



Business Management (AOM)

Sample Questions and Answers

propertymark
QUALIFICATIONS

BUSINESS MANAGEMENT (AOM) SAMPLE QUESTIONS AND ANSWERS

This unit introduces the concepts of business management. Including the policies and practices associated with the organisation and co-ordination of activities within a business.

Questions, and answers where provided, are correct as at time of publishing.

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ASSESSMENT INFORMATION

Assessment Method	Short essay style exams 2 hours
Availability of assessment	Set times of the year as identified within the qualification page on the Propertymark Qualifications website

Examinations are manually marked by an examiner and moderated by an experienced and qualified moderator.

The pass mark for each unit is **45%**.

The successful achievement of all units will result in either a final certificate showing a Pass or Distinction Grade.

In order to obtain an overall grade of Distinction, you need to achieve an **overall average mark of 70% across all examinations**.

SCENARIO 1

You manage a large estate agency branch team of 12 who differ widely in terms of age, experience, and background.

Question 1

In view of market conditions, you decide that redundancies will have to be made. Explain the key factors of a fair and reasonable redundancy policy and procedure.

Answers may include:

Key factors should include:

- Criteria for dismissal
- Notice
- Redundancy pay
- Time off to look for new employment
- Accrued rights
- Attendance record

Credit can be given by markers for any other valid answer(s).

SCENARIO 1 (CONTD.)

Question 2

Give examples, with explanations, of issues which could arise in the course of running the business, which may constitute discrimination in employment under the Equality Act 2010.

Answers may include:

Examples with explanations of issues could include:

- policy making
- conditions of work
- working arrangements
- training and development
- promotion
- organisational culture

Examples with explanations of issues can include:

- dress code under policy making
- inappropriate behaviour (e.g. sexism, bullying, etc) under organisational culture

Credit can be given by markers for any other valid answer(s).

SCENARIO 2

A serious breach of the IT policy by a member of staff has resulted in a virus being imported and important customer data being irretrievably lost.

Question 1

On discovering that there is not a social media policy in place, explain what issues should be included when developing one.

Answers may include:

Issues that could be included:

- Respect copyright
- Present the company carefully
- Use a disclaimer for personal views
- Careful about spam and introducing viruses
- Maintain customer care standards
- Don't waste working time using social media
- Only use social media with company approval
- Only download approved software
- Do not reveal confidential information or data
- Avoid frivolity
- Do not cite colleagues without permission
- No libel, discrimination, or harassment
- An understanding of the various modes of social media
- How they can if inappropriately used impact upon an agency's activities.

Credit can be given by markers for any other valid answer(s).

SCENARIO 2 (CONTD.)

Question 2

Briefly explain the various methods available to a property agency to securely back up its commercial data.

Answers may include:

Methods explained could include:

- hard Disks
- optical Discs
- flash drives
- cloud
- internet back up
- tapes

Credit can be given by markers for any other valid answer(s).

SCENARIO 3

You have been appointed as the new area manager with responsibility for health, safety, and security of staff. You will be visiting a number of large inner city agencies over the next few weeks to review their policies for security of premises, and safety and security of staff.

Question 1

To prepare for your visits, you need to review the methods of security these inner city agencies should be using to keep their premises safe. Draw up an analysis of the effectiveness of a range of methods used for premises security.

Answers may include:

Method of security identified:

- monitored alarms systems
- CCTV
- toughened glass for windows and doors
- shutters on doors and windows
- parking barriers
- lighting
- intercom access
- notices (no money kept on premises, alarms etc)

Analysis of effectiveness includes:

- advantages and disadvantages
- costs
- suitability

Credit can be given by markers for any other valid answer(s).

SCENARIO 3 (CONTD.)

Question 2

You want to ensure that all the agencies are working to similar standards for employee safety and security. Explain the key principles of the sample policy you will prepare to maintain employee safety and security within the agency, including examples of how to deal with harmful situations.

Answers may include:

Key principles/ example include:

- Lone worker
- Late working
- Office security (use of CCTV, intercoms)
- Lamplugh Trust
- Alarm codes
- Health and Safety at Work Act
- Training of staff
- Dealing with difficult customers
- Warning systems between colleagues.
- Description of SIMPLE

Credit can be given by markers for any other valid answer(s).

SCENARIO 4

As an agency manager one of your objectives is to analyse the financial performance of your branch.

Question 1

Identify and briefly describe the key elements of a profit and loss account and give examples of the highest cost items.

Answers may include:

Key element identified and briefly described:

- Income
- Expenditure
- Profit /Loss
- High/Low cost items:
 - o salaries, office
 - o rent, leasing costs, IT, vehicles etc.

Identifying and briefly describing other elements:

- Sales, investments, other income
- expenditure, direct costs, overheads
- profit/loss- gross and net profits

Credit can be given by markers for any other valid answer(s).

SCENARIO 4 (CONTD.)

Question 2

Explain how financial ratios can be used as a measure of financial strength or weakness.

Answers may include:

Ratios explained:

- performance year on year
- performance against similar businesses
- Specific ratios e.g., profitability, ROCE, liquidity, efficiency

Referring to any of the following:

- ROCE measures profitability by looking at capital injection
- Efficiency ratios can be used to look at specific areas such as debt collection

Credit can be given by markers for any other valid answer(s).

SCENARIO 5

It is your first day as relief manager of an established office. Your director has hinted that the team lack motivation, and this may be the reason for recent low performance figures.

Question 1

Your team is showing signs of demotivation. Identify aspects of team performance which would indicate demotivation and explain the actions a manager could take to motivate the team.

Answers may include:

Identification and explanation:

- Frequent absenteeism/sickness
- Conflict
- Poor discipline
- Poor team spirit
- Poor standard/level of work/H&S standards
- Increased customer complaints
- Increased grievances
- Increase in stress levels
- Reluctance to take responsibility
- blame culture

Credit can be given by markers for any other valid answer(s).

SCENARIO 5 (CONTD.)

Question 2

Explain how poor communication might have affected team effectiveness and give examples of good communication practices from agency working.

Answers may include:

Example identified:

- Team acceptance of objectives
- Setting standards accepted by team
- Give everyone a role & a “voice”
- Manage roles to avoid conflict
- Provide encouragement even when things go wrong
- Provide feedback/keep team informed
- Encourage creativity
- Lead by example
- Reward
- Encourage responsibility
- Develop team spirit/trust
- Empathy/support
- Involve team in decision making
- Ask for suggestions

Credit can be given by markers for any other valid answer(s).