

South Tuen Mun Government Secondary School
Half-yearly Examination 2018-2019
S5 Business, Accounting and Financial Studies (Management Module)
Question-Answer Book
(This Question-Answer Book consists of 16 pages)

Maximum marks: 120 (To be converted to 200)

Time allowed: 2 hrs

Class: _____ Name: _____ Class No. _____

Answer **ALL** questions in this Question-Answer Book.

Part A **Multiple Choice Questions:** **(40 marks)**
Write your answer in the space provided on P.4.

1. Which of the following are principles of effective management?

- i) Planning
 - ii) Division of work
 - iii) Authority
- A) i and ii only B) i and iii only
C) ii and iii only D) All of the above

2. Business ethics _____.

- i) is a set of moral rules that governs business activities
 - ii) is a set of moral rules that a business must follow when making decisions
 - iii) emphasises that a business should care for the interests of all the stakeholders
- A) i and ii only B) i and iii only
C) ii and iii only D) All of the above

3. Which of the following is a way to enhance business ethics?

- A) Provide training and education about the importance of business ethics
- B) Emphasise business ethics during recruitment
- C) Establish code of ethics for daily operations
- D) All of the above

4. Which of the following functions of management is to arrange different resources to achieve the organisational goals?

- A) Planning B) Organizing
- C) Leading D) Controlling

3. i) What is apprenticeship program?

(2 marks)

ii) Describe two advantages of it.

(4 marks)

iii) Describe two disadvantages of it.

(4 marks)

END OF SECTION B

5. Fat Kee is a tea restaurant in Sha Tin. It employs 10 staff including two cooks, two kitchen helpers, five waiters and one cashier. All of them, except the cooks, are now paid on an hourly basis. The cooks receive a monthly salary as their base salary.

As the minimum wage has been adjusted to \$34.5 per hour, Fat Kee's owner, John, is thinking about whether he should raise employees' salaries. Their existing salaries are above the minimum wage level. However, John is worried that the employees will quit if their payments are not adjusted.

In fact, the morale of Fat Kee's staff has remained low for months because

- (1) working hours at the tea restaurant are notoriously long and irregular,
- (2) the working environment is stressful, especially during peak hours.

(Total: 20 marks)

- a) Explain one advantage of a base salary with reference to this case.

(2 marks)

- b) Explain why a base salary will not motivate Fat Kee's staff.

(4 marks)

6. Discover the Stars of Tomorrow with Online Talent

Every year when the appraisal season comes, managers yell for help. This contributes to a 44% rise in revenue of Success Factors, a company which provides online talent management for 2,800 companies worldwide. Conducting appraisal online will become a trend.

The solution software of Success Factors is charged per person or per ordering item. To raise attractiveness, all interfaces are easy to operate. For example, the goal management software includes a vocabulary library, and clueless managers can simply finish the task with just a few clicks.

The company's Asia Pacific vice president of sales Murray Sargent points out,

“The criteria of goal-setting should be simple, measurable and consistent with business strategy. This will become the guidance of future performance assessment. Staffs will work towards this direction. If they are left behind, managers should provide assistance or training.”

However, everyone has his own scale, *some managers are more lenient while some are more strict*, how can we ensure the rating is fair? Regional Sales Director Mak Ka-yiu explains that the officials can understand how managers rate by comparing the scores distribution. The score of a group should be normally distributed. Moreover, managers should try to collect views from other sources to supplement their evaluation of subordinates' performance, e.g from subordinate's peers, or views from outside stakeholders and etc.

Management board can use the appraisal as a reference for promotion, but will it be a reason to lay off? Local customers, Mandarin Oriental Hotel points out, “The software helps management to make decision, but the main use is to help them start a dialogue with staffs when problems are found.”

(Total: 20 marks)

a) i) What is a performance appraisal?

(2 marks)

b) What is management by objectives (MBO)?

(2 marks)

c) i) According to the article, describe two limitations of appraisal?

(6 marks)

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 Marking Scheme

SECTION A

Multiple Choice Questions:

(40 marks)

1)	C	2)	B	3)	D	4)	B	5)	A
6)	C	7)	A	8)	A	9)	D	10)	B
11)	D	12)	C	13)	A	14)	C	15)	B
16)	C	17)	D	18)	B	19)	A	20)	D

SECTION B

Short Questions:

(20 marks)

		Marks
1.	Using the Dual-factor theory, the reasons why enterprises have to provide employees promotion opportunities: <ul style="list-style-type: none"> • Promotion opportunities are <u>motivators</u>. • According to the Dual-factor theory, enterprises can provide motivators to make employees satisfy with their works. • So that, the workers can be motivated and their working efficiency can be improved. 	4
2.	Training can improve the relationship between employers and employees: <ul style="list-style-type: none"> • Training is a process enhancing working abilities of employees. Employees can acquire <u>new knowledge and skills</u> during training, promoting their personal development. • Also, when their working performances are improved, they may enjoy a <u>higher remuneration</u> and <u>better promotion opportunities</u>, boosting their morale. • Finally, employees received training may be grateful to their employees in providing <u>personal development</u> and <u>promotion opportunities</u>, so their relationship will become more harmonious. 	2 2 2
3.	i) Apprenticeship program is: Apprenticeship program is a kind of <u>on-the-job training</u> , which enable employees to be trained by more experienced colleagues.	2
	ii) Two advantages: <ul style="list-style-type: none"> • The trainees can get the <u>feedback</u> of their working performance directly from their trainers • The trainees can apply the skills and knowledge they learnt directly on works 	4
	iii) Two disadvantages: <ul style="list-style-type: none"> • The effectiveness of training will be lower if the trainers are not committed to train the trainee • It is less <u>systematic</u> as compared with classroom training 	4

SECTION C

Case Analysis:

(60 marks)

		Marks
4a.	<ul style="list-style-type: none"> ● The morale of the managers has been damaged as their <u>lower-order needs</u> are not satisfied. With the <u>10% salary cut</u>, the managers' <u>physiological needs</u> are not satisfied since they have less in the way of financial resources to support themselves. ● <u>Layoff rumours</u> and the company's recruitment of management trainees have also made managers fear that they will lose their jobs (i.e., <u>lack of job security</u>), thus adversely affecting the satisfaction of their <u>safety and security needs</u>. 	3 3
4bi.	<ul style="list-style-type: none"> ● Theory Y assumes that employees are mainly motivated by <u>higher-order needs</u> (i.e., social, ego and self-actualisation needs). ● It proposes that most employees do <u>not just work for money</u>. They want to derive <u>satisfaction</u> from their job (e.g., recognition, achievement). They also have the <u>ability to make decisions</u> and take on challenging tasks. 	2 2
4bii.	<p>On this basis, Mark should motivate the managers by</p> <ul style="list-style-type: none"> ● inviting them to participate in making decisions ● giving them challenging tasks ● promoting a harmonious relationship in the workplace <p><i>(Any two of the above, 1 mark for each point)</i></p>	2
4c.	<p>Two factors that account for the <u>importance of enhancing internal communication</u> at the property agency are:</p> <ul style="list-style-type: none"> ● This might help put an end to the rumours at the property agency and promote understanding between the management and employees. Such understanding can <u>prevent industrial conflicts</u> from occurring and help <u>achieve harmonious employee relations</u>. ● With internal communication, a company can <u>provide employees with work-related directions and concrete suggestions</u>. This helps improve employees' performance and motivates them to work harder. 	2 2
4d.	<p>Mark can hold a staff meeting at the company.</p> <ul style="list-style-type: none"> ● At the meeting, Mark may put an end to the rumours and communicate the company's strategy directly to employees. ● This can help employees develop a sense of trust in the leadership of the property agency. 	2 2
	Total:	20 Marks

		Marks
5a.	<ul style="list-style-type: none"> ● In this case, the <u>base salary</u> guarantees an income source and provides the employees with stable financial support. 	2
5b.	<ul style="list-style-type: none"> ● The base salary is related to the time the <u>staff work</u> rather than their performance. They <u>cannot earn more by performing better</u>. 	2
	<ul style="list-style-type: none"> ● Also, once the base salary is <u>determined</u>, it <u>will remain unchanged</u> for a certain period of time. 	2
5c.	<ul style="list-style-type: none"> ● According to Herzberg's Two factor's theory, 'long and irregular working hours' belong to hygiene factors and these will prevent staff from feeling dissatisfied. 	2
	<ul style="list-style-type: none"> ● Therefore, Fat Kee's staff currently <u>are not satisfied with</u> the long and irregular working hours and stressful working environment. Fat Kee must resolve these conditions first. 	2
	<ul style="list-style-type: none"> ● As such, simply raising salaries would not be able to retain workers as they are still not satisfied with their working environment. 	2
5d.	The ways that Fat Kee retains workers:	
	<ul style="list-style-type: none"> ● Give more annual leaves so that workers have more opportunity to rest 	2
	<ul style="list-style-type: none"> ● Shorten working hours so that workers have an opportunity to rest 	
	<ul style="list-style-type: none"> ● Recruit new workers, either permanent or part-time, so that the workload of existing workers can be reduced 	2
	<ul style="list-style-type: none"> ● Improve the working conditions: use advance equipment to enhance the work efficiency 	2
	Total:	20 Marks

		Marks
6a.	i) A performance appraisal is an activity to evaluate employees' performance in a systematic way.	2
	ii) Functions of performance appraisal includes:	
	<ul style="list-style-type: none"> ● Increase the productivity of the company: Employee can learn the boss' comments on their working performance, while the boss can understand employee's strengths and weaknesses. If the performance of employees does not meet the standard, the boss may start a dialogue with employee regarding the problems, and seek improvement collaboratively. This helps to improve efficiency of the company. 	2
	<ul style="list-style-type: none"> ● As a promotion basis: The company can obtain information from appraisal, which determines the employee's future development direction, e.g. transfer, promotion, demotion or dismissal. 	2
	<ul style="list-style-type: none"> ● Motivating tool: Employees know that the management board will use appraisal as the basis for pay-rise, bonus and promotion. Since it affects their income and career developments, they will strive to work hard. 	
6b.	<u>Management by objectives</u> is a way to evaluate employees' performance. Supervisors will first set the working objectives with their subordinates, and then they will periodically check the progress and working performance.	2
6c.	i) Limitations of appraisal:	
	<ul style="list-style-type: none"> ● The accuracy of assessment may be affected by the personal factors of evaluators. For example, Some managers may tend to judge employees more favorably according to their own personal preferences (bias), e.g. younger, male etc. 	3
	<ul style="list-style-type: none"> ● If the standards of evaluation are unclear, different managers may use their own standards to evaluate their subordinates' performance. For example, some evaluators are too lenient while some are too harsh. Therefore, the results of assessment on the same workers may be very different under different evaluators. 	3
	ii) Solutions to the problems in part i) are:	
	<ul style="list-style-type: none"> ● compare the scores distribution to ensure the score of a group is normally distributed. 	2
	<ul style="list-style-type: none"> ● the rating standard of evaluators should be checked. 	2
	<ul style="list-style-type: none"> ● Set a clear performance standard guidelines for all managers to follow when conducting appraisal (Any two, max 2 marks) 	
	Total:	20 Marks