

CIMA FINAL ASSESSMENT

Enterprise Operations

November 2011

Time allowed

Reading and planning: 20 minutes

Writing: 3 hours

All FOUR questions are compulsory and MUST be attempted.

Do NOT open this paper until instructed by the supervisor.

During reading and planning time only the question paper may be annotated. You must NOT write in your answer booklet until instructed by the supervisor.

This question paper must not be removed from the examination hall.

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Paper E1

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SECTION A

ANSWER ALL PARTS OF THE QUESTION

QUESTION 1

1.1 Costs associated with planning, training and establishing methods and procedures in quality matters are referred to as:

- A external failure costs
- B internal failure costs
- C appraisal costs
- D prevention costs (2 marks)

1.2 Organisations use psychometric testing mainly for:

- A systems implementation
- B selecting suitable supply partners
- C validating market research data
- D staff selection and promotion decisions (2 marks)

1.3 Which of the following is the main drawback of the product orientation?

- A The product may not meet the needs of the customer
- B Low costs may be associated with low quality
- C Surplus production if demand exceeds supply
- D Customers may not like the aggressive promotional policies used (2 marks)

1.4 Flexible working practices and a commitment to improvements are features of:

- A personal selling
- B teleworking
- C a performance management system
- D lean production methods (2 marks)

1.5 At which stage of the product lifecycle may the price be dropped below cost price?

- A The decline stage
- B The market shakeout stage
- C The maturity stage
- D The growth stage (2 marks)

- 1.6 Which ONE of the following is NOT a category of the EFQM Excellence Model?**
- A Society results
 - B Policy and strategy
 - C Enablers
 - D Customer results
- (2 marks)**
- 1.7 Employees may promise to work hard, show loyalty to the organisation and develop new skills. Employers may promise to provide opportunities for promotion, training and pay commensurate with performance. These are likely features of:**
- A a psychological contract
 - B an employment contract
 - C the organisation's HR policy
 - D the negotiation between the prospective employer and employee before a job is accepted
- (2 marks)**
- 1.8 Which of the following is NOT a reason for market segmentation proving difficult or inappropriate?**
- A the total market is so small making segmentation unprofitable
 - B consumer differences exist, making it difficult to analyse them into segments
 - C the market can be easily reached by the organisation
 - D the total market is homogenous
- (2 marks)**
- 1.9 'Natural wastage' normally refers to:**
- A advertising effort failing to reach a target market segment
 - B job applicants who fail to attend interviews
 - C customers 'lost' to competitors every year
 - D a reduction in the workforce caused by the decisions of the individual workers
- (2 marks)**
- 1.10 According to the product lifecycle the 'market shakeout' stage follows immediately from:**
- A the market decline stage
 - B the market growth stage
 - C the market maturity stage
 - D the introduction stage
- (2 marks)**
- (Total: 20 marks)**

SECTION B

ANSWER ALL PARTS OF THIS QUESTION

QUESTION 2

Required:

- (a) Contrast the thinking of F.W. Taylor and Edward Deming. (5 marks)
- (b) Describe the benefits to an organisation of quality standard ISO 9000 certification. (5 marks)
- (c) Explain what is meant by penetration pricing and premium pricing and distinguish the two types of pricing. (5 marks)
- (d) Some employee dismissals (termination of employment) may be wrongful. Identify the likely reasons why a dismissal may be considered 'fair'. (5 marks)
- (e) Explain what is meant by Plan-do-check-act (PDCA) and Quality Circles and identify the similarities between the two. (5 marks)
- (f) Explain the types of system maintenance that are likely to be performed by an organisation. (5 marks)

(Total: 30 marks)

SECTION C

ANSWER BOTH QUESTIONS

QUESTION 3

Sullivan Adams Smith (SAS) is a network of estate agent shops, employing 1,200 staff in 23 branches across the South-East of the country of Disily. For the past 10 years it has been a lucrative business. The buoyant housing market resulted in an increase in profits year on year. Estate agents enjoyed massive commissions and company directors were rewarded with huge bonuses. This immense success was due to a market driven by excess demand and cheap borrowing. The houses were simply selling themselves.

However, the 'credit crunch' has arrived and burst the bubble. Lenders have set more stringent controls with regards to the buyers that they are willing to offer mortgages to and the amount they are willing to lend to these buyers. Meanwhile, lower consumer confidence regarding the general economy is leading to a more cautious approach to the housing market. Latest figures released for SAS, confirm a trend with only 8,444 houses being sold in July compared with 14,502 for the same month the year before. The drop means that the company can no longer continue to employ the current number of staff. The Chief Executive, Douglas Adams, has concluded that "there is simply not the work for them to do" and "that staff costs need to be controlled during these challenging times". A target has been set to reduce staff costs by approximately one quarter within the next three months. The Chief Executive is keen that the cost cutting exercise will result in minimal disruption to the business and upset of staff.

Douglas is proud of the business, having helped to build it from scratch. He is determined to take positive action in order to ride out the storm. He is currently working with the Strategy and Marketing Department in order to comprehensively review the company's effectiveness. Employees had grown accustomed to easy sales but are now being forced to work harder. They are a determined group and the past year has seen a lot of aggressive selling to potential customers. However, the Strategy and Marketing Department have concluded that this has resulted in them losing touch with their customers and that SAS needs to get closer to its customers.

Required:

- (a) **Recommend, with reasons, the options available to the company to reduce staff costs. (10 marks)**
- (b) **Discuss the current approach that SAS has to selling properties. How can the company develop itself into one that is driven by customer needs? (10 marks)**
- (c) **Explain how SAS could make use of the marketing mix to ensure continued success. (10 marks)**

(Total: 30 marks)

QUESTION 4

X graduated from university last summer having studied advanced computing. Whilst at university he was encouraged to maintain an electronic portfolio of experience using a sophisticated university computer system. The system allows students to:

- Record skills, events and achievements throughout their academic study;
- Share documents and work collaboratively with other students;
- Build a collection of items related to an individual student's studies, personal development, events of personal significance, etc.;
- Develop an electronic curriculum vitae (eCV) with embedded web links to supporting documents, etc.

One of the aims of the electronic portfolio is to allow students to showcase their abilities and experiences to prospective employers when they seek full time employment for the first time.

X believes that a similar system would also have great potential for senior managers and executives. Since leaving university, he has developed and patented software called eCV. The main use of the software is to provide a virtual CV document that can show video messages, graphs, charts and work samples through embedded links. In addition, eCV can provide:

- An e-business card that can be attached to the bottom of an email message;
- A social network for invited business contacts, so creating a private community where membership is by invitation only (a "walled garden");
- A record and evidence of continuing professional development (CPD) achievements. The conditions under which content, either wholly or partly, would be shared with others is for the individual user of eCV to decide.

X is having discussions with a large executive recruitment agency which is very interested in the software, despite a huge cost investment. The agency has, in the past, experimented with recruitment, blogging and virtual careers fairs. One of its strategic aims is to use the newest technology for effective recruitment and networking. The majority of its competitors have yet to recognise this potential. The agency believes that eCV could be a way of presenting candidate information to its member firms. It is attracted in particular to the "walled garden" within eCV where senior executives who are looking for a new job can engage with a prospective new employer, knowing that privacy is guaranteed.

Required:

(a) Explain the contribution the eCV or "curriculum vitae" can make as part of an organisation's recruitment and selection processes. (10 marks)

(b) Explain the advantages the eCV would offer to the executive recruitment agency. (5 marks)

(c) Explain the potential disadvantages of the eCV for the executive recruitment agency. (5 marks)

(Total: 20 marks)

You May contact QQ:139169828 MSN: q7jw00001@hotmail.com For More Information !

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