

**FINAL
ALTERNATIVE ASSESSMENT**

(COVER PAGE)

Session : April 2021

Programme : Diploma in Business (DIB)
Diploma in Finance (DIF)
Diploma in Marketing (DMKT)
Diploma in Mass Communication (DMCN)
Diploma in Hotel Management (DHMN)
Diploma in Accounting (DIAN)

Course : **BUS1100: Introduction to Business**

Date of Examination : 29 July 2021 (Thursday)

Time Start : 29 July 2021 (Thursday) @ 8.00am

Time End : 30 July 2021 (Friday) @ 8.00am

Duration : 24 Hours

Special Instructions :

This paper consists of **FOUR (4)** questions. Answer **ALL** questions. Your answers **MUST BE TYPED** using Microsoft Words. Your answers should be arranged in sequence (starting with Q1a, Q1b, Q2, etc.) and labelled properly.

Material permitted : Nil

Materials provided : Nil

Examiner(s) : **Michelle Hoong**, Lily Lee, Atirah Kamaruddin, Vun Fui Liam

Chief Moderator : Gilbert Raj Sundram

DIPLOMA IN BUSINESS PROGRAMME (DIB)
DIPLOMA IN FINANCE PROGRAMME (DIF)
DIPLOMA IN MARKETING PROGRAMME (DMKT)
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DIPLOMA IN ACCOUNTING PROGRAMME (DIAN)
BUS1100: INTRODUCTION TO BUSINESS
FINAL ALTERNATIVE ASSESSMENT: APRIL 2021 SESSION
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Question 1

The Miller brothers (Jack, Ben and Dylan) are about to fulfill a lifelong dream. They are buying a thousand-acre farm and plan to grow cotton. Seeking independence, they are not interested in bringing in any outside owners. They have obtained financing from the Farm Credit Bureau that will allow them to finance the purchase of the farm and some equipment. The brothers are realistic and expect to work very long hours. However, they have a few critical decisions left to make.

- a) Explain to the Miller brothers the needs of developing a business plan for their new business.
(3 marks)
- b) Explain to the Miller brothers the **TWO (2)** suitable general forms of business ownership based on the given scenario.
(6 marks)
- c) Briefly explain to Miller brothers any **TWO (2)** advantages and any **TWO (2)** disadvantages based on the answers from (b).
(16 marks)

Question 2

Classy Suits (CS) is a sole trader business run by John. CS have been manufacturing high quality men's suits for over 50 years. The suits are of a traditional design. Each suit is made to individual customer sizes with high quality materials.

Profits have fallen for several years. John thinks this is because of changes in fashion. He has identified a possible market for cheaper, ready-made suits to be sold in clothing shops. CS would use economical materials because customers look for value for money rather than exclusive designs. John plans to produce more suits together at the same time and each design in the same batch is identical.

John has identified the following problems that might arise from the change:

- A change in focus of the business from small volume exclusive quality to high volume reliability
- Quality control methods would have to change.

a) Describe the method of production that CS is currently adopting.

(3 marks)

b) Discuss **THREE (3)** quality control techniques that is best suited to CS to ensure the quality of the ready-made suits is maintained.

(10 marks)

c) Explain any **THREE (3)** advantages and any **THREE (3)** disadvantages to CS when changing the method of production to ready-made suits.

(12 marks)

Question 3

Abby is a young entrepreneur and she is planning for her first start-up online organic breakfast business. She plans to target some health-conscious people who prefer to eat local, organic, in-season produce. She is also searching for some recipe to offer delicious meals for a reasonable calorie count, so she can target on people who are trying to maintain or lose weight. Abby is so excited on her new start-up business, however, she has no clues on her marketing strategies.

- a) Explain to Abby, how she can use the **FOUR (4)** market segmentation bases to divide the market according to her plan. Provide an example for each market segmentation.

(16 marks)

- b) Explain to Abby any **THREE (3)** factors that she should consider when assessing the effectiveness of the market segmentation.

(9 marks)

Question 4

Mr. Ravi is running a retail store and he used to purchase the inventories with different suppliers for better cost and quality control. He has built good business relationships with his suppliers over the years. Lately, Mr. Ravi is planning to expand his retail business to other states and he needs more cash flow for the business expansion and daily operations.

- a) Briefly explain to Mr. Ravi the type of short-term fund that can help him purchase the inventories without paying cash upfront, but at a later scheduled date.

(3 marks)

- b) Discuss in detail **ONE (1)** source of long-term fund to Mr. Ravi that does not require withdrawal from internal sources.

(10 marks)

- c) Explain to Mr. Ravi any **TWO (2)** advantages and any **TWO (2)** disadvantages of borrowing.

(12 marks)

~THE END~