

Higher Business Management

Understanding Business

Revision Questions

The Role of Business in Society

1. Compare the role of an entrepreneur with that of a manager. (2 marks)

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2. Describe the four factors of production. (4 marks)

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3. How is wealth created? (1 mark)

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4. Describe the four sectors of industry. (4 marks)

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Types of Business Organisation

1. Describe the features of a public limited company (plc). (2 marks)

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2. What is the name given to the share of profit received by shareholders? (1 mark)

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3. Give one advantage and one disadvantage of a public limited company (plc). (2 marks)

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4. Give two examples of franchises. (2 marks)

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5. What is a multinational company? (1 mark)

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6. Describe advantages of operating as a franchise.

(3 marks)

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7. Describe the main characteristics of a multinational corporation. (4 marks)

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8. Discuss advantages and disadvantages to the host company of supporting a large foreign multinational. (3 marks)

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9. Compare features of organisations in the private, public and third sectors of the economy. (6 marks)

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Objectives

1. Explain what business objectives are.

(1 mark)

2. Compare differences between the objectives of private, public and third sector organisations.

(3 marks)

3. Describe three reasons why a business might want to grow.

(3 marks)

4. Explain the difference between horizontal and vertical integration.

(2 marks)

5. Describe a merger.

(1 mark)

6. Discuss how a single organisation could have conflicting objectives. (2 marks)

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7. Describe possible methods of growth for a public limited company. (5 marks)

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8. Explain how different methods of growth can lead to increased sales or profits. (5 marks)

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Internal Factors

1. Describe the four internal factors that impact upon the success of a business. (4 marks)

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2. What does the term corporate culture mean? (1 mark)

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3. Give an example of how corporate culture can be achieved? (1 mark)

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4. Describe factors an organisation should consider when trying to encourage a positive corporate culture. (5 marks)

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External Factors

1. Give an example of a political factor that could impact on the activities of a business. (1 mark)

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2. Suggest an economic factor that can impact on the success of a business. (1 mark)

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3. What social changes have there been that will influence demand? (2 marks)

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4. Can you think of any changes in technology that change the way businesses operate? (2 marks)

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5. How can a business become more socially responsible? (1 mark)

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6. Discuss the impact that political factors can have on an organisation. (4 marks)

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Business Structures (1)

1. What is the difference between a wide and narrow span of control? (2 marks)

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2. Describe the terms 'chain of command', 'responsibility', 'delegate', and 'functional grouping'. (4 marks)

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3. Explain a benefit of customer grouping. (1 mark)

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4. Give an example of how a business might group its activities according to location/geographical grouping. (2 marks)

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5. Describe the effects of increasing a manager's span of control. (5 marks)

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6. Discuss the use of customer grouping for an organisation. (4 marks)

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7. Compare the use of functional grouping with product grouping. (2 marks)

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Business Structures (2)

1. Explain the difference between a hierarchical structure and a flat structure. (2 marks)

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2. Why would a matrix structure be formed? (1 mark)

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3. Where would you tend to find an entrepreneurial structure? (1 mark)

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4. What other type of structure is a centralised structure associated with? (1 mark)

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5. Describe a decentralised structure. (1 mark)

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6. Why would a business decide to restructure.

(2 marks)

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7. Describe delayering, downsizing, and outsourcing.

(3 marks)

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8. Compare centralised and de-centralised decision-making.

(5 marks)

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9. Describe the main characteristics of an entrepreneurial structure. (3 marks)

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10. Explain the effects of delayering on an organisation.

(4 marks)

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Decision Making

1. Describe the seven functions of management. (7 marks)

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2. Compare the three types of decisions made by managers. (3 marks)

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3. Describe a factor that will influence the quality or effectiveness of a decision. (1 mark)

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4. Give examples of one strength and one weakness which could be identified in a SWOT analysis. (2 marks)

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Stakeholders

1. Suggest stakeholders for an organisation of your choice. (2 marks)

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2. Explain the interdependence of two stakeholders. (2 marks)

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3. Explain the conflict between two stakeholders. (2 marks)

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4. Discuss how the conflict identified above may be resolved. (2 marks)

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