



ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA

LEVEL II EXAMINATION - JANUARY 2024

(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.**

11-02-2024

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 Which one of the following is an internal determinant of rewards of an organization?

(1) Cost of living of the country.

(2) Worth of job.

(3) Labour market conditions.

(4) Economic conditions.

1.2 Which one of the following is a key function of the Operation Management in an organization?

(1) Developing advertising campaigns.

(2) Managing employee benefits and payroll.

(3) Ensuring the efficient use of resources and delivery of products or services.

(4) Conducting market research and analysis.

1.3 Which one of the following is a requirement for effective segmentation?

(1) Differential.

(2) Measurable.

(3) Substantial.

(4) All of the above.

1.4 A list of job's duties, responsibilities, reporting relationships, working conditions and supervisory responsibility is known as:

- (1) Job Description.
- (2) Job Analysis.
- (3) Job Enlargement.
- (4) Job Enrichment.

1.5 Select the correct statement with reference to efficiency, effectiveness and productivity in business operations:

- (1) Effectiveness is the same as productivity and both are essential for achieving efficiency.
- (2) Efficiency focuses on minimizing waste and maximizing output, effectiveness emphasizes achieving the right goals, and productivity is the relationship between input and output in a specific time.
- (3) Effectiveness is the primary concern, while efficiency and productivity are secondary considerations in business operations.
- (4) Productivity ensures resource optimization, while efficiency and effectiveness are unrelated concepts in business operations. (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** (*Management / Marketing*) involves coordinating and overseeing resources to achieve organizational goals.
- 1.7** (*Sub contract / Termination*) is a strategy for human resource surplus.
- 1.8** (*Market development / Market penetration*) is to obtain a greater market share for existing goods and services in existing markets.
- 1.9** (*Customers' satisfaction / Shareholders' satisfaction*) is a characteristic of the Japanese Management Style.
- 1.10** (*Transformational / Strategic*) change deals with changing organization's objectives, mission, customer growth, quality, innovation, etc. (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** Identify two(02) characteristics of a good strategy.
- 1.12** State two(02) objectives of Human Resource Management.
- 1.13** State two(02) strategies to manage the supply chain of an organization.
- 1.14** Explain briefly what is meant by GAP analysis in strategic planning process.
- 1.15** State two(02) actions recommended to overcome resistance to change.

(02 marks each, 10 marks)

(Total 25marks)

End of Section A

SECTION B

(Total 50 marks)

Question 02

Managers play a crucial role in modern businesses as they are responsible for planning, organizing, leading and controlling resources to achieve organizational goals. They are also responsible for ensuring effective decision-making, while adapting to changes in the external environment to make business success.

You are required to:

- (a) **Explain** two(02) main managerial roles play by a manager in an organization. (04 marks)
 - (b) **Explain** two(02) importances of decision making. (04 marks)
 - (c) **Identify** two(02) decision models according to the personal decision making framework. (02 marks)
- (Total 10 marks)

Question 03

Planning is the process of setting objectives and determining the actions, resources and timelines required to achieve those objectives. Effective planning provides a structured framework for decision-making, resource allocation and goal attainment.

You are required to:

- (a) **Identify** three(03) principles of planning. (03 marks)
 - (b) **State** the process of planning. (04 marks)
 - (c) **Explain** two(02) characteristics of planning. (03 marks)
- (Total 10 marks)

Question 04

Leadership theories are frameworks that seek to explain how effective leaders emerge/develop and operate. These theories provide insight into leadership styles, traits and behaviors. Leadership theories offer valuable perspectives for leadership development and organizational success. Further, effective leaders motivate their subordinates and act as change agents in an organization.

You are required to:

- (a) **Explain** two(02) types of leaders as identified by “Fielder’s Situational Leadership Theory”. (04 marks)
 - (b) **Explain** three(03) ways to motivate employees as a leader. (06 marks)
- (Total 10 marks)

Question 05

Effective communication involves active listening, empathy and the use of appropriate channels and media. Effective communication promotes a mutual exchange of ideas, feelings and information, fostering cooperation, trust and harmonious relationships in both personal and professional contexts. It assists in controlling process of the organization also.

You are required to:

- (a) **State** two(02) characteristics of effective communication. (02 marks)
 - (b) **Explain** two(02) communication skills required by a manager. (04 marks)
 - (c) **Explain** two(02) techniques of controlling. (04 marks)
- (Total 10 marks)

Question 06

Marketing is vital for any business organization. It helps organization to obtain competitive advantages in the market in which it operates. Almost all the functions in an organization including marketing functions have been severely affected by the changes in Information Technology.

You are required to:

- (a) **Explain** two(02) importances of marketing mix for an organization. (04 marks)
 - (b) **Explain** two(02) importances of branding for an organization. (04 marks)
 - (c) **Identify** two(02) impacts of new technology on operations of a business. (02 marks)
- (Total 10 marks)

End of Section B

SECTION C

(Total 25 marks)

Question 07

XYZ Ltd., specializes in developing cutting-edge mobile applications. As it navigates its journey to success, it faces various challenges and opportunities in the realms of marketing, human resource management, operations, and strategic management.

To gain a competitive edge, **XYZ Ltd.** is launching a new mobile app designed to revolutionize the way people manage personal finances. The marketing team has crafted a comprehensive strategy that includes market research to identify the target demographic, creating a unique value proposition and developing a compelling branding and promotional campaign. They plan to leverage social media and influencer partnerships to reach the millennial and Gen Z audiences. By monitoring key performance indicators and customer feedback, the marketing team aims to refine their approach continually. As **XYZ Ltd.** expands, its HR department faces the challenge of attracting and retaining talented employees.

Efficient operations are essential for the success of **XYZ Ltd.** To ensure this, they have embraced automation in app development, quality control and customer support. Lean principles guide their supply chain, minimizing waste and maximizing efficiency. The operations team maintains close collaboration with the IT department to resolve technical issues promptly, keeping the app running smoothly. Inventory management is optimized to prevent overstocking or shortages. By embracing state-of-the-art technology, **XYZ Ltd.** seeks to continually enhance its operations.

You are required to:

- (a) **Explain** how the specific strategies identified by the marketing team of **XYZ Ltd.** will help the company to reach its target audience. (05 marks)
- (b) **Explain** three(03) suggestions that **XYZ Ltd.** can implement to retain its employees. (06 marks)
- (c) **Identify** three(03) specific automation technologies that **XYZ Ltd.** has incorporated into their operations. (03 marks)
- (d) **Explain** three(03) ways how **XYZ Ltd.** can adapt to changing market conditions and technology trends to maintain their competitive edge. (06 marks)
- (e) **State** five(05) advantages that can be achieved through Total Quality Management (TQM) by **XYZ Ltd.** (05 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.