3.8 Setting Functional Objectives: Marketing, Operations, Finance, HR: Test Pack

Total Marks

AQA 7132 · Calculators not allowed · about 15 minutes

Name: _____ Date: ____ / ____ / _____

Answer ALL questions. Write full sentences for questions worth 3 marks or more. Use the case contexts given in prompts where provided. Show working for any numerical reasoning.

1 Which one of the following is an example of a typical MARKETING functional objective?

- ☐ A) Achieve 90% capacity utilisation in manufacturing
- ☐ B) Reduce staff turnover to below 10% per year
- ☐ C) Increase market share in the UK by 4 percentage points in 12 months
- ☐ D) Maintain a current ratio above 1.2

(Total for Question 1 is 1 mark)

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2 State two functional objectives an operations department might set to improve efficiency.

(Total for Question 2 is 2 marks)

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3 State two practical ways a business can ensure functional objectives are aligned with corporate strategy.

(Total for Question 3 is 2 marks)

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4 Explain how a technological change, such as automation in production, might affect a marketing functional objective to 'launch three new product variants within 12 months'.

(Total for Question 4 is 3 marks)

5 Explain one potential drawback for HR of setting a very low staff turnover target, for example 'reduce voluntary staff turnover to below 5% per year'.

(Total for Question 5 is 3 marks)

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Question 1

C cao **B1**

Answer: C

Question 2

increase capacity utilisation to a specified percentage **B1**

reduce average production lead time or reduce defect rate by a stated percentage **B1**

Answer: Any two, for example: increase capacity utilisation to a target percentage; reduce production lead time or defect rate by a stated amount.

Question 3

regular cross-functional planning meetings or strategic review processes **B1**

cascading objectives where each department sets SMART targets that map to corporate KPIs **B1**

Answer: Any two, for example: hold regular cross-functional planning meetings; use cascading SMART objectives so departmental targets map to corporate KPIs.

Question 4

identifies an effect, e.g. automation could speed up product development or production of variants **B1**

develops the point, e.g. faster prototyping and lower unit costs allow marketing to schedule launches sooner or price competitively **B1**

links to a marketing outcome, e.g. meeting the launch target becomes more feasible and may support a market share objective **B1**

Answer: Automation can speed product development and lower unit costs, making it easier for marketing to launch three variants within 12 months and to price them competitively, which supports market share objectives.

Question 5

identifies a drawback, e.g. a very low turnover target may reduce opportunities to recruit fresh skills **B1**

develops the point, e.g. the business may become stagnant if low turnover prevents bringing in new ideas or needed expertise **B1**

links to an outcome, e.g. this could harm long-term competitiveness or innovation **B1**

Answer: A very low turnover target may limit recruitment of new skills, so the business could become stagnant and lose long-term competitiveness or innovation.

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