

**ICT2641**

October/November 2011

BUSINESS INFORMATICS 2A

Duration · 2 Hours

100 Marks

EXAMINERS ·**FIRST****SECOND ·****MS SR VORSTER****MRS ID SCHOLTZ**

Use of a non-programmable pocket calculator is permissible.

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This examination paper consists of five (5) pages.

INSTRUCTIONS

1. Answer all the questions
2. All rough work must be done in the answer book
3. The mark for each question is given in brackets next to the question.
4. Please answer the questions in order. If you want to do a question later, leave a blank space for it

[TURN OVER]

QUESTION 1**[4]**

One part of analysing a business is to do a financial analysis. It is sometimes problematic as managers do not disclose all information to parties concerned. What issues cause managers not to disclose all information to all parties?

QUESTION 2**[6]**

When a business analyst points out to a manager what the real problem is, who is the real change agent. the managers or the business analyst?

QUESTION 3**[5]**

Provide an explanation for the concept 'net worth' and indicate how the net worth of a company is calculated. Indicate in your answer the difference between calculating the net worth of a public company versus the net worth of a private company.

QUESTION 4**[28]**

The Following Figures were taken from the statements of Xenio Productions.

Owner's equity	R3 500 000
Long-term Loans	R2 200 000 @15% interest
Current liabilities (creditors plus overdraft)	R1 500 000
Fixed Assets (land, buildings, plant and equipment)	R3 200 000
Current Assets (stock plus debtors)	R4 000 000
Annual Sales	R3000 000
Cost of Sales	R1 800 000
Operating Expenses	R 490 000
Tax rate	40%
Owners expected return on his investment	18%

4.1 Compile a simple balance sheet and income statement (queue for cash)

(19)

4 2/ .

[TURN OVER]

4 2 From the financial statements that you have compiled in question 4.1, Calculate.

4 2.1 ATO# (3)

4 2 2 ROS% (3)

4 2 3 ROAM (3)

QUESTION 5 [6]

Managers make different types of decisions, namely strategic, operational and problem solving decisions

Below find a list of decisions made by managers. Indicate in each of the cases if it is a strategic, operational or problem solving decision

5.1 The CEO of IT Pro decides to purchase a local company Nexcu Cabling to solve the IT Pro's problems with wireless network connections (2)

5 2 Sales Manager of IT Pro increases the sales targets for November 2011 from R1 200 000 to R2 300 000. (2)

5 3 Call Center manager of IT Pro needs to retract an e-mail containing incorrect information send out to all customers regarding a new products (2)

QUESTION 6 [25]

Compare the expert/technologist analyst role with the business partnership role Discuss the similarities and differences between the two roles under the headings characteristics, advantages and disadvantages.

QUESTION 7/. ..

[TURN OVER]

QUESTION 7**[6]**

Identify the implementation stage (as part of project implementation management) in the examples below

7.1

Business analyst to project team. "People, our next steps are to identify major actions to be taken, to allocate deadlines and accountability, and to calculate the money we are going to need to implement this project."

(2)

7.2

Business analyst to project team "Team, we have completed 50% of the tasks allocated to this project "

(2)

7.3

Business analyst to project team. "Our next step is to start on the designing of phase 1 of the new credit card verification system "

(2)

QUESTION 8**[3]**

In many instances, consultants deliver projects which are technically sound, but this solution does not deliver a sustained solution to the client. What outcomes need to be achieved before a management consultant project can be considered a success?

QUESTION 9**[10]**

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

Tirestone Manufacturers had a problem with decreasing profits over the last two years. The expenses needed to be reduced and logistical and system errors needed to be reduced. The top management of Tirestone were not very clear on the strategic direction of the company. Some of top management wanted to move the factory from a small town in Gauteng to East London – near most of the car manufacturers. One thing that the management did however agree on was that operating expenses needed to be cut by at least 25%. A local consultancy firm was approached who recommended that a reengineering project would solve all the problems!

The consultancy firm provided a large team of 30 people. The team consisted of process engineers, IT consultants with MBA training and an assortment of other specialists.

The team/... .

[TURN OVER]

The team of consultants were divided into process re-engineering teams to study the current processes and systems of Tirestone. For each of these processes, the consultant teams redesigned the systems. Employees of Tirestone were on the design teams, but they soon find that the consultants incorporated their technical solutions and ignored the recommendations of Tirestone employees. The consultants worked on this system for 18 months, only once every two months an update was provided to top management in the form of a progress report.

After completion of the systems, the consultants presented the system to the top management. The skills and experience of the employees and top management of Tirestone were not considered when decisions were made by the consultants. The results were a system that incorporated loads of checks and balances and additional processes. This in turn led to employees resisting the change over to the new system. The errors increased and the costs escalated! The new systems were abandoned in favour of the old system!

9.1 What fatal flaws did the consultants commit in the abovementioned case study?

(5)

9.2 What could they have done to mitigate the flaws?

(5)

QUESTION 10

[7]

"Even though getting the consultants to share accountability with client managers reduces many of the risks of failure in consultancy, there are some reasons why clients do not feel enthusiastic about this approach."

Discuss the statement above by listing and discussing the reasons why clients might resist focusing on results.

TOTAL: 100