



Rosary School – Marj Elhamam
Business unit 2 practice

Name: _____

Grade 9 ()

INSTRUCTIONS

- Answer all questions.
- Use a black or dark blue pen.
- You may use a calculator if needed.
- Write your name at the top of the page.
- Write each answer in the appropriate space provided.
- Do not use erasable pen or correction fluid.

1 CPK operates 5 sports clubs. Each club offers a range of activities including gym and yoga classes. CPK uses job enrichment to keep its 60 employees well-motivated. Having the right marketing mix is important to CPK's success. The Finance Director is analysing CPK's financial statements. An extract is shown in the table below. He wants to know how an increase in taxation might affect CPK's business.

Extract from CPK's financial statements		
	2020	2021
Current ratio	1.6	1.3
Profit margin	12%	10%
Non-current assets	\$2m	\$2m

Do you think job enrichment is a better way for a business to motivate its employees than profit sharing? Justify your answer.

[6]

[Total: 6]

2 MBH is a business organisation in the public sector. It controls 5 hospitals and has 5600 employees including 440 doctors. External recruitment is used when recruiting skilled employees. The Human Resources Director uses ideas from Herzberg's theory to improve employee motivation. He is worried about communication barriers within MBH. The business has a tall organisational structure and a long chain of command. Most of MBH's internal communication is by email and phone calls.

Outline **two** ways MBH can use ideas from Herzberg's theory to motivate its employees.

Way 1:

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Way 2:

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[4]

[Total: 4]

3 RWB manufactures buses. 1200 people work in its factory. All employees receive off-the-job training. RWB uses financial rewards to motivate its employees. Last year RWB made a \$1.7 million loss. The Managing Director said: 'There are many external influences affecting our business, including changes in the level of unemployment and new legal controls over business activities which affect the environment.'

Outline **two** methods of financial rewards RWB might use to motivate its employees.

Method 1:

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Method 2:

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[4]

[Total: 4]

4 Identify **two** reasons (other than financial) why people work.

Reason 1:

[Total: 2]

5 Identify **two** motivational theories

[T] + 1, 2]

6 Steppa is a shoe manufacturer in the private sector. Steppa has 200 employees who all receive a high hourly wage rate. The Human Resources Director said: 'We use a democratic leadership style. Employees are an important stakeholder group. Happy workers are good for business. Revenue increased by 10% last year.' The director cannot understand why a high number of workers leave the business each year. She is looking at other non-financial methods to motivate employees.

Explain two methods of non-financial reward that a company might use to increase employee motivation. Recommend which method the company should use. Justify your answer.

¹⁰ See, for example, the discussion of the 1993 Constitutional Conference in the section on the Constitutional Conference in this chapter.

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[6]

[Total: 6]

7 Define 'delegation'.

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[2]

[Total: 2]

8 Identify **two** benefits to a business of having a clear organisational structure.

Benefit 1:

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Benefit 2:

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[2]

[Total: 2]

9 Define 'trade union'.

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[2]

[Total: 2]

10 WKN sells household goods such as plates and brushes. Last year sales in WKN's 200 shops increased but profit fell by 80% to \$5m. WKN's Human Resources Director said: 'All retailers are finding this stage of the business cycle challenging. WKN has to reorganise the business. This will mean redundancy for 1800 shop workers. WKN plans to create 100 new jobs in the marketing department at head office to help maintain customer loyalty. The company is working with trade unions to carry out these changes.' WKN has to decide whether to select the candidates for the new jobs from the workers being made redundant.

Identify and explain **two** ways a trade union could help WKN's employees.

Way 1:.....

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Explanation:.....

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Way 2:.....

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Explanation:.....

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[4]

[Total: 4]

11 (a) Identify **two** functions of management.

Function 1:.....

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Function 2:.....

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[2]

[Total: 2]

12 Define on-the-job training.

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[2]

[Total: 2]

13 TJM is a private limited company. It is a food retailer and has 450 shops. In 2021 TJM's revenue increased by \$500 million. The Finance Director is analysing TJM's financial statements. An extract is shown in table below. The directors are planning to expand TJM by opening 20 new shops. TJM will have to carry out a recruitment and selection process for 400 new employees.

Extract from TJM's financial statements for 2021 (\$m)	
Non-current assets	400
Current assets	300
Current liabilities	240
Profit for the year	200

Do you think an interview is the best way for a large business to select new employees? Justify your answer.

[6]

[Total: 6]

14 BCZ is a multinational company which operates in 12 countries. It manufactures cement, a building material used by construction companies, so quality assurance is important. Making cement creates external costs. One of BCZ's factories is located in country X. The government of country X plans to introduce new legal controls that will reduce the maximum number of working hours from 45 to 35 hours per week.

Explain **one** possible effect on BCZ and **one** possible effect on its employees of the new legal controls that will reduce the maximum number of working hours.

Effect on BCZ:

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Explanation:

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Effect on BCZ's employees:

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Explanation:

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[6]

[Total: 6]

15 Do you think it is better for a tertiary sector business to use full-time employees rather than part-time employees? Justify your answer.

[6]

[Total: 6]

16 TUKAN makes a range of soft drinks using flow production. All employees are paid a good wage but do not receive non-financial rewards. A high percentage of employees leave the business each year. A common reason given for leaving is that they have no involvement in decision-making. Last year, TUKAN's revenue increased by \$25m but profit did not increase. The Managing Director said: 'The economy is in the growth stage of the business cycle. However, we need to improve efficiency. Lean production methods might help. We need to recruit a new Operations manager who could have some ideas about this.'

Do you think it is better for a company to use internal recruitment or external recruitment for a new manager? Justify your answer.

[6]

[Total: 6]

17 Toddles is a children's nursery. It is a tertiary sector business which provides childcare for children aged 2–5 years. It is a sole trader business. The business employs 4 full-time workers, who are all fully trained and well-motivated. Each employee looks after 3 children. Last year, Toddles made a loss. 'I don't understand it, we have fantastic employees and a good location' said the owner. 'I need to find ways to make the business profitable.'

Identify and explain **two** advantages to Toddles of having fully trained employees.

Advantage 1:.....

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Explanation:

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Advantage 2:.....

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Explanation:

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[4]

[Total: 4]

18 Xiolom is a mining business in the private sector. It is a large company employing over 100 000 employees. It has operations in 10 countries. The Operations Director has announced plans to open a new mine in country G. He is angry. 'First it is new legal controls over employment and now I have to deal with pressure groups. The mine will create 8000 jobs. Xiolom creates external benefits so it should be allowed to expand!'

Identify and explain **two** ways in which Xiolom might be affected by new legal controls over employment.

Way 1:.....

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Explanation:.....

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Way 2:.....

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Explanation:.....

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[6]

[Total: 6]

19 DNG provides electricity to 16 million customers. It is a limited company which means DNG's shareholders benefit from limited liability. DNG is planning to stop using coal to produce its electricity. Pressure groups had an influence on this decision. The Managing Director knows there will be an opportunity cost to making this change. She is considering the best way to communicate this important information to DNG's 6500 employees. DNG provides electricity to 16 million customers.

Explain **two** methods of internal communication a large business could use to share important information with its employees. Justify which method should be used.

[6]

[Total: 6]

20 Gino owns a fast-food restaurant selling fried chicken and potato fries. He employs 5 full-time chefs and 12 part-time workers to serve the food. Communication is important and Gino has regular meetings with his part-time employees to keep them informed about any changes in the menu. It took 3 years before Gino's business was able to break-even. He aims to achieve a Return on Capital Employed (ROCE) of 10%. Gino is always looking for ways to increase the number of customers. Inflation may be a problem for Gino's business.

Do you think having regular meetings is a better way for a business to communicate with part-time employees than using text messages? Justify your answer.

[6]

[Total: 6]

21 ReBag is a social enterprise. Asha started the business three years ago using micro-finance. ReBag employs 30 women in four small towns in different parts of the country. They work from home and make a range of bags from pieces of old fabric (cloth). Last year ReBag's revenue was \$700. Asha said: 'Our external stakeholders want ReBag to employ women in five more towns. Getting a bank loan to expand the business will be a problem. What will I do about management? How will I communicate? I cannot keep visiting everyone.'

Explain **two** possible methods Asha could use to communicate with ReBag workers. Recommend which method she should choose. Justify your answer.

[6]

[Total: 6]

22 TKF makes furniture such as beds and tables using job production. TKF has 3 part-time office employees, 8 production workers and 1 manager who is expected to carry out quality control. As the factory is busy, most communication is by email. After a number of customer complaints, the manager thinks TKF has some communication barriers. He believes good internal communication can help TKF be more efficient.

Identify and explain **two** possible communication barriers for TKF.

Barrier 1:.....

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Explanation:.....

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Barrier 2:.....

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Explanation:.....

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[4]

[Total: 4]