higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

OPERATIONS MANAGEMENT
NQF LEVEL 4

(3021014)

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)
OPERATIONS MANAGEMENT
NQF LEVEL 4
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. Use only a black or blue pen.
5. Write neatly and legibly.

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SECTION A

QUESTION 1

1.1 Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

1.1.1 When the money coming into the organisation is more that the money that is going out.

A Positive cash flow
B Surplus
C Negative cash flow
D Profits

1.1.2 Someone with financial interests in a business.

A Stakeholder
B Shareholder
C Competitors
D Suppliers

1.1.3 Ability of someone to do something well by applying knowledge, talent and experience.

A Skills
B Potential
C Motivation
D Zeal

1.1.4 It serves as a guide on how to carry out the operations of a business.

A Budget
B Planning
C Resources
D Operational plan

1.1.5 Ways to retain employees as stakeholders.

A Customer attrition
B Performance indicators
C Retrench
D Training

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1.1.6 It is a possibility that something wrong may occur.

A Planning
B Risk
C Budget
D Contingency plan

1.1.7 Regarded as a financial stakeholder:

A Trade union
B Government
C Bank
D Customer

1.1.8 A scenario associated with financial resources anticipating that anything that can go wrong will go wrong.

A Optimistic
B Pessimistic
C Return on investment
D Improved profits

1.1.9 A practical tool used in organisations to improve relationships with all stakeholders and manage the company's performance.

A Surveys
B Total quality management
C Balanced scorecard
D Questionnaires

1.1.10 Risk management is used to … .

A identify and access risks
B increase risks
C take a risk
D run the risk

(10 × 1) (10)

1.2 Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (1.2.1–1.2.10) in the ANSWER BOOK.

1.2.1 Continuous improvement is a once-off process which must take place at the end of the business operations.

1.2.2 Task specification elaborate exactly what needs to be done and how.

1.2.3 Brain drain happens when the experts of a country come back to their countries of origin.

1.2.4 Air pollution is caused by the release of chemicals and particles into the atmosphere.

1.2.5 Bankruptcy occurs when a company is legally able to pay its debts.

1.2.6 The job shop is the exact opposite of the flow shop.

1.2.7 The flow shop is also generally known as continuous production.

1.2.8 The advantage of cellular production that it is faster than job shop production, resulting in low cost per unit.

1.2.9 One of the effects of increased performance of physical resource is loss of competitiveness.

1.2.10 Employees are regarded as primary financial stakeholders.

(10 × 1) (10)

TOTAL SECTION A: 20

SECTION B

QUESTION 2

Read the following case study carefully and answer the questions that follow.

KFC hit by chicken shortage, with 70 outlets in Pretoria and KZN closed for now

KFC says around 70 of its stores are now temporarily closed as its chicken suppliers struggle with constant power outages. The fast-food outlet is struggling with a shortage of "chicken on the bone" supplies.

Their production outlets are mainly in North Gauteng (Pretoria) and KwaZulu-Natal.

There are more than 1 000 KFC outlets in the country, and 600 have back-up generators. This is a challenge that compromises quality as generators sometimes fail while production takes place. This affects principles of quality management.

"However, some of our suppliers have experienced immense operational disruption due to consistent and intense load shedding throughout 2022," a spokesperson told News24. "This means we are experiencing some constraints in our supply chain, which although currently limited, have impacted some of our restaurants. New planning with fresh ideas and clear goals on how to manage the risk of loadshedding are needed by KFC as their product is loved by all SA citizens."

[Source: *https://www.news24.com/fin24*]

2.1 Business systems are very important to run KFC well.

2.1.1 Indicate any SEVEN business systems that can be affected by load shedding. (14)

2.1.2 How can any of the FIVE business systems mentioned above be affected by load shedding? (5)

2.2 Explain FIVE phases of control that KFC must apply when measuring and evaluating the impact of the chicken shortage in South Africa. (10)

2.3 KFC products must always be of good quality to attract, keep and retain its customers.

2.3.1 Define the term *quality*. (2)

2.3.2 Advise KFC on the elements of TQM. (7)

2.3.3 KFC uses continuous improvement as a principle of the Quality Management System.

Identify SEVEN other principles of the QMS at KFC. (7)
[45]

QUESTION 3

3.1 KFC is planning to revise their strategy and improve planning with fresh ideas and skills to mitigate the risk of load shedding.

3.1.1 Advise KFC on why planning is important. (5)

3.1.2 Name the FIVE levels of Maslow's hierarchy of needs. (5)

3.2 As the operations management student, KFC has requested that you design an operational plan that will address the problem stated in the case study.

NB. The following questions need to be addressed in the operational plan:

Where are we now?	Where do we want to be?	How do we get there?	How do we measure our progress?

(Copy and complete the table above in the ANSWER BOOK.) (4 × 2) (8)

3.3 Load shedding causes a great deal of risk and can affect the operations of KFC.

3.3.1 Name SIX risks that can be caused by load shedding. (6)

3.3.2 Explain how the above-mentioned risks are affected by load shedding?

(6 × 2) (12)

3.3.3 Describe TWO ways how load shedding can be mitigated. (4)

3.4 List FIVE results that KFC will suffer when it does not comply to quality processes and procedures. (5)

[45]

QUESTION 4

4.1 A lack of production and scarcity of meat at KFC is affecting all its stakeholders. Load shedding is also affecting their communication with stakeholders.

4.1.1 The community is the most affected by load shedding.

Explain the community as a stakeholder. (2)

4.1.2 Describe ways the community can be retained as a stakeholder by KFC. (4 × 1) (4)

4.1.3 When implementing the operational plan KFC will need a mentor.

Identify at least FIVE characteristics of a mentor. (10)

4.2 Explain the following terms in relation to KPIs that KFC can use to check their performance to satisfy their stakeholders.

4.2.1 First-request fix rate

4.2.2 Customer attrition rate

4.2.3 Return on equity

4.2.4 Return on assets

(4 × 2) (8)

4.3 How will KFC handle the aspects of good communication with its stakeholders? (5)

4.4 Advise KFC on ways they can use to brainstorm the load shedding problem. (6)

4.5 Explain what productivity means to KFC. (3)

4.6 Explain what overproduction means to KFC. (2)

[40]

TOTAL SECTION B: 130
GRAND TOTAL: 150

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