Chapter 4 – Revision test solutions

Part A
1 C
2 C
3 D
4 B
5 D
6 B
7 D
8 A
9 D
10 C

Part B
1 a SENIOR management – Strategic/long-term planning for the whole organisation.
   MIDDLE management – Tactical planning for their own department
   FRONT LINE management – for their area of control
b SENIOR management – Over a period of up to 5 years
   MIDDLE management – For periods of up to 12 months
   FRONT LINE management – plan day to day/monthly or weekly
c SENIOR management – e.g. planning for expansion into the Asian market.
   MIDDLE management – e.g. the training of staff over the next 12 months
   FRONT LINE management – e.g. the roster for the next week

2 Corporate social responsibility refers to an organisation’s level of accountability towards its stakeholders. Based on the idea that a business should contribute to the overall welfare of society and the community. Organisations are increasing pressures to be seen as good corporate citizens. Examples of a business adopting socially responsible actions or policies could include many things such as environmental or sustainability policies or practices, equal opportunity policies and/or adopting a policy not to deal with suppliers
who indulge in unethical practices. LSOs adopt such policies in response to many pressures from the internal operating and macro environments. For example, shareholders, employees and management may pressure for changes based on their own beliefs. Suppliers may give preferential deals to businesses that engage in SR practices. Customers may also choose to deal with socially responsible businesses. The wider macro environment may also pressure businesses to adopt socially responsible practices and policies through the actions of lobby groups and the media highlighting socially responsible actions. Government also pass laws that affect the development of socially responsible policies and actions.