

MNG2602

(476231)

May/June 2014

CONTEMPORARY MANAGEMENT ISSUES

Duration . 2 Hours

70 Marks

EXAMINERS

FIRST

SECOND

MRS K STANDER

MRS MJ VRBA

Closed book examination.

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The use of a calculator is not permissible.

This examination paper consists of **37 pages**, plus instructions for the completion of a mark-reading sheet

INSTRUCTIONS

This exam paper consists of **70 multiple-choice questions**, worth one mark each, which you have to answer on the **mark-reading sheet**.

Please ensure that you have filled in the following information on the **mark-reading sheet**:

- your student number
- the module code **MNG2602**
- the unique number **476231**

Please complete the attendance register on the back page, tear it off and hand it to the invigilator.

[TURN OVER]

Answer the following multiple-choice questions on the mark-reading sheet provided.

1. *Before the fall of the Berlin Wall, those living in communist countries could only buy cars manufactured locally or in other communist countries, because trade barriers prevented them from importing cars from Western countries. After the end of communism and the lifting of trade barriers, organisations from Western countries were able to expand their markets to former communist countries.*

Western countries can expand their markets to former communist countries because of _____, a major force causing **organisations to change**.

- 1 globalisation
- 2 organisational learning
- 3 a decrease in the power of governments
- 4 an increase in the intellectual capital of organisations

- 2 *Energy-storage devices, such as lithium-ion batteries and fuel cells, power early versions of electric and hybrid vehicles, the cars of the future.*

The energy-storage devices describe the influence of _____, a **force** that will **change** the face of the passenger vehicle industry

- 1 globalisation
 - 2 advances in technology
 - 3 increased levels of technological learning
 - 4 increases in the technological capital of organisations
3. *After a tweet about a see-through toaster had gone viral, Chef's Choice developed and marketed the first commercially viable see-through toaster.*

This is an example of _____, a **force** that **causes** organisations to change.



- 1 globalisation
- 2 increased levels of technological learning
- 3 increased power and demands of the customer
- 4 decreasing power of organisations

4. _____ **capital** can be defined as the combined skills and knowledge of the organisation.
- 1 Intellectual
 - 2 Structural
 - 3 Customer
 - 4 Human
5. Select the option that best defends the following statement: "*Bureaucracy fails to provide in the needs of modern organisations*".
- 1 Organisations operating in turbulent environments have to respond to increased competition, requiring them to be more flexible
 - 2 The development of total quality management parallels the quest for specialisation in a bureaucracy.
 - 3 New information technology changes the information channels in organisations, turning the traditional chain of command into a strength for organisations.
 - 4 International competition and expanding global markets demand that the organisation analyses its environment in terms of its country of origin.
6. The **bureaucracy** is still widely used in many organisations, especially where _____.
- 1 products are customised per customer requests
 - 2 large amounts of standardised information have to be processed
 - 3 quality initiatives depend on cooperation between departments
 - 4 the needs of the customer are unknown

- 7 **Decision-making** in traditional organisations followed a/an _____ approach, while the **workforce** of the “new” organisation is more _____.
- 1 information-driven; participative
 - 2 knowledge-driven; heterogeneous
 - 3 top-down; diverse
 - 4 bottom-up; homogenous

Questions 8 to 14

Read the Delta Airlines case study and then answer the questions that follow.

DELTA AIRLINES: A TURNAROUND

Soaring fuel costs, escalating wages, tightened security and the great recession – all of these issues profoundly affect every air carrier in the world today. Perhaps no industry has experienced such tumultuous change so quickly and dramatically as the airline industry since the terrorist attacks of 9/11 (11 September 2001).

Delta Airlines is no exception. Bombarded with external pressures, the airline also struggled with organisational and management problems. Pilots threatened to strike, passengers' luggage was routinely lost and huge planes were committed to wrong routes and arrived at destinations with empty seats, draining profits. In short, skyrocketing costs nearly broke Delta. Wall Street analysts whispered liquidation, suggesting Delta might be better off going under for good.

But Delta's management had other ideas. CEO Gerald Grinstein made some hard decisions and took the company into turnaround, hoping his firm could emerge leaner, more profitable and better able to compete. US Airways had already declared bankruptcy twice, United Airlines had been in bankruptcy for three years and North West was getting ready to take the same plunge. “The general experience in bankruptcies was not good,” Grinstein recalls.

[TURN OVER]

But Grinstein and his management team approached bankruptcy differently: with speed. They understood that the faster they could pilot Delta through the process the better off the firm would be in the long run.

"We knew that the longer you stay in bankruptcy, the harder it is to adapt to the environment once you come out," says Grinstein. So his team, including chief financial officer Ed Bastain, and Delta's lawyers, set a target date for the firm to re-emerge in less than two years. To meet the goal, Grinstein's team had to avoid long and costly litigation. "The bankruptcy process is usually like a bunch of pit bulls fighting with each other," he explains with distaste. "We did not want to get into that."

So the firm dealt with creditors directly, avoiding formal claims. "We said, 'We want anyone with an issue to call'," explains Marshall Heuberner, Delta's lead outside attorney.

Meanwhile, Delta was almost forced to shut down completely by pilots who threatened to strike over proposed wage cuts. Delta's pilots were initially under the impression that their salaries had to be cut to accommodate pressure for an increase from flight attendants. After an intense argument with management, Delta's pilots decided to take pay cuts in exchange for future incentives once the company was restructured.

Source Bateman, TS & Snell, SA 2009 Management 8th international edition New York McGraw-Hill

8. Escalating wages can be categorised as a(n) _____ **force for change** at Delta.
- 1 internal
 - 2 external
 - 3 technological
 - 4 social
9. The great recession can be categorised as a(n) _____ **force for change** at Delta.
- 1 political
 - 2 international
 - 3 ecological
 - 4 social
10. The 9/11 attacks (on 11 September 2001) can be categorised as a(n) _____ **force for change** at Delta
- 1 political
 - 2 international
 - 3 economic
 - 4 social
11. The **scope** of the changes in the airline industry, resulting from the 9/11 attacks, can be categorised as _____
- 1 punctuated
 - 2 revolutionary
 - 3 reactive
 - 4 top-down

12. The **process** of change at Delta owing to the bankruptcy reorganisation can be categorised as _____.
- 1 incremental
 - 2 continuous
 - 3 top-down
 - 4 planned
- 13 The possible strike action by Delta pilots is an example of a(n) _____ **barrier to change resulting** from a _____
- 1 external; lack of trust
 - 2 human; high level of self-interest
 - 3 organisational; low tolerance for change
 - 4 internal; perceived threat to group interests
- 14 The pilots at Delta were striking to show their dissatisfaction with the proposed changes at the airline. Which of the following **techniques** would have been appropriate for Delta's management to use when addressing the pilots' **resistance to change**?
- 1 Participation and involvement
 - 2 Facilitation and support
 - 3 Negotiation and agreement
 - 4 Manipulation and co-optation

Questions 15 to 21

Read the following additional notes on Delta Airlines and answer the questions that follow

DELTA AIRLINES: 'NO' TO THE UNIONS

In 2006 the National Safety Council named Delta as that year's Occupational Industry Leader – the first airline recognised for this prestigious award. In addition, the *JD Power Customer Satisfaction Survey* ranked Delta second overall of all the network carriers for its excellent customer service. *Business Traveller* readers selected the company as the best performer in the following categories: "Best Frequent Flyer Programme", "Best Airline Web Site" and "Best Airport Lounge". These awards are proudly displayed in the foyer of the Delta head office.

In 2008 one of the airline industry's biggest mergers took place when Delta acquired Northwest Airlines. Delta's chief executive officer (CEO), Richard Anderson, in an address to a group of Atlanta business executives, assured them that "The culture of Delta Airlines Inc. will survive the carrier's merger with Northwest Airlines". According to Anderson, the company's commitment to its employees and customers was evident as illustrated by its decision to offer employees profit sharing, the best compensation in the industry, and the company's emphasis on customer service.

Although Anderson is no longer the CEO of Delta, people remember him as a committed change agent, with a colourful, multifaceted personality. Some of the employees at Delta who worked with him still identify with his respect for people and his active involvement in community engagement. Every year on 16 November, the International Day for Tolerance, employees at Delta participate in a community project with a tolerance theme. The company's strong identification with human rights is evident in, for example, the names of the conference room (Roosevelt Room) and the cafeteria (The Havel).

[TURN OVER]

According to *The Atlanta Journal*, Delta employees attempted to unionise three times in eight years, however, according to *Associated Press*, Delta is “the only big US airline that is mostly non-union.” According to *TheStreet.com*, Delta’s CEO Richard Anderson, reminded workers that “after the merger the carrier agreed to provide 15% of pre-tax profits and 15% of its stock to employees. In addition, although the carrier lost billions of dollars in 2007 and 2008, it offered raises to employees in both years.” The publication quotes Anderson as saying: “There’s a moral obligation to make this a good place to work”. *The New York Times* reported that flight attendants at Delta Air Lines rejected, by a narrow margin, a third attempt of a labour union to represent them. Delta argued that unions could disrupt its corporate culture with its strong emphasis on direct communication with workers. Delta’s culture of cooperation contrasted with the poor relations its major competitor, Northwest Airline, had with its labour force. “Our direct relationship works well for our people and our company”, Delta said in a statement after the vote. “Our flight attendants have spoken and we are pleased that so many flight attendants agree.”

Source Bateman, TS & Snell, SA 2009 *Management* Eight International Edition New York McGraw-Hill

Questions 15 and 16

Match each level of **organisational culture** in Column A with an **appropriate example** in Column B.

Column A Schein's levels of organisational culture	Column B Example from the case study
15. Artefacts	1 The legacy of non-unionisation of Delta employees
16. Values and norms	2 The awards displayed in the foyer of Delta
	3 Delta's emphasis on customer service
	4 Delta's moral obligation to make it a good place to work

Questions 17 and 18

Match each **element of culture** in Column A with an **appropriate example** in Column B

Column A Elements of organisational culture	Column B Example from the case study
17. Stones	1 Employees identifying with the previous CEO
18. Language	2 The Delta logo
	3 The cafeteria's name is The Havel
	4 International Day of Tolerance projects

19. According to **Quinn and McGrath** (1985), Delta's **culture** can be classified as a _____ culture

- 1 constructive
- 2 process
- 3 person
- 4 clan

20. Delta's CEO, Richard Anderson, has _____ **power** stemming from his position in the company.

- 1 personal
- 2 legitimate
- 3 referent
- 4 coercive

21. As Delta's CEO, Richard Anderson has _____ **authority**.
- 1 charismatic
 - 2 charismatic-traditional
 - 3 traditional
 - 4 traditional-legal
22. In organisations, **individuals** use their _____ to **defend** their _____
- 1 authority; power
 - 2 power; interest
 - 3 interest; authority.
 - 4 interest; power.
- 23 _____ involves gaining the **agreement** of others to work with you to achieve a specific goal
- 1 Influence
 - 2 Authority
 - 3 Power
 - 4 Leadership
24. Delta's CEO, Richard Anderson, used the **influence tactic** of _____ when he reminded workers "that after the merger the carrier agreed to provide 15% of pre-tax profits and 15% of its stock to employees. Additionally, although the carrier lost billions of dollars in 2007 and 2008, it offered raises in both years."
- 1 coalition
 - 2 ingratiating
 - 3 rational persuasion
 - 4 inspirational appeals

25. The **influence tactic** of _____ is the most effective tactic to use across organisational levels.
- 1 exchange
 - 2 coalition
 - 3 ingratiation
 - 4 rational persuasion
26. When employees in organisations convert their **power** into **influence** and action, they are engaging in _____
- 1 authority.
 - 2 politics.
 - 3 leadership.
 - 4 management

Questions 27 and 28

Consider the following excerpt from the Delta Airlines case study and answer the questions that follow.

"Delta was almost forced to shut down completely because its pilots threatened to strike to show their dissatisfaction with Delta's proposed wage cuts. Delta's pilots were under the impression that they had to accept salary cuts because the company adhered to pressure from the flight attendants to increase their salaries. After a heated argument with management, Delta's pilots decided to accept salary cuts in exchange for lucrative incentives once the company was restructured."

27. The excerpt describes _____ **conflict** resulting from _____
- 1 interpersonal; goal differences.
 - 2 intergroup; the competition for scarce resources.
 - 3 interpersonal, environmental stressors.
 - 4 intergroup; a breakdown in communication.
28. The **conflict management strategy** described in the excerpt is _____
- 1 accommodation.
 - 2 compromise
 - 3 competition.
 - 4 collaboration.

29. Step 3 of the **negotiation phase** of the negotiation process is to _____
- 1 make sense of the other party's needs.
 - 2 research the other party.
 - 3 allow the other party to make the first offer.
 - 4 develop options and trade-offs.

Questions 30 to 34

Read the following additional notes on Delta Airlines and answer the questions that follow.

Delta Airlines: Conducting good business

Delta has always followed a policy of conducting its business ethically and in compliance with the letter and spirit of the law. This policy is critical to Delta's international reputation for excellence and integrity

Delta's code of ethics and business conduct provides the people of Delta with a summary of its standards of business conduct so that each of them understands the basic rules that apply. The code also describes some of the resources available to help them maintain these standards. In this way, it ensures that their actions never fall short of their legal and ethical commitments.

The following table is a summary of Delta's code of ethics.

Delta's vision	<ul style="list-style-type: none"> • To be the world's greatest airline.
Ethical principles	<ul style="list-style-type: none"> • Act with integrity. Pursue no business opportunity that would violate the law or Delta's standards of conduct. This begins with our foremost commitment to safety and extends to all other legal and ethical responsibilities. • Earn the trust of our stakeholders. Deal honestly and in good faith with customers, suppliers, employees, shareowners, communities surrounding the airports and everyone else who may be affected by our actions. • Respect and support each other. Respect the dignity and human rights of our fellow employees, recognising that we gain strength from diversity and inclusiveness. • Be loyal. Avoid and disclose any activities that might conflict with our responsibilities to Delta and our customers, and protect Delta's assets. • Act in a way we can be proud of. Only engage in business activities that you would be comfortable with if others knew about them. • Listen. Provide an environment where individuals can question a Delta practice in good faith without suffering any negative consequences. • Be more. Actively engage and empower the communities surrounding the airports from which we operate, by sourcing, growing and supporting local suppliers.
Actions	<ul style="list-style-type: none"> • Always ask: "What would a good person do in this circumstance?" • Know what is right • Do what is right. • If you are ever unsure, ask. • Keep asking until you get an answer.

30. Which of the **stakeholders** listed in Delta's code of ethics can be regarded as **secondary** stakeholders?
- 1 suppliers
 - 2 customers
 - 3 communities
 - 4 shareowners
31. From Delta's code of ethics it is clear that Delta follows a(n) _____ **approach to ethical decision making.**
- 1 deontological
 - 2 consequentialist
 - 3 utilitarian
 - 4 virtue
32. By respecting the dignity of its employees, Delta is applying the _____ of **corporate social responsibility.**
- 1 virtue approach
 - 2 human rights approach
 - 3 narrow view
 - 4 broad view

33. By actively contributing to the welfare of the communities surrounding the airports from which it operates, Delta has agreed to a _____ **contract** with these communities, suggesting that Delta regards corporate social responsibility (CSR) as a(n) _____ **duty**.
- 1 social; positive
 - 2 financial; negative
 - 3 social; optional
 - 4 legal; positive
34. Based in the **United States of America**, Delta is subject to the _____ approach to **corporate governance**.
- 1 comply or else
 - 2 apply or else
 - 3 comply or explain
 - 4 apply or explain
35. Which one of the following is **not** one of the three **value dimensions** that form the basis for the King III Report?
- 1 corporate citizenship
 - 2 ethical leadership
 - 3 morality
 - 4 sustainability

36. **Diversity** is about _____.

- 1 equal employment opportunities
- 2 a vendetta against white males
- 3 an absence of standards
- 4 profitability

37. _____ is a **secondary dimension** of diversity.

- 1 Age
- 2 Race
- 3 Gender
- 4 Income

38. Which one of the following is **not** a reason for the current strong focus on the management of workforce diversity in South Africa?

- 1 The changing composition of the labour force
- 2 Legislation on affirmative action
- 3 The growing middle class
- 4 Globalisation

39. The _____ **argument** is **not** an argument in favour of managing diversity.

- 1 marketing
- 2 cost
- 3 supply chain
- 4 resource acquisition

40. According to the _____ **approach** to managing diversity, it is best to treat everyone in the same way: "Treat others as you want to be treated."

- 1 golden rule
- 2 "right the wrongs"
- 3 "value of differences"
- 4 platinum rule

Question 41

Consider the following list of variables and answer the question that follows

- a Non-compliance with affirmative action policies
- b Organisational assessment of diversity policies to create an organisational culture that supports diversity
- c Belief in a monoculture organisation
- d No organisational support for education and diversity training
- e Inconsistent or poor managerial commitment
- f No policies on managerial and economic empowerment
- g Effective implementation of affirmative action policies
- h Compliance with affirmative action
- i Inconsistent enforcement of diversity policies
- j Ongoing education and diversity training programmes
- k Very little is done in the area of managerial and economic empowerment
- l Managerial commitment to managerial and economic empowerment – culture of enabling employees
- m Managerial commitment tied to organisational rewards

41. Broad-based diversity efforts on the organisational **diversity continuum** include the following variables:

- 1 d, e, j, k, m
- 2 b, g, j, l, m
- 3 e, h, l, k, l
- 4 c, g, h, k, m

42. The _____ **diversity paradigm** increases the organisation's effectiveness in capturing niche markets.
- 1 discrimination – fairness
 - 2 access – legitimacy
 - 3 learning – effectiveness
 - 4 growth – efficiency

Questions 43 to 47

Read the following additional notes on Delta Airlines and answer the questions that follow.

HOW A "MANAGEMENT TEAM HUNTING AS A PACK" REVIVED DELTA AIRLINES

In 2013, Delta Airlines reported a profit for the fourth consecutive year and its best in six years. The Delta CEO, Richard Anderson, took the helm in 2007 after Delta exited its bankruptcy protection, but before the dramatic increase in fuel prices and the beginning of the recession.

Anderson is reluctant to claim credit for the airline's excellent performance, saying, "The senior management team hunts as a pack" The "hunt" has led to opportunities in some key markets. In the New York area, for example, Delta has raised its passenger count by 10% during the past three years and is challenging the dominant competitor in that area, United Airlines, for market share. In addition, Delta's partnership with Virgin Atlantic will ensure that it gets a bigger share of the world's busiest route between New York and London.

The "pack" also ventured into uncharted territory by taking the unusual step of buying an oil refinery in an effort to exert some control over the price of jet fuel. At \$12 billion, fuel is Delta's biggest annual expense. In another initiative, Delta was the first airline to introduce in-flight internet access in its aircraft.

[TURN OVER]

In an effort to simplify its fleet and capitalise on cross-platform compatibility, not only in pilot training but also in maintenance, the airline began to retire its trijets (three-engine planes) in favour of twinjets (two-engine planes). Delta's entire active fleet is now composed of twinjets, with the exception of the 747s. The airline is now the world's largest operator of 767 aircraft.

The airline industry recognises the extensive flight service and brand legacy of Delta Airlines as being unique. Three airlines proposed mergers with Delta in 2007, namely US Airways, United and Northwest, and each of them stated that the proposed merged airline would take on the Delta name. In 2008 Delta merged with Northwest Airlines. The merger with Northwest is considered a blueprint for combining airlines.

Service at Delta

In 2007, JD Powers and Associates judged eight airlines in its "traditional network" category (low-cost airlines competed in a separate category). The judges rated Delta Airlines as the second best airline in the "overall satisfaction" ranking of the eight carriers, with Continental taking the first place. Delta's performance was highly rated in seven of the eight categories: Check-in, Boarding/Deplaning/Baggage, Aircraft Condition/Cleanliness, Flight Crew, In-flight Service and Overall Cost. The only category where it lagged its competitors was Flight Reservations/Scheduling.

Business Traveller (January 2008) in its "Best of Business Travel Awards", rated Delta as the best performer in three categories: "Best Frequent Flyer Programme", "Best Airport Lounge" and "Best Airline Web Site". These rankings emphasise the key differentiators that Delta offers to business travellers, who often consider factors other than simply the lowest cost when they choose an airline.

Working at Delta

Delta Airlines employs over 55 000 people (in 2007), with approximately 17% of the employees represented by unions, in contrast to other legacy airlines where all employees are unionised. Delta has a history of high employee morale and loyalty, even

during the 2006 bankruptcy proceedings. During a hostile takeover bid from US Airways (in 2006), Delta employees supported management when they rejected the takeover bid despite claims that Delta employees would benefit from the merger. Employees launched a campaign called "Keep Delta My Delta" featuring buttons, petitions and statements explaining why Delta should reject US Airways' proposed merger offer (US Airways withdrew the offer in early 2007). Conversely, the support for the Northwest merger by the Delta pilots' union should ensure a smooth transition to a new global airline, pending approval of government regulators. In 2008, Delta employees voted to reject a representation offer from the Association of Flight Attendants in favour of retaining a direct relationship with Delta management.

Code sharing

Delta Airlines was influential in broadening the use of code sharing between various airlines. Code sharing is an agreement between carriers, wherein airlines jointly market a flight operated by an airline as a flight for one or more of the other airlines. Currently, Delta Airlines is in the code sharing "SkyTeam Alliance" with Continental and Northwest Airlines, and various others around the world.

Main hub location

The most travelled airport in the world is Hartsfield-Jackson Atlanta International Airport, flying more than 994 000 aircraft and accommodating more than 89.4 million passengers annually. Hartsfield-Jackson Atlanta International Airport is one of Delta Airlines' main hubs within the US. Because it controls three of the six concourses outright, and has major gate access within the remaining concourses, Delta Airlines flies 56% of the passengers from the airport. This gives the company a distinct advantage over its competitors – it would be difficult for other airlines to enter this market as in 2013 Delta controls the majority of the flights at the airport. In addition, Delta is the US leader in world destinations, serving over 300 countries. It is also the leading carrier across the Atlantic, with 37 destinations, including destinations in Africa, where it is the only major US carrier to fly on a regular basis.

[TURN OVER]

Luxury

In 2013, Delta Air Lines strives to provide in the needs of its passengers, for example, for its first and business classes, the airline is installing new seats on all its major aircraft. The new Recaro seats have built-in massage features, and for international flights, the airline is introducing a new sleeper suite product. Delta is also revamping the economy class seats by adding a half-moon design and a staggered formation of the chairs to allow more privacy, and increasing the legroom by two inches to provide more comfort.

Adapted from: Freed, J. 2013. Management "pack" revives Delta Airlines. Available at <http://bigstory.ap.org/article/how-management-pack-revived-delta-air-lines> (accessed on 19 September 2013)

43. In 2013, Delta Air Lines employs a _____ **generic strategy**.

- 1 differentiation
- 2 cost leadership
- 3 cost focus
- 4 focus differentiation

44. Delta's strategic **merger** with North West Airlines represents a(n) _____ for the airline

- 1 strength
- 2 weakness
- 3 opportunity
- 4 threat

- 45 Delta's **ability** to capitalise on the growing market for aircraft maintenance, repair and overhaul represents a(n) _____ for the airline.
- 1 strength
 - 2 weakness
 - 3 opportunity
 - 4 threat
46. Delta employed a(n) _____ **grand strategy**, and increased its passenger count on flights leaving from New York by 10%.
- 1 concentration growth
 - 2 market development
 - 3 product development
 - 4 innovation
47. Delta implemented a _____ **grand strategy** when it bought an oil refinery, in an effort to exert some control over the price of jet fuel.
- 1 forward integration
 - 2 backward integration
 - 3 diversification
 - 4 corporate combination
48. The _____ is a **measurement of organisational performance** in four equally important areas, namely financial performance, customer service, internal business performance and learning and growth performance.
- 1 balanced scorecard
 - 2 business portfolio analysis
 - 3 cash flow statement
 - 4 product portfolio matrix

49. The organisational culture should **align** with the strategy of the organisation during the _____ **phase** of the strategic management process
- 1 analysis
 - 2 formulation
 - 3 implementation
 - 4 control
50. Project management as a **management philosophy** greatly facilitates the _____ of work.
- 1 decomposition
 - 2 unification
 - 3 diversification
 - 4 amalgamation
51. A _____ consists of related _____ to achieve a common goal.
- 1 project; portfolios
 - 2 portfolio; projects
 - 3 programme; projects
 - 4 project; programmes
52. The "**triple constraint**" in project management has been extended to include _____
- 1 time and cost
 - 2 quality and risk.
 - 3 cost and requirements.
 - 4 time and requirements.

53. Projects with a(n) _____ **perspective** improve the quality of life of the society in which an organisation operates.
- 1 external
 - 2 internal
 - 3 community
 - 4 sustainability
54. The **project sponsor** is the person who _____ the project.
- 1 controls the finances of
 - 2 is in control of the maintenance of
 - 3 translates the strategic goals of
 - 4 removes obstacles encountered in
55. The project _____ is responsible for overall project quality in the organisation.
- 1 director
 - 2 manager
 - 3 team
 - 4 office

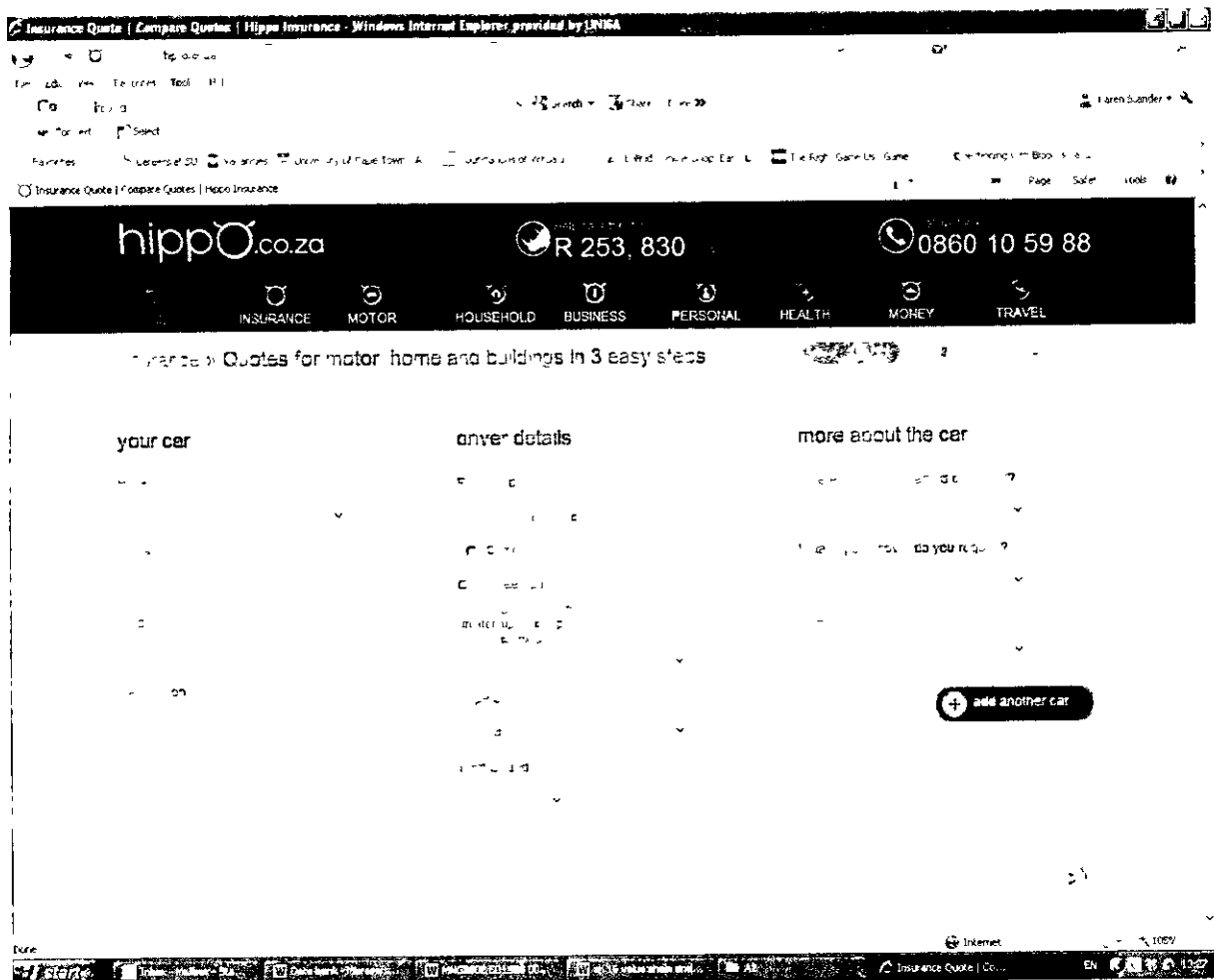
56. **Sustainable competitive advantage** is the ability to _____, and can be achieved by _____

- 1 create value in the minds of customers; charging a customer a lower price for products or services than your competitors.
- 2 create inimitable value in the minds of customers; producing a product or service at a lower cost than your competitors.
- 3 outprice competitors; selling a quality product or service at a lower price than your competitors.
- 4 create the impression of fairness of exchange; having a biannual end-of-season sale.

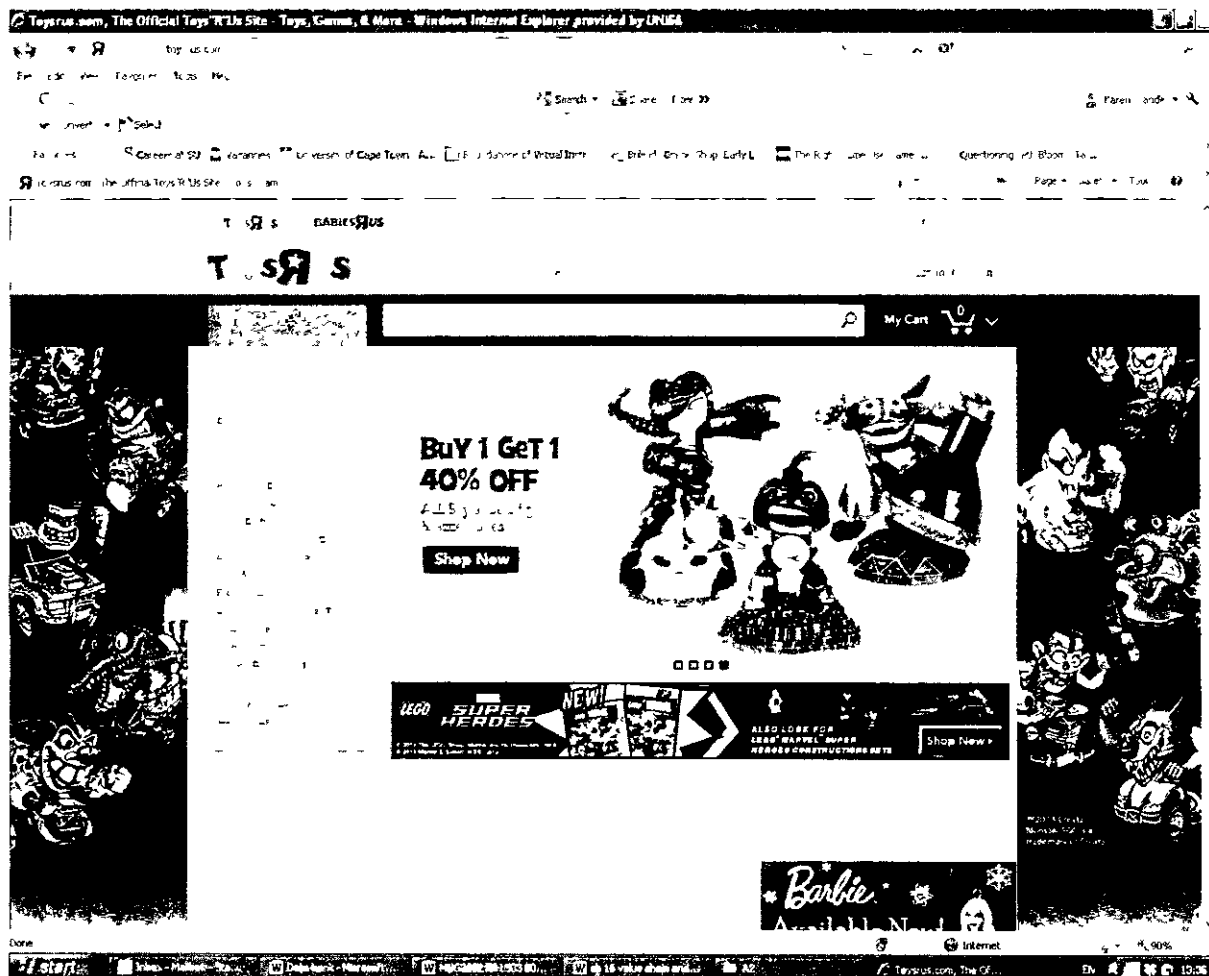
57. _____ stems from the **unique** way an organisation organises and performs discrete activities, of which _____ is an important contributing factor **Michael Porter** developed the term _____ to describe the interconnectedness and interrelatedness of these internal functions and activities

- 1 Competitive advantage; value; value chain
- 2 Price advantage; product price; cost relatedness
- 3 Fairness of exchange; product price; price chain
- 4 Sustainable competitive advantage, cost of raw material, cost relatedness

58. Porter distinguishes between **primary activities** and support activities. He grouped primary activities into _____ main areas, namely _____
- 1 four; procurement, technology development (including R&D), human resource management and infrastructure.
 - 2 five; inbound logistics, operations, outbound logistics, procurement and service infrastructure.
 - 3 five; inbound logistics, operations, outbound logistics, marketing and sales, and service.
 - 4 four; inbound logistics, infrastructure, outbound logistics and procurement.
59. The organisation and its **internal** _____ are embedded into a wider stream of activities, namely the organisational _____
- 1 cost relatedness; value chain.
 - 2 value chain; supply chain.
 - 3 price chain; supply chain.
 - 4 price chain; value chain.
60. _____ is the **online selling component** of a website, while _____ is the **integration** of a company's activities, including products, procedures and services, with the internet.
- 1 A virtual shop; e-commerce
 - 2 E-commerce, e-business
 - 3 A virtual shop; e-business
 - 4 E-business; e-commerce



61. Hippo.co.za offers an online service to customers by obtaining insurance quotes from five different providers and supplying the customer with links to the providers. Hippo uses a _____ trading model and a(n) _____ revenue model.
- 1 B2C; referral
 - 2 fee-for-service; B2B
 - 3 portal; storefront
 - 4 dynamic pricing; advertising



62. Toys-R-Us is a toy store that also sells toys online. Toys-R-Us uses a _____ revenue model and a(n) _____ selling model.

- 1 B2C; storefront
- 2 markup; click-and-mortar
- 3 fee-for-product; online trading
- 4 dynamic pricing; online product provision

Questions 63 and 64

Consider the following table and answer the following questions about groups and teams in the organisation.

Classification	Characteristics of the group/work group or work team
a a work group	c complementary skills
b a work team	d evaluated in terms of their combined effort
	e random skills
	f members are rewarded in terms of their own performance
	g synergy

63. *Mr Matthews is a captain on Delta Airline flights to South Africa. Before each flight he convenes a short meeting with the crew members and briefs them on his flight plan, passengers who may cause problems and the number of elderly or sick people and children on the flight. This enables the entire crew to work together to complete the flight to South Africa successfully.*

The crew members on a flight from New York to Johannesburg **work** as _____ with the following **characteristics** _____

- 1 b; c, d and g.
- 2 a, e and f.
- 3 a; c, d and g
- 4 b; e and f

- 64 Mr Brown is a senior manager at Delta Airlines. Delta seconded him to head a project aimed at improving employee wellness at the organisation. Mr Brown formed a committee comprising members from each of the departments at Delta headquarters to investigate the issue and to compile recommendations for the airline to implement.

The **committee** formed a _____ with the following **characteristics**

- 1 b; c, d and g.
 - 2 a; e and f.
 - 3 a; c, d and g.
 - 4 b; e and f
- 65 Group development goes through five stages of development. The _____ **stage** of group development is characterised by a low performance level and the _____ **stage** by a well-functioning and mature group.
- 1 forming; functioning
 - 2 forming; storming
 - 3 norming ; performing
 - 4 storming; functioning
66. According to the **group behaviour model**, which of the following variables affect group performance?
- 1 structure; processes, tasks
 - 2 performance; structure; processes
 - 3 performances; processes; tasks
 - 4 tasks; performance; structure

Questions 67 and 68

Match the **type of team** in Column A to the **appropriate characteristic** of the team in Column B.

Column A Type of team	Column B Characteristics
67 Cross-functional teams	1 Focus on the improvement of quality, efficiency and work environment
68. Problem-solving teams	2 Function autonomously
	3 Members are usually from the same organisation, but can include members from another organisation
	4 Communicate and accomplish tasks by mostly using telecommunications and information technology

Questions 69 and 70

Match each **team role**, as defined by Belbin, in Column A to the appropriate **characteristic** in Column B.

Column A Roles	Column B Characteristics
69. The company worker	1 Intellectually dominant
70. The plant	2 Turns ideas into manageable tasks
	3 Glue that keeps the team together
	4 Worries about due dates

TOTAL: 70

PART 1 (GENERAL/ALGEMEEN) DEEL 1

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

1

PAPER NUMBER
VRAESTELNOMMER

2

INITIALS AND SURNAME
VOORLETTERS EN VAN

3

DATE OF EXAMINATION
DATUM VAN EKSAMEN

4

EXAMINATION CENTRE (E.G. PRETORIA)
EKSAMENSENTRUM (BV. PRETORIA)

5

STUDENT NUMBER
STUDENTENOMMER

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UNIQUE PAPER NO
UNIEKE VRAESTEL NR

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For use by examination invigilator
Vir gebruik deur eksamenopsiener

IMPORTANT

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

BELANGRIK

1. GEBRUIK SLEGS 'N HB-POTLOOD OM HIERDIE BLAD TE VOLTOOL
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 DIE KORREKTE STUDENTENOMMER VERSTREK MET
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

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Specimen only