South Tuen Mun Government Secondary School

Yearly Examination 2017-2018

S5 Business, Accounting and Financial Studies (Management Module) Paper 2B Question-Answer-Book

(This Question-Answer-Book consists of 12 pages)

	amum marks: 80 (To be conversed) e allowed: 2 1/4 hrs	verted to 120)	
Clas	s: Name:	Class No	_
Ans	wer ALL questions in this Q	uestion-Answer Book.	
SEC	CTION A (24 marks)	Answer ALL questions in this section.	
1	Given the following inform	nation about a firm for a certain year:	
	Credit sales	\$680,000	
	Credit purchases	\$530,000	
	Average trade payables	\$75,000	
	(a) Calculate (to two decir	mal places) the firm's trade payables turnover	for the year. (1 mark)
		ng cycle in working capital management.	(1 marks)
		s inventory turnover and trade receivables turn of an increase in the firm's trade payables turn	=

2	Give two reasons why budgetary control may not be a good tool for motivating employees.	(4 marks)
3	A bank wants to perform marketing research to understand the credit card spending habits of Kong people. Illustrate with examples two data collection methods that it may use to collect data.	
4	Define coaching in the context of performance management. Explain how coaching can help employees adapt to a company.	new (4 marks)

5	Supermarkets often have long queues of customers waiting to check out during peak hours. Suggest				
	three ways in which a supermarket can cope with excessive demand during peak hours.	(6 marks)			

6 Helpharma is a pharmaceutical company in the Mainland. It owns a number of patented drugs which are widely used by local and overseas medical institutions.

At a monthly meeting, Charles, the company's Chairman and Chief Researcher, said, 'As you all know, some of our patents will expire in the next few years. In order to maintain our profits, it is important that we develop new drugs as soon as possible. Our researchers have been working hard day and night, but we still need to hire some new research staff. We should also purchase new laboratory equipment to increase our efficiency.'

Jack, the Risk Management Director, said, 'If we are to hire new staff, we should watch out for the risk of our research results being stolen by them. We would suffer a huge loss if a new staff member secretly sells our formula to our competitors.'

Charles responded, 'I agree. Speaking of risk, I am also worried that our new drugs will not be well received by the market. Can we obtain insurance protection for these risks?'

Jack replied, 'Only one of the risks can be insured, but I will control the other risk by using other risk management strategies.'

Molly, the Human Resources Director, said, 'Sorry to interrupt, but I think we should try to retain our researchers before hiring new staff. I noticed that many of our researchers have had low morale recently. I am afraid some of them may be thinking of quitting the company.'

Charles responded, 'Thanks for letting me know. I will see what I can do.'

(a)	(a) Helpharma has recognised the need to buy new laboratory equipment. With reference consumer decision making process for business buyers, describe the next two steps				
	company will take.	(4 marks)			

(b) (i)	Which of the risks mentioned in the case is non-insurable? Explain.	(3 marks)
(ii)	Illustrate with examples two risk management strategies that Helpharma can us	
	risk in part (i).	(4 marks)

(c) Which of the risks mentioned in the case is insurable? Explain one type of ins	surance that
Helpharma can purchase to obtain protection against this risk.	(3 marks
(d) With reference to two factors in the Herzberg's Two-Factor Theory, describe	how Charles can
motivate the researchers.	(4 marks

(Total: 18 marks)

7	Grace has been teaching home economics at a school for years. Having a passion for cooking, she decided to quit her job and establish a cooking school this year. She has two friends, Edward and Winnie, who have worked as chefs at a hotel. She invited them as partners to run the school together. Today, they held a planning meeting.				
	Grace started, "There should be a large potential market for a cooking school. Many people are just getting tired of dining out. They want more choices while spending less and maintaining a healthy lifestyle.'				
	Edward replied, 'I agree with you. I think the market consists of many different segments. Some have yet to be explored. We can provide different classes to meet the needs of different market segments.'				
	Winnie said, 'That does not sound that difficult. Indeed, we all have our own strengths in the area of cooking. We just need to rent a nice place to teach our skills to students. This can differentiate our school from our competitors.'				
	Edward said, 'Most cooking schools have adopted this kind of product strategy to attract customers. However, customers want more than that.'				
	Grace said, 'I agree with you. We should make use of the marketing concept in operating the cooking school. At the same time, we should also develop effective marketing mix strategies to enhance our competitiveness.'				
	(a) Suggest two ways in which Grace can segment the market for the cooking school. Illustrate your answers with examples. (4 marks)				

b) Edward suggested that they should provide different classes to meet the needs o	
segments. Discuss two advantages of this practice.	(4 marks)
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(d) Apart from product, explain how Grace can apply the other three elements of the marketing	
enhance the competitiveness of the cooking school.	(6 marks)
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(Total: 18 marks)

SECTION C (20 marks)

Answer **ONE** question in this section. Write your answers on p11-12.

- **8** Many fast food restaurants are finding it difficult to survive. They are always faced with a manpower shortage problem. They also find it hard to maintain service quality.
 - (a) Suggest ways for a fast food restaurant to maintain service quality. (10 marks)
 - (b) With reference to the human resources management functions, suggest ways in which the fast food restaurant can cope with a manpower shortage. (10 marks)

 (Total: 20 marks)

- A listed retail chain wants to open a new branch in Hong Kong and is appraising different investment projects using the payback period. It plans to finance the selected project with retained profits rather than by issuing bonds.
 - (a) Describe the advantages of appraising capital investment projects using the payback period. (8 marks)
 - (b) Explain why the retail chain plans to finance the project with retained profits rather than by issuing bonds.

 (12 marks)

 (Total: 20 marks)

Question:			

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END OF PAPER 2B