

SECTION A
Answer **all** questions

Question I

For each question, there are **FOUR** responses: **A, B, C** and **D**. Choose the corresponding letter of your response and **CIRCLE** it. If you change your answer, cross out the previous response clearly and circle your new answer. **NO** score will be awarded if you circle more than **ONE** letter.

[10]

1. Which feature describes a private limited company?
 - A business is owned by the government
 - B owners have unlimited liability
 - C shares are freely traded on the stock exchange
 - D shares are not sold to the public
2. Which managerial role, identified by Mintzberg, involves serving as a formal link between the organisation and external stakeholders?
 - A disturbance handler
 - B figurehead
 - C liaison
 - D resource allocator
3. Which selection method do businesses use?
 - A break-even analysis
 - B cash flow statement
 - C interviews
 - D market research
4. Which method of communication provides a permanent record?
 - A email
 - B face-to-face conversation
 - C telephone call
 - D video conference
5. What function of management involves coordinating organisational activities?
 - A advertising
 - B cooperating
 - C planning
 - D recruiting
6. Which component is found in an organisational and management plan?
 - A cash flow forecast
 - B definition of staff roles
 - C marketing budget
 - D pricing strategy

7. A furniture maker identifies five designs for a new chair. He removes three options that require expensive imported materials before comparing the remaining two. What process is being applied?
- A idea generation
 - B idea screening
 - C idea selection
 - D idea testing
8. A startup firm prepares a document containing market forecasts and cash flow projections to support an application for a bank loan. What is the main purpose of this document?
- A to assess previous financial performance
 - B to record the legal status of the business
 - C to replace the need for internal controls
 - D to support a request for external finance
9. A manager at a factory decides the annual budget, assigns shifts to teams, and ensures all machinery is maintained. Which management contribution is demonstrated?
- A allocation and control of resources
 - B design of new marketing strategies
 - C recruitment of more employees
 - D setting of corporate vision and mission
10. A firm introduces a payment system where workers receive a bonus for every unit produced above a set target. What motivation method is being used?
- A job enrichment
 - B participative management
 - C performance-linked financial reward
 - D social recognition

SECTION B

Answer **all** questions

Question II

Read the following text relating to Green Basket (GB) and answer all parts of the question.

In Bhutan, entrepreneur Sonam Dorji identified an increasing demand for fresh, organic vegetables among urban households. Observing that consumers in Thimphu prefer locally grown, chemical-free produce, Sonam established Green Basket, a startup business delivering organic vegetables directly from local rural farmers to urban doorsteps.

The business was funded using Nu 300,000 from Sonam's personal savings alongside a small bank loan. GB currently employs four workers and partners with local farming cooperatives. Customers browse available produce and place orders via a mobile application. GB earns revenue by adding a profit markup to the wholesale price of vegetables and charging customers a fixed delivery fee.

Despite steady initial sales, GB faces four main operational and financial challenges:

- Increasing competition from established supermarkets in Thimphu
- High transportation and fuel costs for doorstep deliveries
- Inconsistent supply and seasonal shortages of organic produce
- Limited access to external finance for business expansion

Sonam encourages an intrapreneurial culture, inviting employees to suggest innovative operational ideas. A delivery worker suggested replacing petrol vehicles with electric vehicles (EVs) to reduce delivery expenses.

Table 2.1 shows financial operational estimates for delivery vehicle options.

Operational Metric	Current Option: Petrol Vans	Proposed Option: Electric Vehicles (EVs)
Initial Purchase Cost (2 Units)	Nu 0 (existing)	Nu 1,400,000
Monthly Fuel / Electricity Expense	Nu 45,000	Nu 12,000
Monthly Maintenance Cost	Nu 15,000	Nu 5,000
Environmental Carbon Footprint	High Emissions	Zero Emissions

Table 2.1: Operational & Cost Comparison for Delivery Fleet Options

1. Identify **two** characteristics of an entrepreneur demonstrated by Sonam Dorji.

[2]

2. Explain **one** method used by Green Basket to add value to its organic produce. [2]

3. Study Table 2.1. Analyse one impact of limited access to finance on Green Basket's operations. [3]

4. Evaluate whether Green Basket should invest in Electric Vehicles (EVs) to improve its long-term profitability. [8]

Question III

Read the following text relating to Bhutan Fresh Connect (BFC) and answer all parts of the question.

Pema Wangchuk identified a commercial opportunity in the inefficient organic supply chain in Bhutan. Rural farmers struggled to access markets, while luxury hotels in Thimphu faced inconsistent supply and high prices for fresh vegetables. Pema established BFC to bridge this gap.

Following an idea screening process, Pema rejected a capital-intensive physical retail model in favor of a lean digital platform. He presented a formal business plan, featuring a detailed executive summary and operational plan, to secure private investor backing.

BFC now employs 20 workers, including delivery drivers and ICT specialists. However, poor internet coverage in remote *gewogs* (villages) creates "noise" in electronic communications, causing pickup delays and produce spoilage. Furthermore, several newly hired drivers recently misunderstood instruction manuals regarding cold-storage procedures.

As BFC expands, Pema faces a leadership dilemma. He currently uses a democratic management style, involving staff in operational decisions. However, major investors advocate for a paternalistic style to enforce strict quality standards while maintaining employee loyalty in a competitive market.

Table 3.1 shows feasibility comparison of business model for BFC.

Operational Metric	Proposed: Physical Retail Model	Selected: Lean Digital Platform
Initial Capital Expenditure	Nu 2,500,000	Nu 400,000
Monthly Fixed Overheads	Nu 180,000	Nu 35,000
Average Order Lead Time	24 Hours	6 Hours

Table 3.1: Feasibility Comparison of Business Models for BFC

1. Identify **two** sections of a business plan referenced in the case.

[2]

2. Explain **one** strategy used by BFC to add value to organic produce. [2]

3. Study Table 3.1. Analyse **one** impact of using a physical retail model on the efficiency of BFC. [3]

4. Evaluate whether a paternalistic management style would be more effective than a democratic style for BFC as the business expands its operations. [8]

SECTION C

Answer **all** parts of the question

Question IV

Read the following text relating to Druk Peak Hotel Group (DPHG) and answer all parts of the question.

DPHG is a boutique hotel group operating branches in Thimphu, Paro, and Punakha. Despite rising revenues from high-value tourism, DPHG faces a labor turnover rate of 35% significantly higher than the 12% hospitality industry average.

DPHG's Human Resource (HR) department is struggling to recruit skilled staff, particularly head chefs and multilingual receptionists. Existing staff experience heavy seasonal workload pressure, causing low morale and burnout. Furthermore, upward communication is poor; staff feel their operational concerns are ignored by senior management.

Branch coordination between Thimphu Head Office and regional hotels relies heavily on digital messaging platforms. System delays and ambiguous digital instructions frequently cause scheduling errors and inconsistent guest service standards.

To resolve these operational issues, the Chief Executive Officer (CEO) proposes centralizing recruitment, training, and internal communications at the Thimphu Head Office.

Table 4.1 shows key human resource metrics by hotel branch from the year 2025 – 2026.

Branch Location	Staff Turnover Rate	Customer Complaint Rate
Thimphu (Head Office)	22%	4%
Paro	38%	12%
Punakha	45%	16%
Industry Average	12%	3%

Table 4.1: Key Human Resource Metrics by Hotel Branch (2025–2026)

1. Define the following terms:

a. Upward communication.

[2]

b. Recruitment.

[2]

2. Explain **two** barriers to effective communication faced by DPHG.

[6]

3. Study Table 4.1. Analyse **two** impacts on DPHG of having a high labour turnover rate.

[8]

4. Evaluate whether centralising HR functions (recruitment, training, and communication) at the Thimphu Head Office is the best strategy for DPHG to reduce its high labor turnover rate. **[12]**

