



ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA
LEVEL II EXAMINATION - JULY 2020
(204) BUSINESS MANAGEMENT

• **Instructions to candidates** (Please Read Carefully):

(1) **Time Allowed:** Reading : 15 minutes.

Writing : 03 hours.

(2) **All questions should be answered.**

(3) **Answers should be in one language, in the medium applied for, in the booklets provided.**

(4) **State clearly assumptions made by you, if any.**

(5) **Action Verb Check List** with definitions is attached. Each question will begin with an **action verb** excluding OTQ's. Candidates should answer the questions based on the **definition** of the verb given in the Action Verb Check List.

(6) 100 Marks.

04-10-2020

Afternoon

[01.45 – 05.00]

No. of Pages : 06

No. of Questions : 07

SECTION A

Objective Test Questions (OTQs)

(Total 25 marks)

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 Select from the following, management skills introduced by Robert L. Katz:

(1) Communication skills, Conceptual skills and decision making skills.

(2) Conceptual skills, Interpersonal skills and Technical skills.

(3) Diagnostic skills, Technical skills and Communication skills.

(4) Technical skills, Communication skills and Leadership skills.

1.2 The process of formally introducing an employee to the organization is:

(1) Training. (2) Induction. (3) Hiring. (4) Selection.

1.3 Which one of the following is a primary activity of Porter's Value Chain?

(1) Operations. (2) Procurement.

(3) Human Resource Management. (4) Infrastructure.

1.4 Which one of the following is **not** a requirement for a successful brand?

- (1) Relevance. (2) Clarity. (3) Coherence. (4) Flexibility.

1.5 Which one of the following is an element of supply chain management?

- (1) Operations. (2) Purchasing.
(3) Integration. (4) All of the above.

(02 marks each, 10 marks)

Select the correct word/words from those given within brackets to fill in the blanks of question No. 1.6 to 1.10. Write the selected word/words in your answer booklet with the number assigned to the question.

1.6 Efficiency explains about how to utilize inputs to achieve organizational goals. Simply, efficiency is (*doing the right things / doing things right*).

1.7 A parameter of a successful change is (*resources / uncertainty*).

1.8 (*Job analysis / Job design*) is the process of deciding factors such as tasks, duties, responsibilities, interpersonal relationships and technology into an organizational unit of work.

1.9 Influence from the suppliers is considered as (*an external / an internal*) force of change.

1.10 In (*marketing / selling*) concept, products are sold aggressively regardless of the quality of products and needs of customers.

(01 mark each, 05 marks)

Write answers for question Nos. 1.11 to 1.15 in your answer booklet with the number assigned to the question.

1.11 List two(02) pre-production activities of Operations Management.

1.12 List two(02) requirements for effective market segmentation.

1.13 State two(02) advantages of internal recruitment for an organization.

1.14 State two(02) reasons for resistance to change.

1.15 State two(02) principles of Total Quality Management (TQM). (02 marks each, 10 marks)

(Total 25marks)

End of Section A

SECTION B

(Total 50 marks)

Question 02

The management is considered to be of utmost importance in business organizations due to many reasons. It helps to achieve organizational goals by directing, coordinating and controlling physical, financial and human resources. The effective and efficient utilization of resources leads to less wastage and reduction in cost. Further it leads to increase in profit of the organization.

You are required to:

- (a) **Identify** the four(04) functions of the management process. (04 marks)
- (b) **Explain** three(03) challenges faced by the managers within today's business environment due to COVID-19 global pandemic. (06 marks)

(Total 10 marks)

Question 03

John is the newly recruited Human Resource Manager of **Gamma (Pvt) Ltd.** which manufactures garments for the European market. Within the first month itself, he observed that most of the recently recruited employees leave the organization within a very short period, due to the poor operations of the Human Resource Department.

You are required to:

- (a) **State** four(04) functions of Human Resource Management. (02 marks)
- (b) **Explain** the difference between Job Description (JD) and Job Specification (JS). (03 marks)
- (c) **Explain** three(03) reasons why Human Resource Management (HRM) is important for an organization. (05 marks)

(Total 10 marks)

Question 04

Due to COVID-19 outbreak, the country was locked down for several months. Therefore, organizations had to do their various business functions using digital platforms such as social media and social networks. Therefore, most of the organizations moved their marketing activities to digital platform.

You are required to:

- (a) **Identify** four(04) benefits of Digital Marketing. (04 marks)
 - (b) **Explain** three(03) reasons why marketing is considered as an important function for any business organization. (06 marks)
- (Total 10 marks)

Question 05

Strategy drives organizations to be more proactive than reactive in shaping their own future. Organizations adopt different courses of action to energize their future. Strategy directs the organization to align the internal environment into the external environment, while achieving its vision during the life span of the organization.

You are required to:

- (a) **Identify** two(02) types of strategies that can be seen in an organization. (02 marks)
 - (b) **Explain** three(03) external factors which influence the strategy of an organization. (06 marks)
 - (c) **State** two(02) characteristics of a good strategy. (02 marks)
- (Total 10 marks)

Question 06

At present, organizations are operating in a highly dynamic environment. To face that dynamism, it is vital for any organization to adapt and follow an organizational structure which is most suitable, as wrong structure will give the negative impact for performance of the organization.

You are required to:

- (a) **State** two(02) advantages of a good organizational structure and two(02) disadvantages of badly designed organizational structure. (04 marks)
 - (b) **Explain** two(02) factors affecting the design of an organizational structure. (04 marks)
 - (c) **State** two(02) advantages of a functional organizational structure. (02 marks)
- (Total 10 marks)

————— *End of Section B* —————

SECTION C

(Total 25 marks)

Question 07

Glove Pack is a medium-scale manufacturing company engaged in the business of producing a variety of hand gloves to the local market specially to different local industries such as automobile, construction, healthcare, etc. **Mr. Perera** the founder and the Managing Director of **Glove Pack** started the business operations in the year 2000 and over the past 20 years he had been working hard to bring the business to success.

In early 2020, the business operations were handed over to **Rayan**, son of **Mr. Perera**. **Rayan's** long term business goal is to expand the operations of **Glove Pack** to the European market.

As **Glove Pack** always focused on the quality of the products which they produced, it was able to build up a highly satisfied and loyal customer base. However, the company was unable to make significant profits even though the volume of sales was increased. With the main focus of increasing profits, while giving satisfaction to customers, a new control system was implemented by the company based on the newly developed strategic plan.

In the meantime, **Rayan**, the Managing Director at present, noticed the following:

- Most of the employees were unaware of the newly implemented control system and its purpose.
- Most of the employees were demotivated towards work.
- There was no effective communication system in the organization.

As a solution to address the above adverse points, top management is planning to conduct a workshop to educate employees regarding the newly implemented control system.

You are required to:

- (a) **Explain** three(03) functions of an effective leader. (06 marks)
- (b) **Explain** four(04) reasons to consider that controlling is important for **Glove Pack**. (08 marks)
- (c) **State** four(04) actions that could be taken by **Glove Pack's** management to overcome communication barriers within the organization. (04 marks)
- (d) **Identify** three(03) signs of demotivation of employees. (03 marks)
- (e) **Explain** the relationship between planning and controlling. (04 marks)

(Total 25 marks)

_____ *End of Section C* _____

ACTION VERBS CHECK LIST

Level of Competency	Description	Action Verbs	Verb Definitions
Knowledge (1)	Recall Facts and Basic Concepts.	Draw	Produce a picture or diagram.
		Relate	Establish logical or causal connections.
		State	Express details definitely or clearly.
		Identify	Recognize, establish or select after consideration.
		List	Write the connected items.

Level of Competency	Description	Action Verbs	Verb Definitions
Comprehension (2)	Explain & Elucidates Ideas and Information.	Recognize	Show validity or otherwise, using knowledge or contextual experience.
		Interpret	Translate into understandable or familiar terms.
		Describe	Write and communicate the key features.
		Explain	Make a clear description in detail using relevant facts.
		Define	Give the exact nature, scope or meaning.

Level of Competency	Description	Action Verbs	Verb Definitions
Application (3)	Use and Adapt Knowledge in New Situations.	Reconcile	Make consistent / compatible with another.
		Graph	Represent by graphs.
		Assess	Determine the value, nature, ability or quality.
		Solve	Find solutions through calculations and/or explanation.
		Prepare	Make or get ready for a particular purpose.
		Demonstrate	Prove or exhibit with examples.
		Calculate	Ascertain or reckon with mathematical computation.
		Apply	Put to practical use.

Level of Competency	Description	Action Verbs	Verb Definitions
Analysis (4)	Draw Connections Among Ideas and Solve Problems.	Communicate	Share or exchange information.
		Outline	Make a summary of significant features.
		Contrast	Examine to show differences.
		Compare	Examine to discover similarities.
		Discuss	Examine in detail by arguments.
		Differentiate	Constitute a difference that distinguishes something.
		Analyze	Examine in details to find the solution or outcome.