

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

LEVEL 4 CERTIFICATE IN MANAGEMENT CONSULTING 10331

UNIT 5 BUSINESS ENVIRONMENT, STRUCTURE AND GOVERNANCE

SPECIMEN

TIME: 1 HOUR

INSTRUCTIONS TO CANDIDATES

Fill in all the boxes below. Use CAPITAL LETTERS.

CENTRE DETAILS

| | |
|---------------|-------------|
| Centre Number | Centre Name |
| | |

COMPUTER REF

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CANDIDATE DETAILS

| Surname or Family Name | First Name | Initials of Other Forenames | DATE OF BIRTH | | | | | | | |
|------------------------|------------|-----------------------------|---------------|---|---|---|---|---|---|---|
| | | | D | D | M | M | Y | Y | Y | Y |

- **DO NOT** open the booklet until told to do so by the invigilator.
- Answer **ALL** questions.
- Write your answers in the spaces provided on the question paper.
- Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- Use black ink.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part question.

The total number of marks for this paper is 50.

| FOR EXAMINERS' USE ONLY | | | |
|--------------------------------|--|----|--|
| 1 | | 7 | |
| 2 | | 8 | |
| 3 | | 9 | |
| 4 | | 10 | |
| 5 | | 11 | |
| 6 | | 12 | |
| TOTAL = | | | |

Ofqual Qualification Reference Number: 600/6039/6

H057

This document consists of 12 pages. Any blank pages are indicated.

Answer **all** questions.

- 1 Pagett plc is a commercial organisation.
What is meant by the term 'commercial organisation'?

(2 marks)

- 2 Describe **three** ways in which a commercial organisation may be structured.

1 _____

2 _____

3 _____

(6 marks)

3 Outline **two** provisions of the Companies Acts with which companies must comply.

1 _____

2 _____

(4 marks)

5 Explain what is meant by the term 'stakeholder'.

(2 marks)

6 Identify **two** likely objectives of each of the following stakeholder groups:

(a) customers.

1 _____

2 _____

(2 marks)

(b) employees.

1 _____

2 _____

(2 marks)

(10 marks)

9 An agenda is one document used by a committee.
Describe **one** purpose of an agenda.

(2 marks)

10 What is meant by the term 'Scalar chain'?

(1 mark)

11 What is meant by the term 'informal organisation'?

(1 mark)

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SPECIMEN ASSESSMENT MARK SCHEME

Certificate in Management Consulting – 10331 – Level 4

Unit 5 Business environment, structure and governance

Duration: 1 hour

Maximum mark: 50

1. For answers marked by levels of response:
 - a. **To determine the level** – start at the highest level and work down until you reach the level that matches the answer.
 - b. **To determine the mark within the level**, consider the following:

| Descriptor | Award mark |
|---|---|
| On the borderline of this level and the one below | At bottom of level |
| Just enough achievement on balance for this level | Above bottom and either below middle or at middle of level (depending on number of marks available) |
| Meets the criteria but with some slight inconsistency | Above middle and either below top of level or at middle of level (depending on number of marks available) |
| Consistently meets the criteria for this level | At top of level |

MARK SCHEME

| Question | Answer/Indicative content | Mark | Guidance |
|----------|---|------|--|
| 1 | Indicative content: <ul style="list-style-type: none"> • trading for profit • private sector /privately owned Exemplar response: E.g. A privately owned business (1) which exists to make a profit (1) . | 2 | Up to two marks. Do not award examples. |
| 2 | Indicative content: <ul style="list-style-type: none"> • by function • by product/service • matrix • team • network • geographical • virtual • flat • hierarchical • centralised • decentralised Exemplar response: E.g. A commercial organisation can be structured by function (1) . Each department would be responsible for different aspects of the business, - for example, finance and marketing (1) . | 6 | One mark for each correct identification up to a maximum of three identifications, plus a further one mark for each of three descriptions. |

| Question | Answer/Indicative content | Mark | Guidance |
|----------|---|------|--|
| 3 | <p>Indicative content:</p> <ul style="list-style-type: none"> • Memorandum of Association required • Articles of Association required • submission of final accounts each year • company names ending in Ltd/plc • company names and registered address published on all letters/notices, cheques, receipts, etc • AGMs • director(s) and secretary required • codified common law duties of directors • limited liability <p>Exemplar response:</p> <p>E.g. Companies must have a Memorandum of Association (1). This is a document which regulates a company's external relationships (1).</p> | 4 | One mark for each correct identification up to a maximum of two identifications, plus a further one mark for each of two developments. |

| Question | Answer/Indicative content | Mark | Guidance |
|----------|---|------|---|
| 4 | <p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • to monitor board activity • increase accountability and transparency • to ensure director selection, payment and financial statements are rigorously reviewed • enhance independence of directors • strengthen control and position of shareholders • free up directors to concentrate on key aspects of their roles • additional time and focus to oversee Board roles • greater assurance of the integrity of financial reporting • to stand up to external scrutiny • to increase public confidence • to follow best practice • to be seen to be following latest guidelines • monitor independence of auditors <p>Exemplar response:</p> <p>E.g. Acting independently from the executive an audit committee has a specific role to ensure that the interests of shareholders are properly protected in relation to financial reporting and control. (L1). By rigorously scrutinising the company's financial affairs, and insisting that the company uses the latest guidelines for best practice on financial reporting, the audit commit can provide assurance to shareholders of the integrity of the process (L2).</p> | 8 | <p>Levels of response</p> <p>Level 2 (5 – 8 marks) Candidate explains why a public limited company should make an audit committee an integral part of its company structure.</p> <p>Level 1 (1 – 4 marks) Candidate identifies why a company should make an audit committee an integral part of its company structure.</p> |

| Question | Answer/Indicative content | Mark | Guidance |
|----------|--|------|---|
| 5 | <p>Indicative content:</p> <ul style="list-style-type: none"> • parties affected by/have an interest in an organisation • person or groups who may be able to influence a business • making contributions in exchange for interest being satisfied • principal-agent contractual relationship <p>Exemplar response:</p> <p>E.g. Someone who is affected by an organisation (1) and who may have an influence on its decision-making (1).</p> | 2 | <p>Up to two marks.</p> <p>Do not award examples.</p> |
| 6 | <p>a)</p> <p>Indicative content:</p> <p>Customers:</p> <ul style="list-style-type: none"> • availability of product/service • value for money • quality • functionality of product/service • prestige <p>Exemplar response:</p> <p>E.g. Low price (1).</p> <p>b)</p> <p>Indicative content:</p> <p>Employees:</p> <ul style="list-style-type: none"> • acceptable remuneration package • adequate working conditions • contractual entitlements • work-life balance <p>Exemplar response:</p> <p>E.g. Generous holiday entitlement (1).</p> | 4 | <p>One mark for each correct identification up to a maximum of two identifications.</p> <p>One mark for each correct identification up to a maximum of two identifications.</p> |

| Question | Answer/Indicative content | Mark | Guidance |
|----------|---|------|--|
| 7 | <p>Indicative content:</p> <ul style="list-style-type: none"> • behave ethically • beyond legal requirements • responsibility of an organisation for the welfare and interests of society • commitment to protect the environment in which business operates • benefit the interests of the community • aims beyond profit and corporate governance • profit, people, planet • triple bottom line <p>Exemplar response:</p> <p>E.g. Behaving in a way which improves the welfare of society (1), even if this costs money and does not lead to profit maximisation (1).</p> | 2 | <p>Up to two marks.</p> <p>Do not award examples.</p> |

| Question | Answer/Indicative content | Mark | Guidance |
|----------|--|------|---|
| 8 | <p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • recycling • pollution • energy consumption • carbon emissions • global warming • congestion • inefficiency • staff turnover • performance management • productivity and production costs • supply and demand • the supply chain • organisational structure <p>Exemplar response:</p> <p>E.g. When recommending upgrades to IT hardware a management consultant should take into account the energy efficiency of the machines. By including energy consumption figures in calculations the consultant can ensure that running costs are kept to a minimum (L1). Reducing operating costs, ceteris paribas, will increase profit. This increased profit could be used to give greater return to shareholders or be retained in the company – perhaps to implement efficiency measures which have an initial capital cost. Such action would further reduce wastage and enhance the environmental image of the company However, choosing the most energy efficient hardware may not necessarily be the best course of action; reliability and ease of use also need to be considered. If the hardware recommended solely in terms of energy efficiency proved to breakdown more often, or needs technical help in order to operate it, the wastage in terms of staff time would be far greater than any savings from reduced energy consumption. Staff frustration and delays could even harm, rather than enhance, the reputation of the company if customer service levels fall (L2).</p> | 10 | <p>Levels of response</p> <p>Level 2 (6 – 10 marks) Candidate explains the key issues relating to waste which a management consultant should take into account.</p> <p>Level 1 (1 – 5 marks) Candidate identifies the key issues relating to waste which a management consultant should take into account.</p> |

| Question | Answer/Indicative content | Mark | Guidance |
|----------|---|------|---|
| 9 | <p>Indicative content:</p> <ul style="list-style-type: none"> • communicates with intended participants • provides a framework for the meeting • enables participants to prepare for meeting • formalises the meeting. <p>Exemplar response:</p> <p>E.g. An organisation would use an agenda to communicate with members of a committee (1). This document provides an ordered list of the items to be discussed in a future meeting (1).</p> | 2 | One mark for a correct identification, plus a further one mark for a description. |
| 10 | <p>Indicative content:</p> <ul style="list-style-type: none"> • chain of command • formal communication structure <p>Exemplar response:</p> <p>E.g. The formal route through which messages are passed within an organisation (1).</p> | 1 | For one mark. |
| 11 | <p>Indicative content:</p> <ul style="list-style-type: none"> • a dynamic communication network • personal and social relationships <p>Exemplar response:</p> <p>E.g. The interactions of human beings within the organisation (1).</p> | 1 | For one mark. |

| Question | Answer/Indicative content | Mark | Guidance |
|----------|---|------|--|
| 12 | <p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • decision-making mechanisms • power structures • committees • management style • organisational norms • hierarchical structure • centralised/decentralised • performance management systems <p>Exemplar response:</p> <p>E.g. An organisation with a relatively flat and decentralised structure is likely to embrace a culture of empowerment. Recruitment processes are likely to be designed to seek out employees who thrive operating independently (L1). Demonstrating initiative and problem solving skills at all levels of the organisation is likely to lead to increased innovation, flexibility and creativity amongst the workforce. The culture of the organisation would encourage all employees to make autonomous decisions in line with business objectives. Assuming that such empowerment does not lead to employees taking undue risks, business potential should be maximised and management time freed up (L2).</p> | 8 | <p>Levels of response</p> <p>Level 2 (5 – 8 marks) Candidate explains how the decision-making structures within an organisation shape the culture of the organisation.</p> <p>Level 1 (1 – 4 marks) Candidate identifies how the decision-making structures within an organisation shape the culture of the organisation.</p> |