

MSX01176 - EXAM

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QUESTIONS 1, 3, 4

QUESTION 1

INITIAL CAPITAL INVESTMENT PROPOSAL OF
~~£207,000~~ £200,000.

	OPTION 1	OPTION 2	OPTION 3
YEAR	SUPERLANT £	PAGE 41 £	CENTRE 4 £
0	(200,000)	(200,000)	(200,000)
1	20,000	20,000	60,000
2	40,000	60,000	60,000
3	60,000	60,000	60,000
4	60,000	40,000	60,000
5	60,000	40,000	60,000

1a) SUPERLANT

YEAR	NET CASH FLOW	CUMULATIVE CASH FLOW
0	(200,000)	(200,000)
1	20,000	180,000
2	40,000	140,000
3	60,000	80,000
4	60,000	20,000
5	60,000	-40,000

PAYBACK = 4 YEARS X MONTHS

CALCULATION OF MONTH PAYBACK = $\frac{\text{INCOME REQUIRED}}{\text{CONTRIBUTION PER MONTH}}$

MONTHLY CONTRIBUTION = $60,000 \div 12 = \text{£5,000}$

MONTHLY PAYBACK = $20,000 \div 5000 = 4 \text{ MONTHS}$

PAYBACK = 4 YEARS AND 4 MONTHS

Figure 4.1

0	(200,000)	200,000
1	80,000	120,000
2	60,000	60,000
3	60,000	0
4	40,000	-40,000
5	40,000	~~80,000~~ -80,000

PAYBACK = 3 YEARS 01 AND 0 MONTHS.

Figure 4.1

0	200,000	~~40,000~~ 200,000
1	~~80,000~~ 60,000	140,000
2	60,000	80,000
3	60,000	20,000
4	60,000	-60,000
5	60,000	-120,000

PAYBACK = 3 YEARS x MONTHS

CALCULATION OF MONTH PAYBACK = $\frac{\text{INCOME REQUIRED}}{\text{CONTRIBUTION PER MONTH}}$

$$\text{MONTHLY CONTRIBUTION} = 60,000 \div 12 \\ = £5000$$

$$\text{MONTHLY PAYBACK} = 20,000 \div 5000 \\ = 4 \text{ MONTHS}$$

PAYBACK = 3 YEARS AND 4 MONTHS.

①B

SURFNANT			
<u>Y</u>	<u>DF</u>	<u>CF</u>	<u>PV(f)</u>
0	1.000	(200,000)	200,000
1	0.9091	20,000	18,182
2	0.8264	40,000	33,056
3	0.7513	60,000	45,078
4	0.6830	60,000	40,980
5	0.6210	60,000	37,246

TOTAL CASH FLOW = £174,556

NET PRESENT VALUE =

TOTAL CASH FLOW - INITIAL INVESTMENT

= £174,556 - 200,000

= £-25,444.

FIGURE 4.1

<u>Y</u>	<u>DF</u>	<u>CF</u>	<u>PV(f)</u>
0	1.000	(200,000)	200,000
1	0.9091	80,000	£72,728
2	0.8264	60,000	49,584
3	0.7513	60,000	45,078
4	0.6830	60,000	27,320
5	0.6210	60,000	24,840

TCE = £219,550

NPV = TCE - II

= £219,550 - £200,000

= £19,550

CENTRE 4

<u>Y</u>	<u>DF</u>	<u>CA</u>	<u>PUA</u>
0	1.000	200,000	200,000
1	0.9091	60,000	54,546
2	0.8264	60,000	49,584
3	0.7513	60,000	45,078
4	0.6830	60,000	40,980
5	0.6210	60,000	37,260

TCE = £227,448

NPV = TCE - II

= 227,448 - 200,000

NPV = £27,448.

1C

2 OUT OF THE 3 OPTIONS GIVE A POSITIVE NET PRESENT VALUE, THESE BEING ~~THE~~ TUGE 41 AND CENTRE 4 SO ONLY THESE 2 OPTIONS WILL GIVE A RETURN ON THE INITIAL INVESTMENT. ~~BUT~~ HOWEVER, OUT OF ALL 3 OPTIONS TUGE 41 HAD THE SHORTEST PAY BACK TIME OF 3 YEARS, EDGING CENTRE 41 BY 4 MONTHS AND BEATING SUPERNAUTANT BY ~~THE~~ A TOTAL OF 16 MONTHS.

PROJECT TUGE 41 IS THE BEST OPTION FOR THE COMPANY.

1D

TWO FACTORS THAT SHOULD BE ~~TAKEN~~ TAKEN INTO CONSIDERATION AS PART OF THE DECISION MAKING PROCESS SHOULD BE ~~CONFIDENCE~~ ^{CONFIDENCE} AND ~~RISK~~ OPPORTUNITY FOR RETURNS.

SOME ORGANISATIONS AND COMPANIES ARE RISKING MILLIONS OF NOT ONLY THEIR OWN MONEY BUT ALSO THEIR INVESTORS MONEY SO THEY NEED TO HAVE FULL CONFIDENCE IN ~~THE~~ WHAT, OR WHO THEY ARE INVESTING IN. ASPECTS SUCH AS CURRENT ECONOMIC CLIMATE OR POLITICAL CLIMATE NEED TO BE FULLY EVALUATED BEFORE AN INVESTMENT IS MADE.

DURING THE EVALUATION PROCESS THE MAIN FACTOR FOR A CORPORATION WILL ULTIMATELY BE FOR FINANCIAL GAIN OR

OPPORTUNITY FOR RETURNS. IF A RETURNS
OPPORTUNITY IS STRONG ENOUGH COMPANIES
WILL BE MORE WILLING TO TAKE RISKS. CALCULATING
RETURNS HOWEVER CAN BE DIFFICULT DUE
TO MANY FACTORS.

QUESTIONS 3

ROUGHING MILL - 2 men
FINISHING MILL - 2 men
COILER - 2 men
RUN OUT TABLE - 2 men

THE TRAINING OF ALL ABLE TECHNICIANS TO EXPAND CURRENT WORKPLACE SKILLS

INTRODUCTION

DUE TO CURRENT STRUCTURE LIMITATIONS WITHIN THE MILL SOME AREAS OF OPERATION BECOME UNDERSTAFFED WHICH IS LIMITING OUR OUTPUT AND RESTRICTING OUR PERFORMANCE AS B IN A HIGH COMPETITIVE POSITION. TO CONTRIBUTE THESE RECENT LIMITATIONS A SOLUTION HAS BEEN BROUGHT FORWARD TO TRAIN ALL AVAILABLE STAFF ON ALL AREAS OF THE ROLLING MILL THESE BEING, ROUGHING MILL, FINISHING MILL, COILER AND RUN OUT TABLE. BEFORE THESE CHANGES ARE MADE, SOME CRUCIAL ANALYTICAL CHOICES NEED TO BE UNDERTAKEN. FURTHER IN THE REPORT I SHALL EXPLAIN.

PEST ANALYSIS

A PEST ANALYSIS STRATEGIC PLANNING TOOL NEEDS TO BE UNDERTAKEN TO ALLOW US TO IDENTIFY THE POLITICAL, ECONOMIC, SOCIAL AND TECHNOLOGICAL FACTORS THAT MAY HAVE EFFECT ON THIS PLANNING PROCESS. POLITICALLY WILL THESE CHANGES GO AGAINST UNION STANDARDS AND WORKERS HEALTH AND SAFETY RIGHTS DUE TO AN INCREASED AND CHANGING WORKLOAD. IS THIS CHOICE GOOD FOR OUR ECONOMIC GOALS AS A MILL, BECAUSE WORKERS MAY LOSE THEIR SPECIALIST SKILLS ON THEIR PREFERRED FIELD WILL OUR PRODUCT QUALITY DROP. ALSO AS WORKER STATIONS MAY CHANGE WILL THEIR BONUSES BE AFFECTED DUE TO PRODUCTIVITY CHANGES. SOCIAL FACTORS MAY ALSO BE AFFECTED DUE TO INCREASED TENSION WITH MANAGEMENT STAFF AND LINE WORKER AS THEY MAY FEEL THAT THESE CHANGES SHOW A CLEAR ADAPTIVE LEADERSHIP IDEOLOGY WHICH CAN MAKE WORKERS FEEL UNAPPRECIATED. TECHNOLOGICALLY THIS MAY RAISE ISSUES DUE TO AGAIN, WORKERS LOSING THEIR SPECIALIST SKILLS.

ADAPTIVE LEADERSHIP THEORY

TO EXPAND ON MY POINT OF ADAPTIVE LEADERSHIP THEORY, AN ADAPTIVE LEADER MAY BE IDEAL TO ENSURE THAT THESE CHANGES ARE SUCCESSFUL AS THIS THEORY SHOWS AN EMOTIONAL INTELLIGENCE, ABOUT THE ABILITY TO

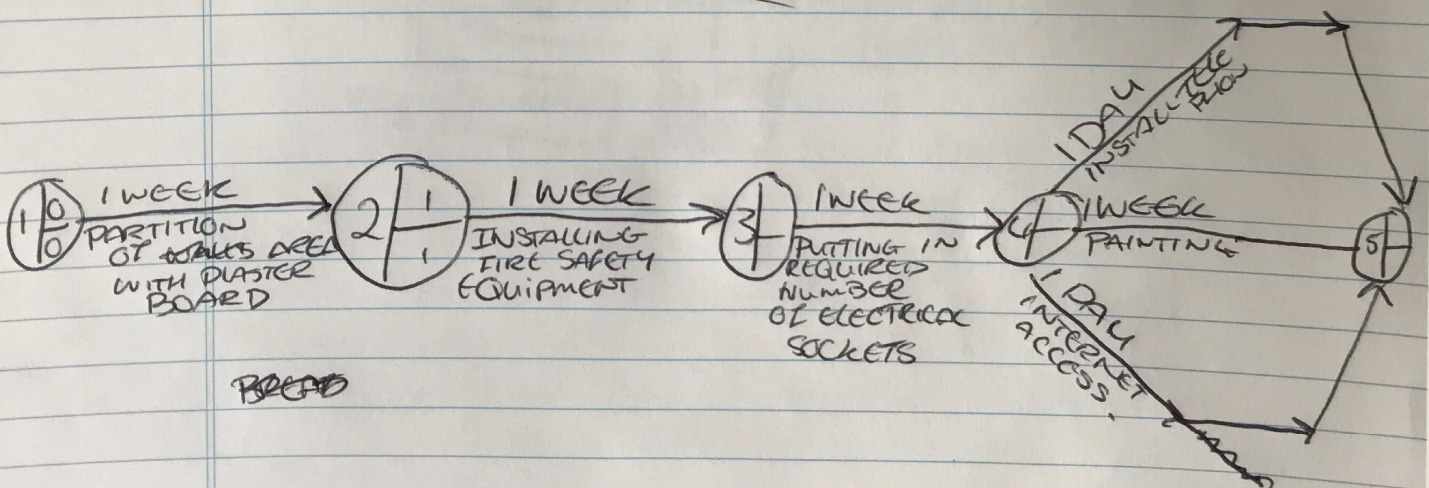
RECOGNISE THE EMOTIONS OF OUR TEAM,
THIS WILL BUILD TRUST. ALSO ADAPTIVE
LEADERS ARE WILLING TO BE FLEXIBLE THIS
WILL SHOW IN THE WORK FORCE AS THEY
TOO BECOME FLEXIBLE. WE NEED TO
ALSO SHOW STRONG CHARACTER, WE
UNDERSTAND THIS IS A DIFFICULT TIME, AND
MAY NOT BE RIGHT AT THIS TIME ~~BY~~ BUT
TOGETHER WE WILL SHOW THAT IT WILL BE.

QUESTION 4

• 3D PRINTING SERVICE ORDER

1. PARTITION OF AREA WITH PLASTERBOARD
2. INSTALLING FIRE SAFETY EQUIPMENT
3. PUTTING IN REQUIRED NUMBER OF ELECTRICAL SOCKETS
4. PAINTING
5. INSTALLING TELEPHONE LINE
6. INTERNET CONNECTIONS

CRITICAL PATH ANALYSIS.



WORK BREAK DOWN STRUCTURE
SORRY RIPPED

3D PRINTING MACHINERY HOUSING EXTENSION

