



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Subject Code & Name : **MGT1513 Fundamentals of Management**
 Semester & Year : January - April 2017
 Lecturer/Examiner : Ng Boon Aun
 Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
 - PART A (20 marks) : Answer all TWENTY (20) multiple choice questions. Answers are to be shaded in the Multiple Choice Answer Sheet provided.
 - PART B (80 marks) : Answer all TWO (2) scenario based questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College of Hospitality regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College of Hospitality.

Total Number of pages = 7 (Including the cover page)

PART B : SHORT ANSWER QUESTIONS (80 MARKS)

INSTRUCTION(S) : Answer all **TWO (2)** questions. Write your answers in the Answer Booklet(s) provided.

Question One

WSM Pharmaceutical Company has a published mission statement which refers to its commitment to act in a socially responsible manner. At a recent Board meeting the Chief Executive – Mandy; presented a number of proposals outlining what she thinks the company should do to live up to its stated mission, including the recommendation that the company should have an eco-balance sheet which includes financial data on environmental costs. She has commented that at present the company is simply complying with legislation.

Mandy's proposals include the introduction of a number of social responsibility specific objectives linked to reducing carbon emissions in production processes, recycling and waste disposal. These actions will require investment in clean production technologies. She also wants to support the local economy through making financial donations and seconding staff to help local charities.

Not all members of the Board support the Mandy's proposal. In particular, she is facing strong opposition from George the Finance Director. George is concerned about the investment required to implement the proposals and has suggested they could have a negative impact on the company's financial performance and ultimately shareholder value.

(Adopted from the Chartered Institute of Management Accountants, 2014)

- a. Explain what is meant by **social obligation, social responsiveness** and **social responsibility**.
Provide specific examples to support your answers.

(12 marks)
- b. Compare the viewpoints of the Chief Executive and the Finance Director regarding the social responsibility proposals for WSM Pharmaceutical Company.

(10 marks)
- c. As an advisor to WSM Pharmaceutical Company, briefly describe which suggestion will you support? Justify your conclusion by providing arguments for or against the social responsibility proposal mentioned in the scenario above.

(18 marks)

(Total 40 marks)

Question Two

2. Clare is planning to set up a dry cleaning and laundry business which will be a new venture for her. She has identified suitable Premises which are located in the commercial center of the city. This could be viewed as a high risk strategy since it would be the only business of its type in the commercial center. However, Clare's view is that there is significant potential to provide dry cleaning and laundry services to customers who commute to the city from where they live and where dry cleaning and laundry businesses already exist.

Clare now needs to determine on the industry attractiveness and profitability before finalizing her decision to start this new venture.

(Adopted from the Chartered Institute of Management Accountants, 2014)

- a. Explain in reference to the scenario, the **FIVE (5)** factors Clare should consider when deciding on the industry attractiveness and profitability of her new venture.
(20 marks)

 - b. Describe the **TWO (2)** different strategies in which Clare's dry cleaning and laundry business could seek to gain competitive advantage. Provide relevant examples to support your answer.
(10 marks)

 - c. Being the first dry cleaning and laundry business in the targeted commercial center, Clare is said to be the first mover in the market. Define what is meant by *first mover* and describe **TWO (2)** advantages and **TWO (2)** disadvantages of being a first mover.
(10 marks)
- (Total 40 marks)

END OF EXAM PAPER