BUSINESS MANAGEMENT 3
7025

GENERAL CERTIFICATE OF EDUCATION BOARD

Technical and Vocational Education Examination

JUNE 2021 **ADVANCED LEVEL**

Specialty Name (Specialty Acronym)	**Commercial Specialties – ACC(CG), MKT (ACC) & TIMS (FIG)**
Subject Title	**BUSINESS MANAGEMENT**
Paper No.	**3**
Subject Code No.	**7025**

Three hours

INSTRUCTIONS TO CANDIDATES

This Paper has Two Sections;

SECTION A: Answer ALL Questions

SECTION B: Answer ANY TWO Questions

Calculators are Allowed.

Formula Booklets are NOT Allowed.

You are reminded of the necessity for good English and orderly presentation in your answers.

You are advised to read carefully through the question paper, before you begin your answers.

SECTION A

CASE STUDY

The Family Bakery

Mr NJIE John a flour retailer who buys flour from Douala and retails in Buea, has three sons and two daughters who are all students. The three sons recently obtained Advanced Level certificates in accounting, marketing and electrical power systems speciality respectively.. Two of the sons initiated the idea of establishing a bakery, since the number of flour retail stores are on the rise because of the increase in the demand for bread and cake.

Initially Mr NJIE resisted the idea of a bakery business and maintained his focus on retailing flour, He finally succumbed to the pressure later on when he realized the exponential success experienced by existing bakeries.

In a bid to test how lucrative the bakery will be, he asked for a business plan from his sons who did Business Management in high school. The children were excited to prepare their first business plan in order to present it to their father.

The sons got confused with technical terms like business vision, business objective, business policy and goals. Solving the confusion and getting a good distinction of the terms took them a month. They later on presented the business plan to Mr NJIE John for approval and subsequent implementation.

Eight (8) months after operations commenced, the bakery witnessed a drastic drop in sales and high labour turnover. This occurred after the two sons started implementing changes. ATEM (one of the sons) developed the habit of shouting at employees all the time and giving no room for feedback. Moreover, he introduced a "five minute late = pay-cut" policy. Employees resisted these changes and most of them left the organization. ATEM's major concern was on increasing productivity and nothing else. He sporadically took decisions without consulting his father or brother. As a consequence of varied views, there was a serious distortion in vertical communication in the organization.

After the first year of operation, Mr NJIE John called for a meeting to inform his sons that from his analysis he realized that things were not going on well as projected in the business plan. Consequently he decided to employ a neutral person to manage the business since there was serious distortion in communication. Within a few months of thorough search for a manager to no avail, couple with the limited finances to meet up with salary expenses, Mr NJIE John decided to fully take up responsibility as the manager and the bakery witnessed a significant turnaround

Two (2) years later, Mr NJIE inaugurated a new building to serve as headquarter for his bakery and his sons were sent to two branches as branch managers of the bakeries located in other geographical regions. Presently, Mr NJIE has a staff base of 500employees and supplies bakery products in both South West and Littoral regions.

REQUIRED

1.

a) i) Present three (3) reasons employees of the bakery resisted the changes introduced by Mr ATEM? **(6 marks)**
   ii) How can this resistance be overcome? **(2 marks)**

b) Attempt to solve the confusion of the sons by explaining the terms; "business vision", "business objectives" and "business policy". **(6 marks)**

c) Identify ATEM's leadership style using evidence from the case. **(4 marks)**

d) From the case study, Mr Njie could not find a manager to employ after months of search and this is an abnormality. Advise Mr Njie on external sources of recruitment. **(6 marks)**

e) Outline any three (3) sources Mr NJIE may use to raise the necessary finances for the bakery. **(6 marks)**

Total = (30 marks)

SECTION B

2. In managing businesses, a varied number of concepts, are all integrated in an attempt to achieve organizational objectives. A selection of some of these concepts are highlighted below;

A – Just in time management
B – Cash flow management
C – Committees
D – Objectives
E – Stock out cost

REQUIRED

i) Explain the problems associated with "A" from the list of concepts above. **(4 marks)**
ii) Why do firms avoid "E" on the list of concepts above? **(4 marks)**
iii) Outline and briefly explain the characteristics of "D" found on the list above. **(6 marks)**
iv) Based on the list, why do many organizations use "C" in decision making? **(6 marks)**
v) How can the problems associated with item "B" be overcome? **(5 marks)**

Total = (25 marks)

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3. Consider the Balance Sheet of BEPA Ltd as at the 31st December 2018.

Assets	('000)Frs	Capital and Liabilities	('000)Frs
Fixed Assets		Capital	
Land and building	12,000	Share capital	16,000
Machines	7,000	10% Debentures	7,500
Transportation van	3,000	Net profit	3,500
Current Assets		Current Liabilities	
Stocks	6,000	Creditors	1,900
Debtors	5,000	Overdraft	3,400
Cash	2,000	Outstanding rent	2,700
TOTAL ASSETS	**35,000**	CAPITAL AND LIABILITIES	**35,000**

REQUIRED;

Calculate;

a) Working capital **(4 marks)**
b) The current ratio **(4 marks)**
c) Return on assets **(5 marks)**
d) Return on capital employed **(5 marks)**
e) The interest payable on debenture holders (4 marks)
f) Comment on the solvency of this business. **(3 marks)**

Total = (25marks)

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4. Assume you just graduated from High School and intend to study Business Management at the University of Buea. Your father who happens to be the manager of a large multinational company really wants to know if you understand what it means to be a manager in respect to Mintzberg's managerial roles, key characteristics of managerial responsibilities and managerial skills.

REQUIRED;

a) Explain the decisional roles of management according to Henry Mintzberg. **(8 marks)**
b) Explain any five (5) characteristics of managerial responsibilities. **(10 marks)**
c) State and explain the managerial skills according to Robert Katz and say how they vary in relation to the levels of management. **(7marks)**

Total = (25 marks)