



Enterprise Pillar

Operational Level

## E1 – Enterprise Operations

25 May 2010 – Tuesday Morning Session

### ***Instructions to candidates***

You are allowed three hours to answer this question paper.

You are allowed 20 minutes reading time **before the examination begins** during which you should read the question paper and, if you wish, highlight and/or make notes on the question paper. However, you will **not** be allowed, **under any circumstances**, to open the answer book and start writing or use your calculator during the reading time.

You are strongly advised to carefully read ALL the question requirements before attempting the question concerned (that is all parts and/or sub-questions). The requirements for questions 3 and 4 are highlighted in a dotted box.

ALL answers must be written in the answer book. Answers or notes written on the question paper will **not** be submitted for marking.

ALL QUESTIONS ARE COMPULSORY.

Section A comprises 10 sub-questions and is on pages 2 to 4.

Section B comprises 6 sub-questions and is on page 5.

Section C comprises 2 questions and is on pages 6 and 7.

The list of verbs as published in the syllabus is given for reference on page 11.

Write your candidate number, the paper number and examination subject title in the spaces provided on the front of the answer book. Also write your contact ID and name in the space provided in the right hand margin and seal to close.

Tick the appropriate boxes on the front of the answer book to indicate the questions you have answered.

# E1 – Enterprise Operations

TURN OVER

## SECTION A – 20 MARKS

[the indicative time for answering this section is 36 minutes]

ANSWER ALL TEN SUB-QUESTIONS

### *Instructions for answering Section A*

The answers to the ten sub-questions in Section A should ALL be written in your answer book.

Your answers should be clearly numbered with the sub-question number and ruled off so the markers know which sub-question you are answering. **For multiple choice questions you need only write the sub-question number and the answer option you have chosen.** You do not need to start a new page for each sub-question.

Each of the sub-questions numbered from **1.1** to **1.10** inclusive, given below, has only **ONE** correct answer. Each is worth two marks.

### **Question One**

**1.1** Electronic Executive Information Systems (EIS) and Expert Systems (ES) are examples of

- A** customer relationship management software.
- B** database management systems.
- C** computer networking.
- D** decision based software.

*(2 marks)*

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**1.2** Technology which encourages user contributions and interactivity is known as

- A** Web 2.0.
- B** business 2 consumer (B2C).
- C** e-commerce.
- D** teleworking.

*(2 marks)*

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**1.3** Dispersed and virtual teams are normally a result of

- A** an economic downturn.
- B** developments in technology and information systems.
- C** poor staff morale and motivation within the workforce.
- D** ineffective human resourcing practices.

*(2 marks)*

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- 1.4 Integrated solutions in product design and control of machinery are based on
- A a shared customer focused outlook.
  - B a JIT philosophy.
  - C CAD and CAM technologies.
  - D decision support systems.

(2 marks)

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- 1.5 A main outcome of electronic data interchange (EDI) is
- A user independence.
  - B to save paperwork by using structured electronically transmitted data.
  - C home working.
  - D improved internal communication.

(2 marks)

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- 1.6 A manufacturer concerned mainly with production efficiencies and reducing unit costs is known as
- A product oriented.
  - B production oriented.
  - C operationally strategic.
  - D a learning organisation.

(2 marks)

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- 1.7 The influence an organisation will normally have over its macro environment will be
- A limited or non-existent.
  - B high.
  - C extremely high.
  - D continual.

(2 marks)

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- 1.8 Non-political, not-for-profit, cause-orientated organisations drawn from more than one country are known as
- A strategic business units.
  - B non-governmental organisations (NGOs).
  - C conglomerates.
  - D globalised networks.

(2 marks)

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*Section A continues on the next page*

TURN OVER

- 1.9 Merit goods are commodities that
- A comply with stringent international quality standards.
  - B society believes individuals should have for their wellbeing.
  - C are produced using expensive and highly valued ingredients.
  - D are earned through belonging to company loyalty schemes.

(2 marks)

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- 1.10 The cognitive paradigm theory explains consumer behaviour through
- A product branding.
  - B rational problem solving and decision making.
  - C past experience and levels of satisfaction.
  - D inertia or a lack of time.

(2 marks)

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*(Total for Section A = 20 marks)*

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*Reminder*

**All** answers to Section A must be written in your answer book.  
Answers or notes to Section A written on the question paper will **not** be submitted for marking.

*End of Section A*

*Section B starts on the opposite page*

SECTION B – 30 MARKS

[the indicative time for answering this section is 54 minutes]

ANSWER ALL SIX SUB-QUESTIONS IN THIS SECTION - 5 MARKS EACH.

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**Question Two**

(a) An organisation has decided to outsource its IS function. Explain the main issues it needs to address.

(5 marks)

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(b) Describe the ways in which IS and IT might help an organisation's human resource function perform its role effectively.

(5 marks)

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(c) Explain how a manufacturer's promotional activity might vary depending upon the sort of distribution channel that operates.

(5 marks)

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(d) Construct a basic marketing mix for an online company selling branded sportswear.

(5 marks)

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(e) Describe the range of **internal** possibilities that exist for an organisation wishing to fill a job vacancy.

(5 marks)

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(f) Discuss what an organisation could do to motivate its workforce without offering financial incentives.

(5 marks)

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*(Total for Section B = 30 marks)*

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*End of Section B*

*Section C starts on the next page*

TURN OVER

SECTION C – 50 MARKS

[Indicative time for answering this section is 90 minutes]

ANSWER *BOTH* QUESTIONS IN THIS SECTION – 25 MARKS EACH

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**Question Three**

The G Banking Group recently reported that it was offshoring (moving) its back-office operations from European country D to India where it already has some significant operations. Centralising most back-office operations in India is part of the Group's plan to grow its international banking business. (India is one of the fast emerging economies in the so-called BRIC group of Brazil, Russia, India and China).

According to a G Banking Group spokesperson, the move would involve cutting about 500 jobs from its operations in country D but generating a similar number of new jobs in India where it already employs 3,000 people. The spokesperson was, however, quick to add that some call centres would still remain in country D.

One banking analyst commented that the Group's current Chief Executive Officer (CEO) was 'more aggressive' and 'less sentimental' about moving back-office jobs than his predecessors. The National Secretary of the Banking Union described the cuts as 'disgraceful' and argued that it showed a lack of concern for the difficult employment situation faced by many young people in country D.

In response to such criticism, the CEO explained that banking was becoming increasingly global and that unless the Group responded to the global challenges facing it, it would be unable to survive into the future. The CEO went on to assure employees that it would assist those affected by the relocation of its operations in every way possible.

*Required:*

- (a) Describe the key factors involved in the emergence of the BRIC economies. *(10 marks)*
  
- (b) Explain the advantages and the associated problems for the G Banking Group of offshoring its back-office operations to an emerging country. *(10 marks)*
  
- (c) Identify the role that the Group's Human Resources Division can play when dealing with employees who cannot be redeployed following the offshoring of its back-office operations. *(5 marks)*

*(Total for question three = 25 marks)*

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*Section C continues on the opposite page*

#### Question Four

W Company is a white goods manufacturer that has been particularly hard hit by the recent recession. Faced with a dramatic fall in orders and two years of losses, shareholder pressure has resulted in the early retirement of the Chief Executive and his replacement by JH, who has a track record of turning companies around. JH has, in the past, led different process design improvement initiatives including Business Process Re-engineering (BPR) and has used tools such as process maps (or charts).

In an initial review, JH finds that W's operations require urgent attention. A benchmarking exercise reveals that W's costs of production are much higher than those of its competitors. In addition, innovations in operations theory and techniques such as those in supply chain management and process design have not been seized. Clearly this needs addressing.

An added area of concern is the way that some line managers are reported to have behaved under the previous management regime. The misappropriation of funds by some line managers has come to light, as have a number of unethical practices and JH is concerned that such things should not occur in the future.

*Required:*

- (a) Describe the developments in strategic supply chain management in recent years and explain how the adoption of the new approaches could assist W Company to improve its competitive performance. (10 marks)
- (b) With reference to BPR and process maps (or charts), explain how process design could contribute to a more effective and efficient system of operations in W Company. (10 marks)
- (c) Explain briefly how a code of ethics could help W Company to limit future incidents of unethical behaviour. (5 marks)

*(Total for Question Four = 25 marks)*

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*(Total marks for Section C = 50 marks)*

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*End of Question Paper*

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## LIST OF VERBS USED IN THE QUESTION REQUIREMENTS

A list of the learning objectives and verbs that appear in the syllabus and in the question requirements for each question in this paper.

It is important that you answer the question according to the definition of the verb.

LEARNING OBJECTIVE	VERBS USED	DEFINITION
<b>Level 1 - KNOWLEDGE</b> What you are expected to know.	List State Define	Make a list of Express, fully or clearly, the details/facts of Give the exact meaning of
<b>Level 2 - COMPREHENSION</b> What you are expected to understand.	Describe Distinguish Explain  Identify  Illustrate	Communicate the key features Highlight the differences between Make clear or intelligible/State the meaning or purpose of Recognise, establish or select after consideration Use an example to describe or explain something
<b>Level 3 - APPLICATION</b> How you are expected to apply your knowledge.	Apply Calculate Demonstrate  Prepare Reconcile Solve Tabulate	To put to practical use Ascertain or reckon mathematically To prove with certainty or to exhibit by practical means Make or get ready for use Make or prove consistent/compatible Find an answer to Arrange in a table
<b>Level 4 - ANALYSIS</b> How you are expected to analyse the detail of what you have learned.	Analyse Categorise Compare and contrast  Construct Discuss Interpret Prioritise Produce	Examine in detail the structure of Place into a defined class or division Show the similarities and/or differences between Build up or compile Examine in detail by argument Translate into intelligible or familiar terms Place in order of priority or sequence for action Create or bring into existence
<b>Level 5 - EVALUATION</b> How you are expected to use your learning to evaluate, make decisions or recommendations.	Advise Evaluate Recommend	Counsel, inform or notify Appraise or assess the value of Propose a course of action

*Enterprise Pillar*

*Operational Level Paper*

*E1 – Enterprise Operations*

*May 2010*

*Tuesday Morning Session*