

ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA

LEVEL II EXAMINATION - JULY 2023

(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.

20-08-2023

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** The relationship between input and output in a specific time is:

(1) Effectiveness. (2) Efficiency. (3) Productivity. (4) Management.

**1.2** Which one of the following is a characteristic of the Traditional (western) Management Style?

(1) Customers' satisfaction. (2) Human oriented.  
(3) Increasing value added. (4) Shareholders' satisfaction.

**1.3** Which one of the following is a characteristic of a good strategy?

(1) Novelty. (2) Intelligent. (3) Cost effective. (4) All of the above.

**1.4** Which one of the following is **not** a management principle of the Classical Organizational Theory as per Henry Fayol?

(1) Specialization. (2) Unity of direction.  
(3) Centralization. (4) Division of work.

**1.5** You are provided the following statements with reference to the Total Quality Management (TQM):

- (a)** Integrated system is a principle of TQM.
- (b)** It is a structural approach to overall organizational management.
- (c)** Continuous improvement is not required for TQM.

Of the above, correct statements with reference to the TQM are:

- (1) **(a)** and **(b)** only.
- (2) **(a)** and **(c)** only.
- (3) **(b)** and **(c)** only.
- (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** ..... (*Short-term employment / Hierarchy*) is a characteristic of bureaucracy.

**1.7** ..... (*Technical skills / Conceptual skills*) are the abilities and knowledge needed to perform a specific task.

**1.8** As a management function, ..... (*planning / leading*) provides the future direction to the organization and minimizes the threats of uncertainty.

**1.9** In ..... (*marketing / production*) concept, needs and wants of consumers are focused.

**1.10** ..... (*Transformational change/ Incremental change*) is the type of organizational change that involves a complete overhaul of the organization's structure and processes. (01 mark each, 05 marks)

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

**1.11** Explain briefly what is meant by “a brand”.

**1.12** State two(02) techniques used for job design of an organization.

**1.13** State two(02) key elements of supply chain.

**1.14** List two(02) informational roles required for a manager as per Henry Mintzberg.

**1.15** Explain what is meant by “Marketing Management”. (02 marks each, 10 marks)  
(Total 25marks)

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End of Section A

## **SECTION B**

(Total 50 marks)

### **Question 02**

In the present context, brain-drain has become a burning issue in most of the industries in Sri Lanka. Attraction, retention and motivation of employees is a challenging task for organizational managers. Dynamic business environment has stimulated managers to adopt contingent management approaches to achieve organizational success.

**You are required to:**

- (a) **Explain** Hierarchy of Needs introduced by Abraham Maslow with suitable examples for each level of needs. (06 marks)
  - (b) **Explain** two(02) reasons why motivation is an important factor for any organization. (04 marks)
- (Total 10 marks)

### **Question 03**

To progress your career as a manager, your skills to make rational decisions and to envision the future are highly important. A good manager leads subordinates towards the accomplishment of predetermined goals of the organization in an efficient and effective manner.

**You are required to:**

- (a) **State** four(04) barriers faced by managers when adopting to rational decision making. (04 marks)
  - (b) **Explain** four(04) leadership excellency factors which determine the successfulness of a modern leader. (06 marks)
- (Total 10 marks)

### **Question 04**

The traditional organizational structures have been challenged in the modern globalized economy where countries and organizations are virtually connected through different types of web platforms and other alternative mechanisms. This has enabled organizations to expand their scope of business functions including operations and marketing across the countries and regions.

**You are required to:**

- (a) **State** three(03) contingency factors affecting for the designing of organizational structure. (03 marks)
  - (b) **State** an example each for the following pre-planning activities in an operation management process of a hotel:
    - (i) Supply chain management.
    - (ii) Capacity planning.
    - (iii) Layout planning.
    - (iv) Quality management. (04 marks)
  - (c) **State** three(03) advantages of using “Blockchain Technology” into business operations. (03 marks)
- (Total 10 marks)

## Question 05

Communication among a diverse employee work force is a common task for any Human Resource Manager. To ensure that the optimum contribution from each employee is obtained towards organizational processes, managers need to strategically control the available human resource within the organization.

**ABC Ltd.** is about to introduce a finger print based attendance monitoring mechanism as a controlling mechanism of its employees to get the optimum contribution from the employees, as it has not tracked its employees' attendance so far.

**You are required to:**

- (a) **State** two(02) purposes for which the downward communication is required for an business organization. (02 marks)
  - (b) **Explain** the process (steps) of performance appraisal. (06 marks)
  - (c) **State** two(02) possible behavioral implications of employees due to the introduction of the finger print machine by **ABC Ltd.** (02 marks)
- (Total 10 marks)

## Question 06

At present, the business world has become more competitive, hence unique strategies to win the competition are mandatory to any type of organization. Organizations are required to change the way of doing businesses to position their products.

**You are required to:**

- (a) **Explain** two(02) generic competitive strategies used to position in the market as per Michael Porter. (04 marks)
  - (b) **Explain** two(02) reasons as to why employees generally resist new initiatives in an organization. (04 marks)
  - (c) **State** two(02) types of strategic options as per Ansoff's Matrix. (02 marks)
- (Total 10 marks)

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*End of Section B*

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## **SECTION C**

(Total 25 marks)

### **Question 07**

Sri Lanka is currently undergoing one of its worst economic crises ever experienced. Almost all the industries have been challenged due to unfavorable environmental changes. Continuation of business activities of many business organizations have been drastically vulnerable due to the above changes.

**XYZ Ltd.** was struggling with poor employee morale and a lack of direction. The newly appointed Chief Executive Officer (CEO) recognized the need for strong leadership to turn the company. He appointed a new executive team with a clear vision for the company's future, a commitment to transparency and for open communication. The new leadership team focused on building trust and empowerment of employees. Within a year, the company saw a significant improvement in employee engagement and productivity.

The CEO of **XYZ Ltd.** recognized that motivated employees are essential for the company's success. He implemented a program to recognize and reward employees who work hard and contribute a lot to the success of the company. Additionally, he provided opportunities for the professional development and career growth, which helped to motivate employees to perform at their best.

**XYZ Ltd.** is facing intense competition in the market. The marketing team identified the need to differentiate the company's products and services by focusing on the unique value proposition that the company offered. They conducted a market research to understand the needs and preferences of their target audience and developed targeted marketing campaigns that address those needs directly.

The CEO recognized that the company needs a clear and well-defined strategy to stay competitive in the market. He worked with the executive team to develop a strategic plan that focus on innovation, customer satisfaction and sustainable growth. The plan included specific goals and metrics to measure progress and ensure that the company stay in the correct track.

#### **You are required to:**

- (a) **Identify** four(04) leadership traits that new executive team displayed to change the company's current setup. (04 marks)
- (b) **Explain** three(03) reasons why leadership is important in implementation of the strategic plan. (06 marks)
- (c) **Explain** the importance of targeting in marketing for **XYZ Ltd.** (05 marks)
- (d) **Explain** how the strategic plan helps to achieve goals of **XYZ Ltd.** (05 marks)
- (e) **Explain** how a reward program helps to motivate the employees of an organization. (05 marks)

(Total 25 marks)

*End of Section C*

## **ACTION VERBS CHECK LIST**

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

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

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

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