

GENERAL CERTIFICATE OF EDUCATION BOARD

Technical and Vocational Education Examination

**Business Management 3
7025**

JUNE 2022

ADVANCED LEVEL

Specialty Name and Acronym	Commercial Specialties - ACC(CG), MKT(ACC) & TMS (FIG)
Subject Title	BUSINESS MANAGEMENT
Subject Code No.	7025
Paper No.	3

Duration: 3 Hours

INSTRUCTIONS TO CANDIDATES

Answer ALL Questions in Section A and any TWO Questions in Section B

Calculators and formula booklets are 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.

Turn Over

SECTION A: CASE STUDY

Joy Enterprise Limited

Joy is the manager of Joy Enterprise Limited. The enterprise operates a travelling agency and a banana plantation in Bulu-Buea. This organisation has a total of 100 employees with its headquarters in Sandpit-Buea. With growing competition in these sectors, Joy as the owner has played a great role in not only motivating the employees to be committed to their work and be loyal to the organisation but also in building a great team spirit as each employee acts as the other's keeper. However, Joy was thinking of going capital intensive as lots of money was being spent to pay workers as wages.

This brilliant leadership kept the organisation going in a very smooth mood. Two years ago, the company launched a new motivation programme where all the employees working with the traveling agency would be paid according their output and employees who bring in new customers would earn bonuses irrespective of their position in the company. In this light, customers bought traveling tickets using a unique secret code belonging to the employee who brought them in. At the end of the month, these bonuses were calculated and added to the employee's pay.

In addition, the company introduced the Just-In-Time inventory management system in the Bulu plantation and hired experts to design a new production policy for the enterprise.

Just when Joy Company Limited thought everything was going on well, letters of complaints from employees started flooding her office about the discrimination of the bonus system and the too much pressure from the Just-In-Time system introduced in the plantation. A few days later, a team of employees who felt marginalized drafted a letter to her announcing a strike action if nothing was done to solve their problems. Immediately, Joy called up a meeting with all the employees to discuss on the problems and take the final decisions to solve them.

- 1.1. (a) Explain four benefits that Joy Enterprise could enjoy as a result of using machines in production. (8marks)
- (b) Why do you think the Just-In-Time inventory management system was introduced in the plantation? Advance any four (04) reasons. (6marks)
- (c) Suggest problems that Joy Enterprise would encounter if workers went on strike. (6marks)
- (d) From the case study, Joy called up all employees to deliberate with them before making final decisions to solve problems. Explain any four (04) demerits of group decision making (8marks)
- (e) What do you understand by the term capital intensive as used in the case? (2marks)

(Total 30marks)

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SECTION B

2. (a) Why do you think a firm should centralize or decentralize their operations at some point in time?
Advance any five (05) reasons to justify your argument (15marks)
- (b) You have just be employed as the Human Resource Manager of Kelsey Company Ltd. Describe any five (05) types of training you will use to improve employees performance. (10marks)
- (Total 25marks)**
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3. Agbor Martin is a graduate from the Regional Institute of Agriculture Bamenda and is confused on whether to invest in Tomatoes cultivation or setting up a Poultry farm. The two projects have the following returns;

Criteria	Tomato Project (FCFA)	Poultry Project (FCFA)
Cost of Investment	12,000,000	12,000,000
Expected Net Cash Flow		
Year 1	4,000,000	5,000,000
Year 2	4,000,000	3,000,000
Year 3	4,000,000	2,950,000
Year 4	4,000,000	2,000,000
Discount rate is 10% p.a		

Work Required:

- (a) Calculate the Payback period for each Project (10marks)
- (b) Calculate the Net Present Value for each project (10marks)
- (c) Which Project will you recommend to Agbor Martin using the Payback Period and why? (5marks)
- (Total 25marks)**
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4. As a business management trainee, you were part of the team of experts that drew the organizational chart of Green Gas Group of Companies.
- (a) Draw a vertical organisational chart for the company (10marks)
- (b) Briefly explain any useful information which can be obtained from an organisational chart.
Mention any five (05) points. (15marks)
- (Total 25 marks)**
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