

**BSM1602**

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May/June 2018

**Business Management IB**

Duration 2 Hours

70 Marks

**EXAMINERS**

FIRST

SECOND

MS MS VAN HEERDEN

MS E KRUGER

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**Closed book examination**

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**ANSWER ALL THE MULTIPLE-CHOICE QUESTIONS.**

**EACH QUESTION COUNTS 1 MARK, 70 MARKS IN TOTAL.**

**THE PAPER CONSISTS OF TWENTY (20) PAGES PLUS INSTRUCTIONS FOR THE COMPLETION OF A MARK-READING SHEET.**

**PLEASE COMPLETE THE ATTENDANCE REGISTER ON THE BACK OF THE PAGE, TEAR IT OFF AND HAND TO THE INVIGILATOR.**

**PLEASE INDICATE YOUR ANSWERS ON THE MARK-READING SHEET PROVIDED, AND CIRCLE THE CORRECT ANSWER ON THE EXAMINATION QUESTION PAPER.**

**READ THROUGH THE CASE STUDY AND ANSWER ALL THE QUESTIONS THAT FOLLOW****CASE STUDY: ADVENTURE CYCLES**

Alex Johnson is a cycling and extreme sports enthusiast from Johannesburg. Feeling trapped in his nine-to-five desk job, Alex knew that he could not continue doing this for the rest of his life, and needed a change. He always had a good eye for an opportunity in the market, and endeavoured to make a success of every opportunity that came his way. Alex and his friend Graham always talked about opening up a bicycle shop, but the idea was never realised. It was only until Alex felt trapped in his job, that this idea became more lucrative. Alex and Graham put all of their expertise and ideas together in order to start this new enterprise. After careful planning, months of saving, and Alex and Graham leaving their jobs, they finally managed to open their own bicycle shop, and registered the enterprise as a partnership under the name Adventure Cycles.

In order to finance the new enterprise, Adventure Cycles applied for a business loan from the bank for R200 000, payable within five years. The bank did, however, require some form of security on the money lent to Adventure Cycles. Alex and Graham also both invested R50 000 of their own personal savings, in order to get the enterprise going.

Situated in the heart of Randburg, Adventure Cycles specialises in the selling of mountain bikes, bicycle parts and bicycle repair services. To differentiate themselves from their competitors, looking for a different approach to ensure growth of the enterprise and save customer costs, Alex and Graham also opened Adventure Cycles online, where they sell bicycles and bicycle parts online. By doing so they spotted an opportunity to cut out the traditional route to reach the target market. Alex and Graham firmly believed that, by also selling bicycles and parts online, they could bring products to the marketplace at a fraction of the price. To do so, however, they had to overcome the natural human inclination to want to physically touch and appraise any potential purchase.

During the first few weeks of operation, Adventure Cycles experienced various problems. In order to solve these problems, Alex and Graham had to first determine the root of the problems. They then approached these problems by grouping all the possible causes into certain categories, which then pointed out the root of their problems. This technique proved to be successful, as they immediately solved complex problems without too much of a disruption. The two also strongly believe that teamwork is of the highest importance in order to reach their goals and objectives. Alex and Graham ultimately strived to satisfy their consumers' wants and needs, while simultaneously meeting the business objectives of the enterprise.

Although Alex and Graham have the knowledge and expertise to repair and service bicycles, they did not have the necessary tools or time to customise painting on bicycles. This is a specialised skill, and only a few people require these customised bicycles. As a result, Alex and Graham decided that this specific function will be done by George, who does not work for Adventure Cycles, but does customised painting as a hobby. George will get paid for the work done, and Adventure Cycles will only take

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a small percentage of the profit. The handcrafted bicycles sold at Adventure Cycles are all imported from a supplier in Italy, and sold at a premium price as these bicycles cannot be bought anywhere else in South Africa.

Adventure Cycles decided to divide the total market into smaller segments and to target specifically middle-class customers between the ages of 20 and 35, who are mountain bicycle enthusiasts and follow an active lifestyle. Adventure Cycles operates in a fairly competitive market, and it is for this reason that Alex and Graham had to constantly think of ways to attract new customers, and retain existing customers.

Due to the retail nature of the enterprise, Alex and Graham had to appoint more people in order to successfully run Adventure Cycles, and satisfy the demand. They decided to appoint a sales consultant, who will specialise in the sales of mountain bicycles. They also decided to appoint a cashier who will be responsible for receiving payments and answering the phone. For the sales consultant position, Graham decided to advertise the position on the local community forum's Facebook page, using the following advert:

<b>SALES CONSULTANT NEEDED AT ADVENTURE CYCLES</b>	
<b>Role and purpose</b>	<i>To sell and market premium mountain bicycles to new and existing clients</i>
<b>Responsibilities and work outputs</b>	<ul style="list-style-type: none"> <li>• <i>Providing service to clients and brokers in line with the Group's standard of service</i></li> <li>• <i>Providing quotes, advice and relevant terms to clients</i></li> <li>• <i>Developing new business opportunities and growing relationships to ensure new business and revenue</i></li> <li>• <i>Executing professional presentations</i></li> <li>• <i>Maintaining the necessary administration standards, monitoring and following up on new and renewed business</i></li> <li>• <i>Establishing and maintaining a good working relationship and integrity</i></li> <li>• <i>Assisting with marketing strategy and implementation</i></li> </ul>
<b>Competencies required</b>	<ul style="list-style-type: none"> <li>• <i>Client orientated</i></li> <li>• <i>Planning and organising skills</i></li> <li>• <i>Team player</i></li> <li>• <i>Communication skills</i></li> </ul>
<b>Experience and qualifications</b>	<ul style="list-style-type: none"> <li>• <i>Previous sales experience</i></li> <li>• <i>Basic understanding of mountain bicycles</i></li> <li>• <i>Numeracy skills</i></li> </ul>

Alex, however, recommended that they appoint his sister-in-law, Catharine, as the cashier. Dineo, a sales consultant with experience in the mountain bicycle industry, immediately applied for the sales consultant position on Facebook. Graham organised an interview with Dineo, and they immediately decided to appoint Dineo.

As part of Adventure Cycle's public relations function, Alex and Graham decided to launch a public relations campaign. This campaign involves continuously informing customers about the importance of water and nature conservation, and ways to reduce your carbon footprint.

Adventure Cycles has now been in operation for six years, and Alex and Graham are excited to see what the future holds for this enterprise.

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ANSWER ALL THE QUESTIONS ON THE MARK-READING SHEET AND CIRCLE THE CORRECT ANSWER ON THE EXAMINATION QUESTION PAPER.

**Chapter 1: Introduction to business management for the entrepreneur**

- 1 Which of the following are reasons why Alex can be regarded as an entrepreneur?
- a) Alex was willing to take a risk to start Adventure Cycles
  - b) Alex is only responsible for managing Adventure Cycles on a day-to-day basis
  - c) Alex manages change by introducing the online shop for selling bicycles and parts
  - d) Alex had the self-confidence and passion to start Adventure Cycles

Choose the correct combination

- 1) a, b, c
  - 2) a, c, d
  - 3) b, d
  - 4) a, b, c, d
- 2 Due to the fact that bicycles are seen as luxury, nice to have items, Alex and Graham need to take into consideration elements such as consumer behaviour and purchasing power. These elements can be found in the \_\_\_\_\_ environment of Adventure Cycles
- 1) micro-
  - 2) macro-
  - 3) market
  - 4) mega
- 3 The supplier that Alex and Graham use to import the handcrafted bicycles from Italy, forms part of Adventure Cycles' \_\_\_\_\_ environment
- 1) micro-
  - 2) macro-
  - 3) market
  - 4) mega
- 4 Alex and Graham have full control over the \_\_\_\_\_ environment
- 1) micro-
  - 2) macro-
  - 3) market
  - 4) mega

[TURN OVER]

- 5 As a self-employed entrepreneur, Alex has to secure contracts through \_\_\_\_\_ and \_\_\_\_\_ on an ongoing basis, as without this, the failure of Adventure Cycles could become a reality
- 1) planning; communication
  - 2) planning, control
  - 3) marketing, accountability
  - 4) marketing, networking
- 6 Which of the following characteristics, of the environment in which Adventure Cycles operates, are true?
- a) Management at Adventure Cycles has limited control over the macro-environment
  - b) Variables within the business environment of Adventure Cycles are interdependent
  - c) Management at Adventure Cycles has direct control over the micro-environment
  - d) The establishment, growth and continued existence of Adventure Cycles are indirectly influenced by the business environment

Choose the correct combination

- 1) a, d
- 2) b, c
- 3) a, c, d
- 4) a, b, c, d

<b>Chapter 2: General management</b>
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- 7 When Alex and Graham decided to differentiate themselves from their competitors, and opened Adventure Cycles online, which component of the new economy did they address?
- 1) Globalisation
  - 2) Alliances
  - 3) Knowledge management
  - 4) New communication technologies
- 8 The customised painting of bicycles done by George, is an example of \_\_\_\_\_ at Adventure Cycles
- 1) outsourcing
  - 2) delegating
  - 3) controlling
  - 4) planning

[TURN OVER]

- 9 Which of the following are true, for the task of strategic planning at Adventure Cycles?
- a) It involves the development of the broad, long-term strategy of Adventure Cycles
  - b) It is aimed specifically at the business activities of Adventure Cycles
  - c) The time frame for strategic plans is three to ten years
  - d) It involves giving instructions to the team at Adventure Cycles on a daily basis

Choose the correct combination

- 1) a, c
  - 2) b, c
  - 3) a, d
  - 4) a, b, c, d
- 10 It is imperative that Alex and Graham manage their time and prioritise activities and tasks. Which one of the following is **NOT** a criterion that they should use when managing their time?
- 1) If a task is not important and not urgent, they should plan to do the task at a later stage
  - 2) If a task is both important and urgent, they need to do it immediately
  - 3) If a task is important but not so urgent, they should do the task immediately
  - 4) If a task is not important but urgent, they should do it immediately, but should not spend a lot of time on it
- 11 Alex and Graham are in the position to identify problems, find alternative solutions, evaluate the solutions and then choose the best one to be implemented. This statement refers to \_\_\_\_\_ as an additional management function.
- 1) co-ordination
  - 2) decision-making
  - 3) control
  - 4) organising
- 12 Which one of the following problem-solving techniques does Alex and Graham apply in Adventure Cycles?
- 1) Brainstorming
  - 2) The Nominal Group Technique
  - 3) The Delphi Technique
  - 4) Fishbone diagrams

[TURN OVER]

- 13 Alex and Graham strongly believe that teamwork is of the highest importance, in order to reach Adventure Cycles' goals and objectives. Which of the following is **NOT** a competency of teamwork?
- 1) Team design
  - 2) Managing team dynamics
  - 3) Team building
  - 4) Creating a supportive environment
- 14 If Alex and Graham were to set an objective to achieve a 10% increase in sales for July, compared to previous months, this is an example of a/an \_\_\_\_\_ objective
- 1) strategic
  - 2) operational
  - 3) individual
  - 4) functional

<b>Chapter 3: The financial function</b>
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- 15 In order to finance the new enterprise, Adventure Cycles applied for a business loan from the bank for R200 000, payable within five years. The bank, however, required some form of security on the money lent to Adventure Cycles. Which one of the following could be considered a form of security for the bank loan?
- 1) Graham's investment portfolio
  - 2) Alex's paid off vehicle
  - 3) Alex's and Graham's personal savings
  - 4) Graham's house, which is still under mortgage
- 16 Which one of the following is true for the statement of financial position of Adventure Cycles?
- 1) The non-current assets are recorded in the statement of financial position at their net cost less accumulated depreciation
  - 2) Intangible assets such as patents and licences will be included under the current assets in the statement of financial position
  - 3) Non-current liabilities are listed as the expenses accrued by Adventure Cycles that are due over longer periods of time
  - 4) Current liabilities include intermediate bank loans and equipment loans

- 17 Equipment, furniture, fixtures, and any other items with an expected useful business life, measured in years, can be classified as \_\_\_\_\_ in the statement of financial position of Adventure Cycles
- 1) current assets
  - 2) non-current assets
  - 3) other assets
  - 4) owner's equity
- 18 The bank loan of R200 000 will form part of the \_\_\_\_\_ in the statement of financial position of Adventure Cycles
- 1) current assets
  - 2) non-current assets
  - 3) current liabilities
  - 4) non-current liabilities
- 19 The categories and format of the statement of financial position are controlled and regulated by the
- a) International Financial Reporting Standards (IFRS)
  - b) South African Institute of Chartered Accountants (SAICA)
  - c) South African Institute of Professional Accountants (SAIPA)
  - d) South African Generally Accepted Accounting Principles (GAAP)

Choose the correct combination

- 1) a, b, c
  - 2) b, c
  - 3) a, d
  - 4) a, b, c, d
- 20 Working capital in Adventure Cycles refers to the \_\_\_\_\_
- 1) strategic financial plan to control the future of Adventure Cycles
  - 2) most persuasive management tool needed when applying for a loan
  - 3) investment that Alex and Graham have made in Adventure Cycles
  - 4) short-term resources that are needed to manage Adventure Cycles on a daily basis
- 21 During which step of long-term financial planning will Alex and Graham study methods of operation, the product mix and new market opportunities?
- 1) Step 2
  - 2) Step 3
  - 3) Step 4
  - 4) Step 5

[TURN OVER]



- 22 Which of the following items will be included under the expenses section of Adventure Cycles' pro forma statement of comprehensive income?
- a) Repairs and maintenance
  - b) Outside services
  - c) Payroll expenses
  - d) Depreciation

Choose the correct combination

- 1) c
- 2) b, c
- 3) a, d
- 4) a, b, c, d

<b>Chapter 4: The marketing function</b>
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- 23 According to the case study, Adventure Cycles follows a \_\_\_\_\_-oriented approach to marketing
- 1) production
  - 2) sales
  - 3) marketing
  - 4) operations
- 24 When Alex and Graham import the handcrafted bicycles from Italy, they help to bridge the \_\_\_\_\_ gap between production and consumption
- 1) space
  - 2) time
  - 3) information
  - 4) value
- 25 Due to the high monetary value of the bicycles sold at Adventure Cycles, Alex and Graham run the danger of loss or damage of the goods. It is for this reason that they decided to take out insurance against arson and theft. This is an example of a/an \_\_\_\_\_ marketing activity, which is known as \_\_\_\_\_
- 1) auxiliary, prevention
  - 2) auxiliary, risk-taking
  - 3) primary, risk-taking
  - 4) primary, prevention

[TURN OVER]

26 The integrated marketing strategy of Adventure Cycles is formed by a combination of marketing decisions, which include

- a) Product
- b) Place
- c) Production
- d) Promotion
- e) Price

Choose the correct combination

- 1) a, b, d, e
- 2) a, c, e
- 3) c, d
- 4) a, b, c, d, e

27 Adventure Cycles primarily operates in the \_\_\_\_\_ market

- 1) industrial
- 2) reseller
- 3) government
- 4) consumer

28 Which one of the following is **NOT** an advantage of having competitors for Adventure Cycles?

- 1) Competitors will help to keep the excessive profits of Adventure Cycles in check
- 2) Competitors will determine the prices for the bicycles sold at Adventure Cycles
- 3) Competitors could stimulate higher profitability for Adventure Cycles
- 4) Competitors encourage technological innovation in Adventure Cycles

29 According to the case study, Alex and Graham segmented the consumer market of Adventure Cycles according to

- a) Geographic variables
- b) Demographic variables
- c) Behavioural variables
- d) Psychographic variables

Choose the correct combination

- 1) a, b
- 2) c, d
- 3) b, d
- 4) b, c, d

[TURN OVER]

- 30 Which one of the following parts of the marketing plan of Adventure Cycles will help Alex and Graham determine whether customers want bicycles, whether they will buy it and whether there is a need for it?
- 1) Market research
  - 2) Business analysis
  - 3) Product analysis
  - 4) Market attractiveness

<b>Chapter 5: Operations management</b>
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- 31 Alex and Graham's knowledge and expertise with regard to repairing and servicing bicycles, form part of the \_\_\_\_\_ in the transformation process of Adventure Cycles
- 1) service means
  - 2) outputs
  - 3) inputs
  - 4) production means
- 32 Once George is done with the customised painting of the bicycles, Alex needs to check if the paint job complies with the quality standards set by Adventure Cycles. This is an example of which one of the following primary lead-time elements?
- 1) Transportation time
  - 2) Inspection time
  - 3) Queue time
  - 4) Processing time
- 33 Alex and Graham can repair and service a maximum number of four bicycles per day. This statement refers to the \_\_\_\_\_ of Adventure Cycles
- 1) operations scheduling
  - 2) master scheduling
  - 3) aggregate planning
  - 4) capacity planning
34. The monthly costs of Adventure Cycles such as electricity, insurance and security, can be classified as \_\_\_\_\_ costs, which are components of \_\_\_\_\_ inventory carrying costs
- 1) holding, direct
  - 2) holding, indirect
  - 3) capital, direct
  - 4) capital, indirect

[TURN OVER]

35 Which one of the following **CANNOT** be considered an objective of inventory management at Adventure Cycles?

- 1) Inventory control must serve as a source of information for management decisions
- 2) Excessive variety of inventory should be maintained at all times
- 3) A scientific, factual method should be created to simplify purchases
- 4) Losses should be prevented by controlling all incoming inventory with regards to quality and quantity

36 The customised painting of bicycles that is done by George, refers to which one of the following quality dimensions pertaining to goods?

- 1) Performance
- 2) Conformance
- 3) Durability
- 4) Aesthetics

37 Adventure Cycles must, at all times, try to minimise maintenance costs. Alex and Graham can only achieve this by creating a proper balance between \_\_\_\_\_ maintenance and \_\_\_\_\_ maintenance

- 1) centralised, decentralised
- 2) corrective, preventative
- 3) sub-contracted, corrective
- 4) preventative, centralised

38 The machinery, tools and equipment, that Alex and Graham use to render the repairing services in Adventure Cycles, are subject to a substantial degree of wear, due to constant use. Which of the following are consequences Alex and Graham could face if their machinery, tools and equipment are defective?

- a) Threats to safety
- b) Customer dissatisfaction
- c) Increased production costs
- d) Increased production capacity
- e) Lower-quality products and services

Choose the correct combination

- 1) a, b, d
- 2) c, d
- 3) a, b, c, e
- 4) a, b, c, d, e

**Chapter 6: The financial function**

39 During the planning phase of the purchasing function, Alex and Graham need to \_\_\_\_\_

- 1) formulate the purchasing objectives
- 2) allocate responsibilities and structure the purchasing activities
- 3) evaluate the performance of the purchasing management function
- 4) determine who has adequate knowledge and skills to lead the purchasing function

40 If the purchasing activities of Adventure Cycles are well organised and mainly handled by Alex, it refers to the method of \_\_\_\_\_ in the purchasing function of Adventure Cycles

- 1) centralisation
- 2) decentralisation
- 3) departmentalisation
- 4) organisation

41 Alex and Graham need to determine the future availability of the bicycles they import from the supplier in Italy. Which of the following is necessary for them to do, to determine the future availability?

- a) A study of the managerial ability of the supplier
- b) A study of the operational ability of the supplier
- c) A study of the supplier's past performance
- d) A study of the supplier's progressiveness
- e) A study of the financial ability of the supplier

Choose the correct combination

- 1) a, b
- 2) b, d
- 3) a, c, d, e
- 4) a, b, c, d, e

42 If Alex and Graham receive defective bicycles from the supplier, they should communicate with the supplier in a way that ensures both the prevention of future consignments, and the preservation of good supplier relations. During which step of the purchasing cycle do they need to do this?

- 1) Step 6
- 2) Step 7
- 3) Step 8
- 4) Step 9

[TURN OVER]

- 43 Owing to the retail nature of Adventure Cycles, the quality of the purchased bicycles directly influences the \_\_\_\_\_ of Adventure Cycles
- 1) image
  - 2) profitability
  - 3) suppliers
  - 4) employees
- 44 The totality of the features and characteristics of the bicycles that bear the ability to satisfy the stated needs of consumers, is known as \_\_\_\_\_
- 1) the need-satisfying cycle
  - 2) specification
  - 3) quality
  - 4) specialisation
- 45 Alex and Graham realised that the timing of purchases are influenced by several *internal and external factors*. Which one of the following is **NOT** an internal factor that Alex and Graham should consider?
- 1) Marketing and operations plans
  - 2) Physical facilities
  - 3) Availability of funds
  - 4) Reliability of suppliers
- 46 A personal meeting between Alex and the bicycle supplier, with the objective of reaching a compromise and concluding a deal, is known as \_\_\_\_\_
- 1) direct marketing
  - 2) negotiation
  - 3) personal selling
  - 4) cooperation

<b>Chapter 7: The human resource function</b>
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- 47 Owing to the small size of Adventure Cycles, Alex and Graham had to decide how the human resource function would be managed, since they did not have a separate human resource division. Which of the following are options they could have chosen from?
- a) Alex and Graham could appoint one person to handle all the human resource tasks
  - b) Alex and Graham could choose to handle the function themselves
  - c) Alex and Graham could appoint a temporary employee to handle the function

[TURN OVER]

- d) Alex and Graham could outsource the human resource function to an external business

Choose the correct combination

- 1) a, b
- 2) c, d
- 3) a, b, c
- 4) a, b, c, d

48. According to the case study, what type of recruitment did Graham use when he appointed Dineo?

- 1) Internal recruitment
- 2) External recruitment
- 3) Self-selection
- 4) Self-presentation

49 According to the case study, what type of recruitment did Alex use when he appointed Catharine?

- 1) Internal recruitment
- 2) External recruitment
- 3) Self-selection
- 4) Self-presentation

50 With regards to the advertisement placed on Facebook, the experience and qualifications required, form part of the job \_\_\_\_\_

- 1) analysis
- 2) description
- 3) specification
- 4) specialisation

51 With regards to the advertisement placed on Facebook, the competencies required, form part of the job \_\_\_\_\_

- 1) analysis
- 2) description
- 3) specification
- 4) specialisation

52 With regards to the advertisement placed on Facebook, the responsibilities and work outputs, form part of the job \_\_\_\_\_

- 1) analysis
- 2) description
- 3) specification
- 4) specialisation

53 Once Dineo was appointed he had to be introduced to Adventure Cycles, the procedures, the environment and his colleagues. What did Alex and Graham have to do **before** Dineo arrived at Adventure Cycles?

- a) Inform other employees of Dineo and his duties
- b) Introduce Dineo to the activities of his section
- c) Congratulate Dineo on his appointment
- d) Identify Dineo's possible shortcomings and training needs

Choose the correct combination

- 1) a, c
- 2) b, d
- 3) a, c, d
- 4) a, b, c, d

54 If Graham decides to give Dineo a cell phone allowance, in addition to his normal salary, it will be classified as \_\_\_\_\_ remuneration

- 1) primary
- 2) secondary
- 3) direct
- 4) indirect

<b>Chapter 8: Information management</b>
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55 The orders that are placed for new bicycles and bicycle parts, can be classified as \_\_\_\_\_ in the information technology transformation process of Adventure Cycles

- 1) inputs
- 2) outputs
- 3) purchasing activities
- 4) administrative activities



56 Which one of the following **CANNOT** be considered an activity for which data must be collected at Adventure Cycles?

- 1) Recording bicycle sales transactions
- 2) Payments made by Adventure Cycles
- 3) Receiving delivery notes
- 4) Servicing bicycles

57 Which of the following *is/are* method/s that Alex and Graham can use to process data at Adventure Cycles?

- a) Making calculations
- b) Making summaries
- c) Making evaluations
- d) Drawing comparisons

Choose the correct combination

- 1) a
- 2) b, d
- 3) a, c, d
- 4) a, b, c, d

58 Which one of the following can be considered as a strategic decision that should be taken in Adventure Cycles?

- 1) Developing policies to manage individual departments in Adventure Cycles effectively
- 2) Counteracting activities from competitors that could affect Adventure Cycles negatively
- 3) Developing predetermined schedules for the daily operations at Adventure Cycles
- 4) Monitoring budgets of Adventure Cycles

59 Information that is gathered from the external environment of Adventure Cycles, is known as \_\_\_\_\_ information, whereas information distributed to the external environment of Adventure Cycles, is known as \_\_\_\_\_ information

- 1) public, intelligence
- 2) intelligence, public
- 3) primary, secondary
- 4) secondary, primary

- 60 Which one of the following communication methods will be most suitable for Alex and Graham if they would like to have a meeting with the supplier in Italy, to view the product range he has in stock?
- 1) Instant messaging
  - 2) Teleconference
  - 3) Video conference
  - 4) E-mail
- 61 If another bicycle shop were to enter the market with the same product/ service offering as Adventure Cycles, Alex and Graham would require \_\_\_\_\_ knowledge to know how to react in the particular situation
- 1) situational
  - 2) organisational
  - 3) tacit
  - 4) explicit
- 62 Alex and Graham soon realised that they needed to implement some form of an information system in order to run Adventure Cycles smoothly. For this to be effective, they need an information system that can help them make decisions that are unique, rapidly changing and cannot easily be specified in advance. What type of information system is best suited for Adventure Cycles in this instance?
- 1) Decision support system
  - 2) Management information system
  - 3) Executive support system
  - 4) Customer relationship management system

<b>Chapter 9: Public relations</b>
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- 63 The primary objective of the public relations function within Adventure Cycles is to \_\_\_\_\_
- 1) establish goodwill among the various publics
  - 2) enhance and contribute to the prosperity of Adventure Cycles
  - 3) promote and improve the image of Adventure Cycles among the various publics
  - 4) make a good profit and increase the sales

- 64 The bank from which Adventure Cycles took out a business loan, forms part of the enterprise's \_\_\_\_\_ public
- 1) internal
  - 2) external
  - 3) primary
  - 4) secondary
- 65 Alex and Graham believe that satisfied clients will tell other people about the service they received. This statement refers to \_\_\_\_\_ as one of the factors that form public opinion
- 1) after-sales service
  - 2) previous experience
  - 3) advertisements
  - 4) reception and atmosphere
- 66 During which stage of the public relations campaign must Adventure Cycles show that it is actively involved in charity events?
- 1) Identification stage
  - 2) Participation stage
  - 3) Penetration stage
  - 4) Legitimacy stage
- 67 During which stage of the public relations process do Alex and Graham need to research opinions, attitudes and behaviours?
- 1) Defining the problem or opportunity
  - 2) Planning and programming
  - 3) Taking action and communicating
  - 4) Evaluating the campaign
- 68 How should Alex and Graham counteract negative publicity at Adventure Cycles?
- 1) Cover up what ever happened at Adventure Cycles
  - 2) Practice damage control by inviting a third party to try and salvage any image related issues at Adventure Cycles
  - 3) Present the truth of the situation in the best possible light
  - 4) Reinforce a particular trait of Adventure Cycles they want the public to be aware of

69 According to the case study, what public relations campaign does Adventure Cycles follow?

- 1) Public awareness campaign
- 2) Information awareness campaign
- 3) Public education campaign
- 4) Reinforcing attitudes campaign

70 Which one of the following represents the most basic method of promotion for Adventure Cycles?

- 1) Communication
- 2) Motivation
- 3) Advertising
- 4) Publicity

**TOTAL: [70]**

PART 1 (GENERAL/ALGEMEEN) DEEL 1

STUDY UNIT e.g. PSY100 X  
STUDIE-EENHEID by PSY100-X

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INITIALS AND SURNAME  
VOORLETTERS EN VAN

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c0	c0	c0	c0	c0	c0	c0	c0
c1	c1	c1	c1	c1	c1	c1	c1
c2	c2	c2	c2	c2	c2	c2	c2
c3	c3	c3	c3	c3	c3	c3	c3
c4	c4	c4	c4	c4	c4	c4	c4
c5	c5	c5	c5	c5	c5	c5	c5
c6	c6	c6	c6	c6	c6	c6	c6
c7	c7	c7	c7	c7	c7	c7	c7
c8	c8	c8	c8	c8	c8	c8	c8
c9	c9	c9	c9	c9	c9	c9	c9

c0	c0	c0	c0	c0	c0
c1	c1	c1	c1	c1	c1
c2	c2	c2	c2	c2	c2
c3	c3	c3	c3	c3	c3
c4	c4	c4	c4	c4	c4
c5	c5	c5	c5	c5	c5
c6	c6	c6	c6	c6	c6
c7	c7	c7	c7	c7	c7
c8	c8	c8	c8	c8	c8
c9	c9	c9	c9	c9	c9

For use by examination invigilator  
Vir gebruik deur eksamenopsiener

IMPORTANT

BELANGRIK

- 1 USE ONLY AN HB PENCIL TO COMPLETE THIS SHEET
- 2 MARK LIKE THIS
- 3 CHECK THAT YOUR INITIALS AND SURNAME HAS BEEN FILLED IN CORRECTLY
- 4 ENTER YOUR STUDENT NUMBER FROM LEFT TO RIGHT
- 5 CHECK THAT YOUR STUDENT NUMBER HAS BEEN FILLED IN CORRECTLY
- 6 CHECK THAT THE UNIQUE NUMBER HAS BEEN FILLED IN CORRECTLY
- 7 CHECK THAT ONLY ONE ANSWER PER QUESTION HAS BEEN MARKED
- 8 DO NOT FOLD

- 1 GEBUIK SLEGS N HB POTLOOD OM HIERDIE BLAD TE VOLTOOI
- 2 MERK AS VOLG
- 3 KONTROLEER DAT U VOORLETTERS EN VAN REG INGEVUL IS
- 4 VUL U STUDENTENOMMER VAN LINKS NA REGS IN
- 5 KONTROLEER DAT U DIF KORREKTF STUDENTENOMMER VERSTREK HET
- 6 KONTROLEER DAT DIE UNIEKE NOMMER REG INGEVUL IS
- 7 MAAK SEKER DAT NET EEN ALTERNATIEF PER VRAAG GEMERK IS
- 8 MOENIE VOU NIE

PART 2 (ANSWERS/ANTWOORDE) DEEL 2

1 c1 c2 c3 c4 c5	36 c1 c2 c3 c4 c5	71 c1 c2 c3 c4 c5	106 c1 c2 c3 c4 c5
2 c1 c2 c3 c4 c5	37 c1 c2 c3 c4 c5	72 c1 c2 c3 c4 c5	107 c1 c2 c3 c4 c5
3 c1 c2 c3 c4 c5	38 c1 c2 c3 c4 c5	73 c1 c2 c3 c4 c5	108 c1 c2 c3 c4 c5
4 c1 c2 c3 c4 c5	39 c1 c2 c3 c4 c5	74 c1 c2 c3 c4 c5	109 c1 c2 c3 c4 c5
5 c1 c2 c3 c4 c5	40 c1 c2 c3 c4 c5	75 c1 c2 c3 c4 c5	110 c1 c2 c3 c4 c5
6 c1 c2 c3 c4 c5	41 c1 c2 c3 c4 c5	76 c1 c2 c3 c4 c5	111 c1 c2 c3 c4 c5
7 c1 c2 c3 c4 c5	42 c1 c2 c3 c4 c5	77 c1 c2 c3 c4 c5	112 c1 c2 c3 c4 c5
8 c1 c2 c3 c4 c5	43 c1 c2 c3 c4 c5	78 c1 c2 c3 c4 c5	113 c1 c2 c3 c4 c5
9 c1 c2 c3 c4 c5	44 c1 c2 c3 c4 c5	79 c1 c2 c3 c4 c5	114 c1 c2 c3 c4 c5
10 c1 c2 c3 c4 c5	45 c1 c2 c3 c4 c5	80 c1 c2 c3 c4 c5	115 c1 c2 c3 c4 c5
11 c1 c2 c3 c4 c5	46 c1 c2 c3 c4 c5	81 c1 c2 c3 c4 c5	116 c1 c2 c3 c4 c5
12 c1 c2 c3 c4 c5	47 c1 c2 c3 c4 c5	82 c1 c2 c3 c4 c5	117 c1 c2 c3 c4 c5
13 c1 c2 c3 c4 c5	48 c1 c2 c3 c4 c5	83 c1 c2 c3 c4 c5	118 c1 c2 c3 c4 c5
14 c1 c2 c3 c4 c5	49 c1 c2 c3 c4 c5	84 c1 c2 c3 c4 c5	119 c1 c2 c3 c4 c5
15 c1 c2 c3 c4 c5	50 c1 c2 c3 c4 c5	85 c1 c2 c3 c4 c5	120 c1 c2 c3 c4 c5
16 c1 c2 c3 c4 c5	51 c1 c2 c3 c4 c5	86 c1 c2 c3 c4 c5	121 c1 c2 c3 c4 c5
17 c1 c2 c3 c4 c5	52 c1 c2 c3 c4 c5	87 c1 c2 c3 c4 c5	122 c1 c2 c3 c4 c5
18 c1 c2 c3 c4 c5	53 c1 c2 c3 c4 c5	88 c1 c2 c3 c4 c5	123 c1 c2 c3 c4 c5
19 c1 c2 c3 c4 c5	54 c1 c2 c3 c4 c5	89 c1 c2 c3 c4 c5	124 c1 c2 c3 c4 c5
20 c1 c2 c3 c4 c5	55 c1 c2 c3 c4 c5	90 c1 c2 c3 c4 c5	125 c1 c2 c3 c4 c5
21 c1 c2 c3 c4 c5	56 c1 c2 c3 c4 c5	91 c1 c2 c3 c4 c5	126 c1 c2 c3 c4 c5
22 c1 c2 c3 c4 c5	57 c1 c2 c3 c4 c5	92 c1 c2 c3 c4 c5	127 c1 c2 c3 c4 c5
23 c1 c2 c3 c4 c5	58 c1 c2 c3 c4 c5	93 c1 c2 c3 c4 c5	128 c1 c2 c3 c4 c5
24 c1 c2 c3 c4 c5	59 c1 c2 c3 c4 c5	94 c1 c2 c3 c4 c5	129 c1 c2 c3 c4 c5
25 c1 c2 c3 c4 c5	60 c1 c2 c3 c4 c5	95 c1 c2 c3 c4 c5	130 c1 c2 c3 c4 c5
26 c1 c2 c3 c4 c5	61 c1 c2 c3 c4 c5	96 c1 c2 c3 c4 c5	131 c1 c2 c3 c4 c5
27 c1 c2 c3 c4 c5	62 c1 c2 c3 c4 c5	97 c1 c2 c3 c4 c5	132 c1 c2 c3 c4 c5
28 c1 c2 c3 c4 c5	63 c1 c2 c3 c4 c5	98 c1 c2 c3 c4 c5	133 c1 c2 c3 c4 c5
29 c1 c2 c3 c4 c5	64 c1 c2 c3 c4 c5	99 c1 c2 c3 c4 c5	134 c1 c2 c3 c4 c5
30 c1 c2 c3 c4 c5	65 c1 c2 c3 c4 c5	100 c1 c2 c3 c4 c5	135 c1 c2 c3 c4 c5
31 c1 c2 c3 c4 c5	66 c1 c2 c3 c4 c5	101 c1 c2 c3 c4 c5	136 c1 c2 c3 c4 c5
32 c1 c2 c3 c4 c5	67 c1 c2 c3 c4 c5	102 c1 c2 c3 c4 c5	137 c1 c2 c3 c4 c5
33 c1 c2 c3 c4 c5	68 c1 c2 c3 c4 c5	103 c1 c2 c3 c4 c5	138 c1 c2 c3 c4 c5
34 c1 c2 c3 c4 c5	69 c1 c2 c3 c4 c5	104 c1 c2 c3 c4 c5	139 c1 c2 c3 c4 c5
35 c1 c2 c3 c4 c5	70 c1 c2 c3 c4 c5	105 c1 c2 c3 c4 c5	140 c1 c2 c3 c4 c5

Specimen only

## MARK READING SHEET INSTRUCTIONS

Your mark reading sheet is marked by computer and should therefore be filled in thoroughly and correctly

### USE ONLY AN HB PENCIL TO COMPLETE YOUR MARK READING SHEET

*PLEASE DO NOT FOLD OR DAMAGE YOUR MARK READING SHEET*

Consult the illustration of a mark reading sheet on the reverse of this page and follow the instructions step by step when working on your sheet

Instruction numbers ① to ⑩ refer to spaces on your mark reading sheet which you should fill in as follows

- ① Write your paper code in these eight squares, for instance

P	S	Y	1	0	0	-	X
---	---	---	---	---	---	---	---

- ② The paper number pertains only to first-level courses consisting of two papers

WRITE 

0	1
---	---

 for the first paper and 

0	2
---	---

 for the second. If only one paper, then leave blank

- ③ Fill in your initials and surname
- ④ Fill in the date of the examination
- ⑤ Fill in the name of the examination centre
- ⑥ WRITE the digits of your student number HORIZONTALLY (from left to right). Begin by filling in the first digit of your student number in the first square on the left, then fill in the other digits, each one in a separate square
- ⑦ In each vertical column mark the digit that corresponds to the digit in your student number as follows [-]
- ⑧ WRITE your unique paper number HORIZONTALLY  
NB Your unique paper number appears at the top of your examination paper and consists only of digits (e.g. 403326)
- ⑨ In each vertical column mark the digit that corresponds to the digit number in your unique paper number as follows [-]
- ⑩ Question numbers 1 to 140 indicate corresponding question numbers in your examination paper. The five spaces with digits 1 to 5 next to each question number indicate an alternative answer to each question. The spaces of which the number correspond to the answer you have chosen for each question and should be marked as follows [-]
- ◆ For official use by the invigilator. Do not fill in any information here