

FACULTY OF APPLIED SCIENCES

DEPARTMENT OF STATISTICS AND OPERATIONS RESEARCH

BSc (Honours) Degree in Business Analytics: Part I

SBA1205: INTRODUCTION TO BUSINESS MANAGEMENT

SEPTEMBER 2024 EXAMINATION

Time : 3 hours

Candidates should attempt **ALL** questions from **Section A** (40 marks) and **ANY THREE** questions from **Section B** (20 marks each).

**SECTION A****ANSWER ALL QUESTIONS IN THIS SECTION [40 MARKS]**

**CASE STUDY: A Manager's Troubles – Modern Garments Pvt Limited: “I (Manager) am faced with a dilemma. I am not between the devil and the deep sea, I am in the deep sea and the devil is waiting on the shore.”**

Modern Garments (Pvt) Limited operates in the competitive garment clothing industry, where the demand for timely production and delivery of high-quality apparel is crucial. This industry is characterised by rapid changes in fashion trends, stringent quality standards, and intense competition both locally and internationally. In Zimbabwe, the garment industry faces unique challenges such as fluctuating economic conditions, limited access to capital, and a volatile foreign exchange market. Despite these hurdles, the industry holds potential for growth, driven by a young and growing population, increasing urbanisation, and a burgeoning middle class.

In light of this environment, Modern Garments Pvt Limited, affected by a drastic shortfall in production and unmet sales forecasts, faces severe financial instability. As the financial struggles deepen, a series of tense conversations unfold between the manager, suppliers, and various departments, each grappling with the fallout of missed targets and unpaid bills.

**Manager:** “Well, the purchases in most industries are based on the production programme which in turn is based on the sales forecast. Now firstly, the production has fallen far short of the target and secondly, the sales forecast has failed to materialise into firm orders. The net result is that the financial position of the company has been badly shattered. So much so, even the bills for supplies already made are not being paid in accordance with the

terms stipulated in the purchase orders. The suppliers, having made unsuccessful attempts with the Accounts Department, are playing hell with the purchase officers."

**Supplier 'A': (Extract from a letter)**

"We regret that our above bill has still not been paid even though the supplies were made over a month ago and, as per the agreed terms, full payment was to be made within 2 weeks from the date the supplies are effected." (Neither this letter nor the numerous subsequent reminders are replied to.)

**Supplier 'A': (Extract from another letter)**

"It is indeed a matter of surprise and regret that the payment against our above bill, now overdue by over 4 months, has still not been released. We have sent countless reminders, which have not been acknowledged. We fail to appreciate such an attitude from a firm of your repute. We are sorry to advise that unless our payment is released immediately, we shall have no other alternative but to discontinue all further supplies and hand over the case to our legal section for realisation of our dues together with interest accrued thereon."

**Supplier 'B': (Local firm-during a personal visit to the office)**

"You tell me to go to your accounts department and they tell me to come to you. Well, I am not concerned with your internal affairs. You placed the order and your man collected the materials from our warehouse. What you do is your business, but you better get me my payment, or...."

**Accounts**

"I don't have a note printing press. How can I pay until and unless the machines are sold and money realised?"

**Sales**

"How could I know that the money market would suddenly become so tight? All these industries had expansion plans, but now they have either been deferred or cancelled. Anyway, I am sure, it is only a temporary phase."

**Production**

"Either we should close down this factory or the shops should be fed with the materials they need. Today this is not there, tomorrow that is not there, and then I'll be criticized for not achieving the production target. I am not bothered with your suppliers or their bills. I must have the materials to run the factory. "The problem cannot, I consider, be attributed to any lack on my part, yet I am the one most directly affected. Not only am I the natural

target of suppliers' abuses, but I am also the one who will have to confront difficulties in future procurements, because no one wants to deal with bad paymasters."

**Source: Adapted from Bhalla (2001). Principles and practice of management. Lovely Professional University, Punjab: India.**

**Required;**

**A1.** (a) Analyse the business environment for Modern Garments Pvt Limited in this market using the following frameworks:

(i) McKinsey's 7S Framework, [7]

(ii) Porter's 5 Forces Model. [5]

(b) Examine how the manager can employ the following strategies to create a strong position for the organisation in a highly competitive market:

(i) Corporate level strategies, [6]

(ii) Business level strategies. [6]

(c) Discuss the three forms of control that the manager could have employed to remedy the situation. [6]

(d) Modern Garments faces competition mainly from sole traders that sale cheap imported clothing. Explain the different laws, by-laws and/or legal instruments in Zimbabwe that govern the operation of sole traders that need to be enforced to ensure fair competition for companies such as Modern Garments. [10]

**SECTION B****ANSWER THREE QUESTIONS FROM THIS SECTION [60 MARKS]**

- B2.** Write short notes on the contribution of the following to the management discipline:
- (a) Frederick W. Taylor, [4]
  - (b) Max Weber, [4]
  - (c) Elton Mayo, [4]
  - (d) Abraham Maslow, [4]
  - (e) Tom Peters and Robert Waterman. [4]
- B3.** With the aid of diagrams, discuss the different forms of organisational structure that organisations can use in managing their operations. [20]
- B4.** Analyse how the Managerial Grid and the Situational Leadership models can be used by Zimbabwean organisations to understand leadership behaviour. [20]
- B5.** (a) Identify any five (5) different users of a business plan and explain the kinds of information needed by each user group. [10]
- (b) Using a hypothetical or real company of your choice develop a brief business plan that you can pitch to potential investors (Banks, Venture Capital companies, or angel capitalist). [10]

**END OF QUESTION PAPER**