation which should be quite a contrast from the corrupt means of raising revenue that had previously operated under the military dictatorship.

Since the revolution, Changeland has benefited from some inward investment from other countries. Several large multinational companies have also begun to import into Changeland for the first time in many years and have engaged in some aggressive marketing of their products with expensive advertising campaigns, promotional pricing and targeting of young people. The Government is pleased by the economic benefit of this activity but is worried by excess consumption and the purchase of certain goods it sees as undesirable. The Government does not want to ban the sale and consumption of these goods but does want to curb consumption. The Government is also concerned by a lack of corporate social responsibility amongst certain companies.

As the Government is very inexperienced, it has established a policy direction team to advise it on a number of issues including devising an appropriate taxation policy and formulating ways of discouraging undesirable consumption without banning some product sales. You serve as a member of that team, having been seconded from a similar position in another country that is friendly towards Changeland.

*Required:*

- (a) **Explain** the key policy decisions to be made and the main options available to the new Government when establishing a suitable tax regime in Changeland.  
(10 marks)
- (b) **Explain** how marketing techniques and thinking might help Changeland's Government shape consumers' buying behaviour in a way that it sees as more desirable.  
(10 marks)
- (c) **Discuss** briefly, with reference to corporate social responsibility (CSR) and ethics, the sorts of issue a company operating in Changeland should consider.  
(5 marks)

*(Total for Question Three = 25 marks)*

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*Section C continues on the opposite page*

#### Question Four

X began his engineering apprenticeship with CM8 manufacturing ten years ago before moving abroad to work for other companies. He has now returned to work for CM8 as Operations Manager of one of its factories. He is now reflecting with his mentor on his first week in post.

Much has changed since X last worked for the company. The company has grown significantly and now has many more factories. The mass production techniques he once remembered have now been replaced by lean operations and cellular manufacturing. The workplace itself is uncluttered and clean and has been redesigned so that machines are grouped according to what is being produced. Multi-skilled workers are formed into semi-autonomous modular work teams to manufacture complete products or complex components.

When X last worked for CM8, managers did their own 'hiring and firing'. He is surprised by the existence of a Human Resource strategy for CM8 and significant central provision in his budget for the operation of a Corporate Human Resource Department. His mentor commented that both the Human Resource Department and line managers such as X have distinct and valuable roles to play.

*Required:*

- (a) **Discuss** the respective roles that the Human Resource Department and line managers, such as X, can play in the management of CM8's workforce. (10 marks)
- (b) **Explain** what is meant by lean management and how CM8's modular teams might contribute to its operation. (10 marks)
- (c) **Explain** how the thinking of **either** Maslow **or** Herzberg relates to CM8's modular teams. (5 marks)

*(Total for Question Four = 25 marks)*

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*(Total marks for Section C = 50 marks)*

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*End of Question Paper*

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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.

LEARNING OBJECTIVE	VERBS USED	DEFINITION
<b>Level 1 - KNOWLEDGE</b> What you are expected to know.	List State Define	Make a list of Express, fully or clearly, the details/facts of Give the exact meaning of
<b>Level 2 - COMPREHENSION</b> What you are expected to understand.	Describe Distinguish Explain  Identify  Illustrate	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
<b>Level 3 - APPLICATION</b> How you are expected to apply your knowledge.	Apply Calculate Demonstrate  Prepare Reconcile Solve Tabulate	To put to practical use Ascertain or reckon mathematically To 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
<b>Level 4 - ANALYSIS</b> How you are expected to analyse the detail of what you have learned.	Analyse Categorise Compare and contrast  Construct Discuss Interpret Prioritise Produce	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
<b>Level 5 - EVALUATION</b> How you are expected to use your learning to evaluate, make decisions or recommendations.	Advise Evaluate Recommend	Counsel, inform or notify Appraise or assess the value of Propose a course of action

*Enterprise Pillar*

*Operational Level Paper*

*E1 – Enterprise Operations*

*November 2012*

*Tuesday Morning Session*