



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

OPERATIONS MANAGEMENT NQF LEVEL 4

(3021014)

**1 March 2018 (Y-Paper)
13:00–16:00**

This question paper consists of 8 pages

TIME: 3 HOURS
MARKS: 150

INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.
 2. Read ALL the questions carefully.
 3. Number the answers according to the numbering system used in this question paper.
 4. Write neatly and legibly.
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SECTION A**QUESTION 1**

1.1 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

- 1.1.1 Critical thinking is an example of specific skill.
- 1.1.2 Increased performance of physical resources results in the decreased wastage.
- 1.1.3 Citation provides basic information about the text in order for it to be located and identified.
- 1.1.4 Quality control ensures that products are not below standard.
- 1.1.5 To make successful changes in a business, employees buy-in must be secured.
- 1.1.6 The business system that is responsible for curbing overspending is production.
- 1.1.7 Pollution can be the consequence of a natural disaster.
- 1.1.8 Control is a process of measuring, evaluating and adjusting a system' performance.
- 1.1.9 An organisation can improve relationship with its external stakeholders by being transparent.
- 1.1.10 A sub-contractor is an internal company used to perform tasks.

(10 × 1) (10)

1.2 Complete the following statements by filling in the missing word or words. Write only the word or words next to the question number (1.2.1–1.2.10) in the ANSWER BOOK.

- 1.2.1 ... standards enhance the competitiveness of South African products and are the basis for consumer protection, health, safety and environmental issues.
- 1.2.2 ... is when a business cannot afford to pay the money owed to financial institutions.
- 1.2.3 A method used to create a quantitative information from qualitative information is known as ...
- 1.2.4 A pin, password, username biometrics are used to ... a person.
- 1.2.5 ... is a period a person serves to acquire experience after completion of a qualification.
- 1.2.6 ... is concerned with detecting the reason for the problem to find a solution.
- 1.2.7 A tool applied to obtain an overview of a topic is a/an ...
- 1.2.8 An optimistic view of a company's future is known as a/an ...
- 1.2.9 ... is obtained through investing money in an organisation.
- 1.2.10 ... is achieved when the features that make a product or service are unique from competitors' products or services.

(10 × 1) (10)
[20]

TOTAL SECTION A: 20

SECTION B

Read the case study below and then answer the questions.

LEBO SHEER ELEGANCE – TURNING ORDINARY INTO ROYALTY

In 2011, Lebohang Malinga realised that her ultimate dream was to create her own business. She knew that for her to be successful in the business she will need to be mentored and also to acquire experience. With education and experience, she was convinced that when an opportunity presents itself, she will be able to take advantage and start her business with no room for failure.

However it was her first-hand experience in the art and design industry that enabled Lebohang to identify her passion for this type of work. After working at the graphic design company for four years, she started her business called Lebo Sheer Elegance (LSE) in 2016 promising her clients to 'turn ordinary into royalty'. In the early days of LSE, it operated from her home and Lebohang soon realised that the shift from employee to entrepreneur comprised of a sequence of unanticipated roadblocks. Her decision to look for office space was an auspicious one, as it led her to the doors of SEDA, the Johannesburg incubator that would be instrumental in taking LSE from a start-up to a sustainable business.

'SEDA was a major stepping stone,' says Lebohang, after discovering early on the hard lessons of starting a business without the kind of support that the SEDA programme offers. The steady discipline of setting the foundations for the business are critical and through the SEDA programme of workshops, training and mentoring, LSE began to establish the financial and operational processes needed to leverage the business. She discovered that with each new business phase, new challenges emerged, including access to finance and procurement opportunities.

'With the mentorship we received in SEDA business incubation, we have managed to grow the business from zero revenue to the substantial revenue we have now, says Lebohang.' The business grew into graphic design, interior decoration, events planning, catering and image consulting. The business intends to open two branches in other provinces by the year 2021.

As Lebohang admits, there were times when her dream faltered, and like every emerging business, the first two years are critical, with the highest failure and fallout rate during this time.

[Source: <http://www.shandukablackumbrella.org/success-stories> - Adapted/]

QUESTION 2

2.1 SLE has become a busy venture. The business will fail if it is not well managed.

2.1.1 Identify ONE goal for this business. (2)

2.1.2 Substantiate the extent to which the goal in QUESTION 2.1.1 complies with the SMART principle. (5)

2.1.3 Design an operational plan using the format below:

Where are we now?	Where do we want to go?	How are we going to get there?	How will we measure our progress?
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(8)

2.2 Lebo wants to employ FOUR staff members for LSE.

What are the human resources skills that are required for this business?

(4 × 1)

(4)

2.3 LSE must ensure quality in all its operations.

2.3.1 Briefly discuss quality in relation to this business. (3 × 2) (6)

2.3.2 What quality management systems must LSE apply to ensure that products and services are of quality? (3 × 2) (6)

2.4 LSE is made up of graphic designing, catering, events planning, image consulting and interior decoration business systems.

Discuss the interaction between the catering and the events planning business systems. (5 × 2)

(10)

[41]

QUESTION 3

Quality is important to any business as it is to LSE hence their motto 'Ordinary to Royalty'.

- 3.1 In pursuit of quality, Lebohang has decided to implement the quality management system (QMS). The business will ensure that it complies fully with QMS requirements including record keeping.
- 3.1.1 List any FIVE actions that should be taken to implement QMS. (5)
- 3.1.2 Motivate why it is important for LSE to keep QMS documentation. (3 × 2) (6)
- 3.2 Skilled employees produce high quality products and also render quality services to clients and customers.
- 3.2.1 Briefly describe productivity. (3 × 2) (6)
- 3.2.2 Explain the importance of productivity. (2 × 2) (4)
- 3.3 LSE must always be on top of the game in order to please its stakeholders.
- 3.3.1 State the possible actions which financial stakeholders may take when they are dissatisfied with LSE's operations. (5 × 1) (5)
- 3.3.2 Explain how LSE can benefit by working closely with its competitors. (4 × 2) (8)
- 3.4 You have been approached by Lebohang to assist him on how to use the balanced scorecard in his business.
- 3.4.1 What is a balanced scorecard? (3)
- 3.4.2 Discuss the internal process perspective of the balanced scorecard. (5 × 2) (10)
- [47]**

QUESTION 4

- 4.1 Analyse FOUR factors that affect the LSE business system. (4 × 2) (8)
- 4.2 Nelly, the newly appointed operations manager of LSE, received complaints about the catering which LSE served at the training workshop organised by SEDA. Most people complained of stomach cramps after eating the food which was served by LSE.
- Explain the way in which Nelly can apply brainstorming to evaluate her peers in the catering division. (6 × 2) (12)
- 4.3 LSE, like all businesses operates in the face of risks and uncertainties. Nelly has invited you as the operations management student to assist her in managing the risks.
- 4.3.1 What is risk management? (2)
- 4.3.2 What is the purpose of risk management? (4 × 1) (4)
- 4.3.3 How can potential risks be managed? (4 × 2) (8)
- 4.3.4 Nelly is expected to do a presentation on how potential risks can be managed.
- Give the guidelines which she must follow to present effectively. (4 × 2) (8)
- TOTAL SECTION B: 130**
GRAND TOTAL: 150
- [42]**