

EXAMINER'S REPORT**LEVEL I EXAMINATION - JANUARY 2023****(104) BUSINESS ENVIRONMENT**

As the entire question paper has been covered almost all the area of Business Environment subject specified to the level I, the aim was to check the candidates' overall knowledge and understanding of the subject area. As a whole, most of the candidates' performance were satisfactory while others had been failed to answer well. Observing how the candidates have been answered the question paper, it had been realized that important points to prevent issues when understanding the questions and answer to the point so as to obtain sufficient marks.

SECTION A**Question No. 01**

By this section, overall areas of the Business Environment subject have been covered and almost all the candidates have attempted the question. 40 marks out of 100 have been allocated and majority of the candidates had obtained between 20-30 marks. Most of the candidates had not successfully answered the question **1.6, 1.8, 1.14** and **1.18**. The observations regarding the questions are as follows:

- 1.6** A majority of candidates were not aware of the 'Colombo Stock Exchange' properly. Most of candidates had answered the statement 'it helps investors to convert their shares into cash'. But they did not aware that CSE provides a regulated environment for both institutional and individual investors operated in the capital markets.
- 1.8** Most of the candidates had not identified a feature of the wholesale trade. Instead of the correct answer that involves a considerable level of credit transactions, they had selected the answer number 3.
- 1.14** Most of the candidates were not aware of blank endorsement. So they were failed to earn marks.
- 1.18** Most of candidates had not identified Porter's five forces' analysis. A majority of the candidates had failed to answer the question.

However, except for the above questions, most of the candidates have answered this part well.

SECTION B

This section consisted of 4 compulsory questions. Each question had been given 10 marks.

Question No. 02

The question was based on the subject of “incorporated bodies”.

- Part (a)** It was requires to identify the information contained in the certificate of incorporation. Majority of the candidates had not properly answered this part and they had written details of shareholders and details of directors instead of the correct answer. A small number of candidates had earned full marks.
- Part (b)** It was tested the benefits of a public limited company to the economy of a country and majority have answered this question with their general knowledge.
- Part (c)** Most of candidates had no idea on how to use the name of a company as per the Company’s Act. Majority had given alternative answers to this question and earned 1 mark out of 3.

Question No. 03

It was expected to test the candidates’ knowledge on Business Support Services.

- Part (a)** Majority of candidates had answered well and obtained full marks. Some have given insurance concepts instead of insurance policies. Therefore the candidates should acquire a sound knowledge referring to study packs.
- Part (b)** It was expected to explain reason on the importance of insurance for a business organization. Majority of candidates had explained same meanings for two reasons. So, they were able to earn 2 marks out of 4.
- Part (c)** Most of candidates had obtained 3 marks out of 4 for this part and they have stated the difficulties that organizations had to face due to the non-availability of an effective transportation system with their general knowledge.

Question No. 04

- Part (a)** This is a scenario type question based on modern trade.
Majority of candidates had not identified that E-Way is engaged in Business Customer (B2C) Electronic Trade. So, they were failed to earn marks.
- Part (b)** Most of students had understood advantages and disadvantages of electronic trade and earned full marks.

Part (c) Most of candidates had obtained 2 marks out of 4 for this part due to failure in identifying government institutions which facilitate the businesses in Sri Lanka. Majority had given general answers instead of real answer with their general knowledge.

Eg: Central Bank of Sri Lanka, The Colombo Stock Exchange, etc.

Average number of candidates had answered well to this part.

Question No. 05

It was expected to test the candidate's knowledge on Business Support Services and Entrepreneurs.

Part (a) Most of candidates had identified the advantages of good waterway transportation system and got full marks.

Part (b) Majority have not answered to this part successfully and they have explained the services of licensed commercial banks for general public instead of services for exporters. So, the candidates were able to earn 2 marks out of 3.

Part (c) Most of students had not understood the relationship between entrepreneurship and business. But they had isolately described entrepreneurship and business. So, they had earned 2 marks out of 4.

SECTION C

Question No. 06

This was a case-study based question regarding **C Soft**, a soft drinks manufacturer. Almost all the candidates have attempted this question and most of them had obtained between 11 to 16 marks out of 20.

Part (a) Majority of candidates had written the environmental factors for conducting C-Soft business ethically, so they were able to earn 2 marks out of 3. So it was observed that the majority had not proper understanding on business ethics. Therefore, the candidates should acquire a sound knowledge referring to study packs.

Part (b) The question was expected to test the candidate's knowledge on advantages of new technology to the business. As this was an open question, they had answered with their general knowledge and earned full marks.

Part (c) The question tested the actions that can be taken to prevent environmental pollution. Few of them had focused only on waste water treatments to prevent pollution. Majority of the candidates had earned full marks.

Part (d) This part tested the economic resources that C-Soft is currently having. Majority had earned full marks to this question. Few of them had written computer software, farmers, transport system and fruits as economic resources.

Part (e) This question tested reasons why society considered **C Soft** as an important stakeholder. Average number of candidates had answered to the point and earned full marks. A very few candidates had not attended to this question. Average number candidates had answered clearly why society is considered as an important stakeholder of **C Soft** to prevent environmental pollution.

It is necessary to read and understand the question well before answering.

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General points to be considered in developing the level of understanding of candidates:

- (1) Get the maximum use of Self-Study Text published by AAT Sri Lanka because it is the best guideline covering the entire syllabus.
- (2) Read the question carefully and answer only what is asked in the question. Do not write unnecessary explanations and details. A direct and an accurate answer is expected for the question.
- (3) When you answer, time management is very important.
- (4) Action Verb Check List with definitions is attached to the question paper itself and each question will begin with an action verb excluding Objective Test Questions (OTQs). Candidates should answer the questions based on the definition of the verb given in the Action Verb Check List.
- (5) Before handing over the answer script, check whether the question numbers and your index number have been written correctly.
- (6) Do not write answers in the question paper itself and write the answers in the answer script.
- (7) By answering past question papers, you can improve the subject knowledge as well as the ability of writing skills.
- (8) Make use of recently published magazines, hand books, newspapers and text books to update the knowledge.

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