



## ASSIGNMENT MEMORANDUM

**SUBJECT : BUSINESS MANAGEMENT 2 (BM202)**

**ASSIGNMENT : 2<sup>ND</sup> SEMESTER 2011**

Prescribed textbook: Smit, P.J., Cronjé, G.J de J., Brevis, T., and Vrba, M.J. 2011. *Management Principles: A Contemporary Edition for Africa*. 5<sup>th</sup> edn. Cape Town: Juta.

### QUESTION 1 [20]

1.1 The learners are required to show an understanding of macro-environmental elements that will have an impact on the bid. The answer needs to highlight that these variables are uncontrollable to the host cities. The learners need to explain the instability, environmental uncertainty, interrelatedness and complexity of the external environment to the host city. The variables that would need special mention are:

- Technological (what it is and why it would impact on the host city)
- Economic (what it is and how it would impact on the host city)
- Ecological (what it is and how it would impact on the host city)
- Political (what it is and how it would impact on the host city)
- International (what it is and how it would impact on the host city). (10)

1.2 The learners need to illustrate their understanding of mission statements. Key elements that need to be addressed are:

- What is our business?
- Who is our client?
- How will we provide the product or service?

Each learner's mission statement needs to be evaluated based on these elements. (5)

1.3 Learners need to explain that the environment is constantly changing; the host city needs to be flexible and it has to align its strategies with these changes in the environment. Learners need to explain that strategic planning is future oriented and this will assist the host city in highlighting opportunities and threats stemming from the environment. (5)

**QUESTION 2 [25]**

- 2.1 The learners must explain why decision making is important in an organisation. The decision-making unit must strive for optimal decisions. Learners are required to discuss the decision-making process illustrated in Fig 6.2 in Smit et al. (2011) and to link it to the scenario in question 2.1. **(15)**
- 2.2 In their answer, learners need to explain departmentalisation as part of the organising function. Learners should provide the different alternatives available to the BOD and then suggest their recommendation. For example, product departmentalisation (food brands; electronic brands). **(10)**

**QUESTION 3 [25]**

- 3.1 Organisations compete with other businesses, not just for consumer spending power, but also for labour, capital and materials. The competitive forces that work in the airline industry are determined by:
- Possibility of new entrants (another low-cost carrier)
  - Bargaining power of customers (do they have other options)
  - Bargaining power of suppliers (food suppliers; baggage handlers)
  - Availability or lack of substitutes (bus, train)
  - Number of existing competitors (who are they; routes they fly; prices). **(13)**
- 3.2 Top management should have the following skills:
- Conceptual
  - Interpersonal
  - Technical
  - Communication.

Learners need to explain each skill and highlight the difference between managers at different levels in an organisation. **(12)**

**QUESTION 4 [20]**

- 4.1 Learners need to address the following points in their answer:
- Definition of e-commerce
  - What is involved in B2C e-commerce
  - What is involved in B2B e-commerce.

Each learner's answer will furthermore be evaluated based on the examples he/she has provided for the B2C and B2B businesses.

B2C – Kalahari.net; Pick n Pay online shopping  
 B2B – Unilever; Adcock Ingram **(10)**

- 4.2 The learners need to conduct some secondary research on their selected company. This will be useful so that they can understand the mission and

values of the company. Learners will furthermore explain what OCA is and discuss the components of the diagram on p. 261 of the Smit et al. (2011).  
(10)

**PRESENTATION**

**[10]**