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SRI LANKA

Association of Accounting Technicians of Sri Lanka

Level II Examination – January 2024

Question Paper and Suggested Answers

(204) BUSINESS MANAGEMENT (BMA)

A publication of the Education and Training Division

(Total 25 marks) | **SECTION - A**

Suggested Answers to Question One:

1.1 (2)

1.2 (3)

1.3 (4)

1.4 (1)

1.5 (2)

(02 marks each, 10 marks)

1.6 Management

1.7 Termination

1.8 Market Penetration

1.9 Customer's satisfaction

1.10 Strategic

(01 mark each, 05 marks)

1.11 **Mentioning two characteristics listed below adequately covers the requirements for achieving a score of 02 marks**

1. Novelty
2. Intelligent
3. Deceptive
4. Secretly Devised
5. Cost Effective

(02 marks)

1.12 **Mentioning two objectives listed below adequately covers the requirements for achieving a score of 02 marks**

1. To help the organization to achieve its goals.
2. To ensure effective utilization and maximum development of human resources.
3. To ensure due respect for human beings.
4. To identify and satisfy the needs of individuals.
5. To develop and maintain a quality of work life.
6. To achieve and maintain high morale among employees.
7. To ensure reconciliation of individual goals with those of the organization
8. To provide the organization with well-trained and well-motivated employees
9. To increase the employee's job satisfaction and self-actualization
10. To be ethically and socially responsive to the needs of society
11. To develop overall personality of each employee in its multidimensional aspect
12. To enhance employee's capabilities to perform the present job.
13. To equip the employees with precision and clarity in transaction of business
14. To inculcate the sense of team spirit, team work and inter- team collaboration.

(02 marks)

1.13 **Mentioning two strategies listed below adequately covers the requirements for achieving a score of 02 marks**

1. Demand Recognition.
2. Total cost of ownership.
3. Optimizing the product designs and product management.
4. Understand the value and risk of technology.
5. Integrate supply chain with business goals.
6. Embrace technology
7. Review procedures regularly
8. Build healthy suppliers relationships
9. Improve distribution network

(02 marks)

1.14 GAP is the comparison between the actual performances, which can be achieved within a period by doing current operations, vs the potential performance which is expected to be achieved at the end of the period.

Alternative Answer:

A GAP Analysis is a method of assessing the performance of a business unit to determine whether business requirements or objectives are being met if not what steps to be taken to meet them.

(02 marks)

1.15   **Mentioning two actions listed below adequately covers the requirements for achieving a score of 02 marks**
- Education and communication
- Participation and involvement
- Facilitation and support
- Negotiation and agreement
- Manipulation and Co-optation
- Implicit and explicit coercion
- Open to employees
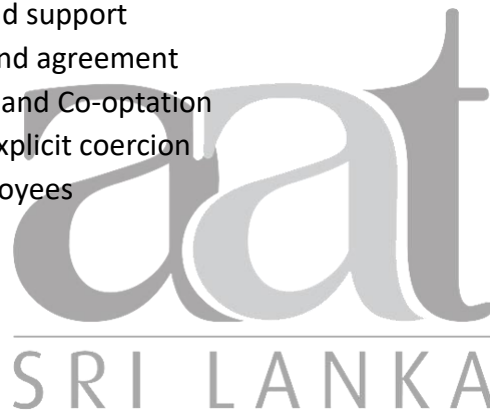
(02 marks)
(02 marks each, 10 marks)
(Total 25 marks)

End of Section A

Suggested Answers to Question Two:

> **Chapter 01 - Introduction to Management and Different Perspectives of Management**
> **Chapter 02 – Functions of Management Process (Part I) – Decision Making**

(a) Interpersonal Roles: Managers play roles as figureheads, leaders and liaisons involving interacting with people both inside and outside the organization

Informational Roles: Managers act as disseminators, monitor and spokespeople, managing the flow of information within and outside the organization

Decisional Roles: Managers make decisions as entrepreneurs, disturbance handlers, resource allocators and negotiators, shaping the organization's direction and resolving issues.

(04 marks)

(b) Explaining two importances listed below adequately covers the requirements for achieving a score of 04 marks

- **Continuous and Integral Process:** Decision making is not a one-time event but a continuous and integral process in business management. All managers, regardless of their level within the organizational hierarchy, are constantly required to make decisions. This continuous aspect ensures that follow-up actions can be taken promptly, enabling the organization to adapt swiftly to changing circumstances.

- **Critical Task for Success:** Effective decision making is a critical task for managers. It entails making timely and informed choices, ensuring that the decisions made align with the organization's objectives and strategies. Successful decision making leads the organization towards profitability and success, while poor decisions can result in instability and financial losses.

- **Addressing Challenges and Changes:** In today's dynamic business environment, unforeseen changes and challenges are inevitable. Decision making enables organizations to effectively address these challenges by providing solutions and strategies to navigate through uncertainty. Timely decisions are essential for survival and competitiveness in complex and volatile markets.

- **Integration with Planning and Management Process:** Decision making is intricately linked with the planning and management process. It allows actions to be taken based on the objectives outlined during the planning stage. Decision making, in essence, is a form of planning itself, involving the allocation of resources to achieve specific goals. Moreover, it plays a vital role in other management functions such as organizing, staffing, coordinating, and communicating.

- **Efficient Resource Utilization:** The efficient utilization of resources, both human and physical, is dependent on managerial decision making. By making sound decisions regarding resource allocation and utilization, managers ensure optimal productivity and cost-effectiveness within the organization. Effective resource management contributes to overall efficiency and competitiveness.

- **Measuring Managerial Performance:** The success of a business is heavily influenced by the decisions made by managers. Therefore, decision making becomes a key metric for evaluating managerial performance. Effective decision makers are able to steer the organization towards its goals, while poor decision makers may hinder progress or lead to setbacks.

- **Risk Mitigation and Management:** In the face of numerous risks and uncertainties, adept decision making is essential for risk mitigation and management. Managers must assess risks, weigh alternatives, and make decisions that minimize potential negative impacts on the organization. Proactive decision making helps businesses anticipate and respond to risks effectively, safeguarding their interests and ensuring continuity.

(04 marks)

(c)
1. Rational/logical decision model

2. Intuitive decision model

3. Predisposed decision model

(02 marks)

(Total 10 marks)

Suggested Answers to Question Three:

> ### *Chapter 02 – Functions of Management Process (Part II) – Organizational Planning*

(a) Mentioning three principles of planning listed below adequately covers the requirements

for achieving a score of 03 marks

- The principle of passion
- The principle of creativity
- The principle of influence
- The principle of priority
- The principle of flexibility
- The principle of timing
- The principle of teamwork
- The principle of Implementability

(03 marks)

(b) Steps of the planning process

Step 1- Environmental scanning

Step 2- Establish mission, goals, and objective

Step 3- Establishing reasonable assumptions on environmental changes

Step 4- Developing alternatives

Step 5- Evaluating alternatives to select the best one

Step 6- Preparing and assisting plans to implementation

Step 7- Implementation

Step 8- Control and review performance

(04 marks)

(c) Explaining two characteristics of planning listed below adequately covers the requirements for achieving a score of 03 marks

- **Primacy of Planning**: Planning holds a primary position among managerial functions. It is the initial step in the management process, laying the foundation for subsequent activities.

- **Process-oriented**: Planning is not a one-time event but a continuous and iterative process. It involves a series of steps such as goal setting, analysis, strategy formulation, implementation, and monitoring.

- **Pervasiveness:** Planning permeates all levels of the managerial hierarchy. From top-level strategic planning to operational planning at lower levels, it is an essential function across the organization.

- **Future Orientation**: Planning is inherently future-oriented. It involves envisioning future scenarios, setting goals, and devising strategies to achieve them. Anticipation of future trends and changes is crucial in effective planning.

- **Information Base:** Effective planning requires a robust information base. Managers rely on accurate and relevant data about the organization, its internal capabilities, external environment, market trends, and past performance to formulate informed plans.

- **Rationality:** Planning is a rational process based on logic and analysis rather than emotions or arbitrary decision-making. It involves systematic evaluation of alternatives and selecting the most viable course of action.

- **Formal and Informal Nature:** Planning can take both formal and informal forms. Formal planning involves structured methodologies, analysis, and documentation, while informal planning may occur through discussions, brainstorming sessions, or verbal communication.

- **Goal Orientation:** At its core, planning is goal-oriented. It involves defining clear objectives and aligning resources and actions to achieve those objectives. Goals provide direction and purpose to organizational activities.

- **Intellectual Process:** Planning requires intellectual engagement, creativity, and strategic thinking on the part of managers. It involves synthesizing information, generating ideas, and making informed judgments about the future course of action.

- **Continuous Process:** In a dynamic business environment, planning cannot be a one-off activity. It is an ongoing process that requires periodic review, adjustment, and adaptation to changing circumstances.

- **Flexibility:** Effective planning is flexible and adaptable to changing conditions. Plans may need to be revised or modified in response to unforeseen events or shifts in the business environment.

- **Actionable:** Plans must be actionable and practical. They should provide clear guidance on what needs to be done, by whom, and when, facilitating effective implementation and execution.

- **Integrated Decision Making:** Planning incorporates decision-making activities, as it involves selecting the best course of action to achieve organizational goals. Decision making is inherent in the process of setting priorities, allocating resources, and choosing strategies in planning.

(03 marks)
(Total 10 marks)

Suggested Answers to Question Four:

Chapter 02 – Functions of Management Process (Part IV) – Leadership and Motivation

(a) Psychologically distant managers.
These managers are not close to the staff. They are a reserved type in relationship and have only formal communication with the staff. This deviation from staff creates a severe superiority and hence they are task oriented.

Psychologically close managers
These managers are opposite to the previous category. They maintain a good relationship with staff and engage in informal communication too. They respect staff relations without getting stuck into formal task regulations. They are close to their staff, and they are much staff oriented.

(04 marks)

(b) Explaining three points listed below adequately covers the requirements for achieving a score of 06 marks

- **Creating a better corporate culture and facilities**

    Leaders need to create a sound corporate culture where the employees will feel safe and empowered. The corporate culture includes giving due recognition and respect, providing necessary facilities for the employees to work. The employees shall feel their service is valued by the business.

- **Providing clear goals and expectation**

    Providing clarity on goals and expectations makes it easier to increase alignment between an employee's goals and the larger goals of the organization, helps employees focus more energy on achievement, and allows leader to better gauge an employee's performance.

- **Providing opportunity for personal and professional growth:**

    Employees in every industry use diverse skill sets to meet their professional objectives. To become a well-rounded and effective leader, continuing to develop the professional skills is a great way to advance the career and feel fulfilled in the work. Learning about the different areas of professional development is a good starting point for identifying the professional strengths, weakness, and opportunities for improvement.

- **Providing fair wages and salaries.**

    Leaders shall provide fair wages and salaries to employees. Fairness is based on compared to the service they provide, and it is important that the wages and other payments are fair compared to other organizations in the industry. Thus, receiving fair wages for the services they provide is a factor that motivates employees.

- **Involving employees in the decision-making process.**

    The motivation of the employees can be increased by participating the employees in the decision-making process in the organization. This will allow the employees to provide ideas and suggestions. Thus, the employees will feel that the leaders value them. This will motivate employees.

- **Appreciation of talent of employees.**

    Recognizing and appreciating the talents, achievements, performances beyond expectations of employees will increase the motivation of employees. Leaders can give appreciation in terms of words of appreciation, awards, incentives, promotions etc.

- **Empowering employees.**

  Employee empowerment is a powerful motivation. The talented employees shall be given the opportunity to initiate their ideologies in effective methods and procedures in daily operation. Further this will be a better opportunity to develop new products and processes using the employee's creativity.

- **Provide information to employees.**

  Providing access to the information for employees will motivate the employees. They can use the information to manage their tasks properly. However, sensitive information should be treated with confidentiality.

  (06 marks)
  (Total 10 marks)

Suggested Answers to Question Five:

Chapter 02 – *Functions of Management Process (Part V) – Organizational Communication*
Chapter 02 – *Functions of Management Process (Part VI) – Organizational Controlling*

(a) **Stating two characteristics of planning listed below adequately covers the requirements for achieving a score of 02 marks**

- Clarity
- Conciseness
- Active Listening
- Feedback
- Adaptability
- Accuracy and Completeness
- Reliable
- Speed
- Cost Effectiveness
- Relevance

(02 marks)

(b) **Explaining two communication skills listed below adequately covers the requirements for achieving a score of 04 marks**

- **Interpersonal skills**

  Interpersonal skills extend beyond words, encompassing active listening, empathy, and non-verbal cues. Strengthening these skills enhances teamwork, fostering stronger relationships and deeper understanding. They're pivotal in effective communication, essential for successful collaboration and meaningful connections, transcending superficial interactions for more impactful engagement within teams and with others.

- **Listening skills**

  Active listening is crucial for managers, especially during staff interactions, conflict resolution, and handling grievances. Understanding others' perspectives empathetically is essential. In fact, listening constitutes 45% of communication. Reflecting and clarifying ensure accurate comprehension. Effective listening enhances managerial effectiveness in communication and conflict management, fostering better relationships and resolving issues constructively.

- **Writing Skills**

  Beyond verbal communication, clear and effective writing is crucial for managers in formal communication. Inadequate written communication can lead to frustration and misinterpretation. Overcoming common mistakes and enhancing writing skills is essential to avoid creating negative perceptions and ensure messages are conveyed accurately. Strong writing abilities are indispensable for managers to effectively communicate and maintain professional credibility.

- **Presentation skills**

  Managers must adeptly present to various stakeholders like the board, customers, and suppliers, persuasively conveying cases, proposals, and issues. Presenting to groups can be daunting, even for experienced professionals, but effective planning and practice alleviate anxiety and ensure clear, compelling communication. Through preparation and rehearsal, managers can confidently deliver information, fostering engagement and understanding among audiences.

- **Personal Skills**

  Personal skills encompass maintaining both physical and mental well-being, influencing

(04 marks)

(c) Explaining two techniques of Controls listed below adequately covers the requirements for achieving a score of 04 marks

- **Feed-forward controls.**

  Feed-forward control anticipates and addresses potential problems before they occur, serving as a proactive measure to ensure successful plan implementation. By focusing on early actions, feedforward control helps overcome challenges preemptively. It encompasses strategies such as equipment maintenance, due diligence in investments, and preemptive repairs, aiming to foresee issues and take corrective measures in advance for smoother operations and goal achievement.

- **Feedback Controls**

  Feedback control detects issues after they occur, identifying root causes and implementing corrective actions to prevent recurrence. It utilizes information from the past or present to influence present or future actions, aiding organizations in performance improvement. This cyclical process involves actions influencing subsequent actions, forming a loop of cause-and-effect. Feedback enables continuous adjustment and refinement to enhance organizational effectiveness and efficiency.

- **Concurrent Controls**

  Concurrent control involves actively monitoring ongoing processes in real time to identify and address issues promptly. It focuses on observing project execution to detect and resolve problems as they arise. Often referred to as real-time control, concurrent control emphasizes managing and correcting activities in the present moment.

- **Outcome controls**

  Outcome controls rely on a limited number of measurements to gauge business health effectively. They work best when there's minimal external interference between management decisions and business performance. In essence, outcome controls prioritize simplicity and directness in assessing and managing business performance, aiming for efficient decision-making processes.

- **Behavioral Controls**

  Behavioral controls involve evaluating managerial and employee decision-making directly. These controls are essential for guiding human resources towards achieving organizational goals outlined during the planning phase. Essentially, behavioral controls ensure that

actions and decisions align with the organization's objectives, fostering accountability and performance optimization among employees and managers.

- **Financial controls**

  Financial controls involve managing expenses and financial aspects through budgeting and other measures. Companies prioritize aspects like assets, sales, or profitability, estimating them through budgets, and comparing actual performance with budgeted figures. Essentially, financial controls enable organizations to monitor and optimize their financial conditions, ensuring alignment with strategic objectives and fiscal responsibility.

- **Non-financial controls**

  Non-financial controls prioritize aspects beyond immediate financial gains. They are gaining prominence, emphasizing factors like employee satisfaction, customer loyalty, and referrals. These controls recognize the significance of non-monetary indicators in assessing organizational performance, highlighting the importance of factors that contribute to long-term success and sustainability.

(04 marks)

(Total 10 marks)

Suggested Answers to Question Six:

Chapter 04 – Marketing Management
Chapter 03 – Operation Management

(a) **Explaining two importances of marketing mix as listed below adequately covers the requirements for achieving a score of 04 marks**

- **Product Creation and Differentiation**: Crafting the right product is essential for survival and growth. Tailoring products to meet customer needs and preferences ensures market acceptance and fosters business expansion.

- **Strategic Pricing Decisions**: Proper pricing strategies are vital for profitability and growth. Setting the right price based on market conditions and customer perceptions helps in capturing market share and maximizing revenue.

- **Promotion for Market Awareness and Growth:** Effective promotion activities create market awareness and stimulate sales growth. By keeping products in consumers' minds, promotions contribute to market expansion and increased sales volume.

- **Informing Decision Making:** The marketing mix provides valuable insights for managerial decision making. It informs decisions related to product development, distribution channels, pricing strategies, and marketing tactics, enabling informed choices for future business growth.

- **Building Goodwill and Reputation:** Marketing efforts, including product quality, pricing, and distribution, contribute to building goodwill and enhancing the organization's reputation. Positive customer experiences and perceptions foster trust and loyalty, driving sustained business success.

- **Facilitating New Product Development:** Through market research and analysis, the marketing mix inspires new product ideas and innovation. It serves as a guide for identifying gaps in the market and developing products that meet evolving customer needs.

- **Expanding Product Portfolio:** Utilizing different elements of the marketing mix allows for the diversification and expansion of the product portfolio. By introducing variations or complementary products, businesses can cater to a broader range of customer preferences and increase market share.

- **Guide for Business Improvement:** The marketing mix serves as a roadmap for identifying areas of improvement and conducting gap analysis. By assessing each element's effectiveness, businesses can identify strengths and weaknesses and formulate strategies for continuous improvement.

- **Market Segmentation and Targeting:** Customizing the marketing mix to specific market segments enables businesses to target their offerings more effectively. By aligning product, price, promotion, and placement strategies with the preferences of different customer groups, companies can enhance market penetration and competitiveness.

(04 marks)

(b) Explaining two importance of branding as listed below adequately covers the requirements for achieving a score of 04 marks

- **Branding Increases business value**
  Branding is important when trying to generate future business. A strongly established brand can increase business value by giving the company more leverage in the industry. This will create more investment opportunities.

- **Branding gets recognition**

  Branding creates business recognition, and it creates a positioning in the mind of the customers. Thus, the business will be known to the customers. The logo is the most important element of the branding, especially where this factor is concerned as it is essentially the face of the company.

- **Branding generates new customers**

  Strong branding generally means there is a positive impression among consumers, and they like to do business with the company because of the familiarity. Once a brand has been well- established, word of mouth will be the company's best and most effective advertising technique.

- **Creates trust within the marketplace.**

  Well established branding will help the company to build trust with consumers and potential customers. This will help to retain existing customers and attract new customers.

- **Improve employee pride and satisfaction.**

  When an employee works for a strongly branded company and truly stands behind the brand, they will be more satisfied with their job and have a higher degree of pride in the work that they do. And also, employee satisfaction at their job will increase.

  (04 marks)

(c) **Mentioning two impacts as listed below adequately covers the requirements for achieving a score of 02 marks**
  - Improve the quality of products.
  - Increase of innovations
  - Cost reduction due to mass production
  - Computer Aided designing techniques have emerged
  - Error-free manufacturing process that minimize labour due to Computer aided designing techniques
  - Enhanced decision making
  - Achieving competitive advantage
  - Computer Aided Manufacturing techniques facilitate and automate manufacturing processes

  (02 marks)
  (Total 10 marks)

End of Section B

Suggested Answers to Question Seven:

(a)

Chapter 07 – Strategic Management

- **Market Research for Target Demographic Identification:** XYZ Ltd.'s commitment to conducting thorough market research is foundational to understanding the demographics that align with their new personal finance app. By analyzing factors such as age, income level, spending habits, and technological adoption rates, the marketing team can pinpoint the specific segments within the millennial and Gen Z populations most likely to benefit from their app. This ensures that resources are efficiently allocated to reach the audience with the highest potential for engagement and adoption.

- **Unique Value Proposition Development:** Armed with insights from market research, the marketing team can tailor the value proposition of the personal finance app to address the specific needs and pain points of the identified target demographic. This involves articulating how the app solves their financial management challenges, whether it's budgeting, saving, investing, or tracking expenses. By clearly communicating the unique benefits and features that resonate with the target audience, XYZ Ltd. can differentiate itself from competitors and establish a compelling reason for users to choose their app.

- **Branding Strategy:** Building a strong and recognizable brand is essential for XYZ Ltd. to stand out in a crowded marketplace. The marketing team's focus on crafting a compelling brand identity involves more than just creating a logo or visual elements; it's about cultivating a cohesive brand personality and narrative that resonates with the values and aspirations of millennials and Gen Z. Through consistent messaging across various touchpoints, including social media, influencer partnerships, and promotional campaigns, XYZ Ltd. can foster emotional connections with their target audience, driving brand loyalty and advocacy.

- **Utilizing Social Media and Influencer Partnerships:** Recognizing the digital-first nature of their target demographic, XYZ Ltd. plans to leverage social media platforms and collaborate with influencers to amplify their reach and engagement. By strategically selecting channels popular among millennials and Gen Z, such as Instagram, TikTok, and YouTube, the marketing team can deploy targeted content and advertisements tailored to capture attention and drive app downloads. Partnering with influencers who have a strong following within the personal finance or lifestyle niche further enhances credibility and authenticity, as recommendations from trusted individuals carry significant weight with younger audiences.

- **Continuous Improvement through Feedback and KPI Monitoring**: XYZ Ltd. understands that success in the dynamic landscape of mobile app development requires ongoing refinement and adaptation. By actively monitoring key performance indicators (KPIs) such as user acquisition, retention rates, app store ratings, and customer feedback, the marketing team can gain valuable insights into the effectiveness of their strategies and identify areas for improvement. This iterative approach allows XYZ Ltd. to stay agile and responsive to shifting market trends and user preferences, ensuring the continued relevance and success of their personal finance app in meeting the evolving needs of their target audience.

(05 marks)

(b)

Chapter 05 – Human resource Management

Explaining 03 suggestions as listed below adequately covers the requirements for achieving a score of 06 marks

- **Comprehensive Compensation Packages:** XYZ Ltd. should conduct regular market analyses to ensure their salary and benefits packages remain competitive. Offering fair compensation not only attracts top talent but also fosters a sense of value and appreciation among employees. Additionally, they can consider offering perks such as flexible work arrangements, wellness programs, and professional development opportunities to enhance the overall compensation package.

- **Recognition and Appreciation Programs:** Implementing a structured system for recognizing and appreciating employees' contributions can significantly boost morale and job satisfaction. This can include regular employee appreciation events, spot bonuses for exceptional performance, or employee of the month/year awards. Recognizing talents and efforts publicly can go a long way in motivating employees and reinforcing a culture of excellence.

- **Empowerment and Career Growth Opportunities:** Empowering employees by involving them in decision-making processes and providing them with opportunities to lead projects or initiatives can increase their sense of ownership and engagement. Additionally, offering clear career pathways and development opportunities shows employees that XYZ Ltd. is invested in their long-term success and encourages them to stay and grow within the organization.

- **Non-Financial Benefits and Work-Life Balance:** In addition to traditional benefits like medical coverage and insurance, XYZ Ltd. can offer non-financial perks that enhance work-life balance, such as remote work options, parental leave policies, and wellness initiatives. Creating a supportive culture that prioritizes employee well-being can help retain talent by demonstrating a commitment to holistic employee satisfaction.

- **Inclusive and Innovative Culture:** Fostering an inclusive environment where diversity is celebrated and all employees feel valued and respected is crucial for employee retention. XYZ Ltd. can establish employee resource groups (ERGs) for underrepresented groups and ensure equal opportunities for career growth and advancement. Additionally, encouraging innovation through initiatives like hackathons and dedicated time for exploring creative ideas not only keeps employees engaged but also demonstrates that XYZ Ltd. values and supports their innovative contributions.

- **Effective Onboarding and Integration:** A robust onboarding process is essential for ensuring new hires feel welcomed and integrated into the company culture from day one. XYZ Ltd. should provide comprehensive orientation programs, assign mentors to new employees, and facilitate opportunities for networking and relationship-building. By helping new hires feel connected and supported, XYZ Ltd. can increase employee retention rates and lay the foundation for long-term success within the organization.

- **Flexible work arrangements: XYZ Ltd.** offers flexible work arrangements, including remote work options, flexible hours, and compressed workweeks. This empowers tech talent to maintain work life balance and choose when and where they are most productive.

- **Professional Development:** The Company emphasizes professional development by providing access to online courses, workshops, and mentorship programs. This helps employees stay up-to-date with the latest tech trends and advance their skills.

- **Performance Management:** A strong performance management system is in place, providing clear goals, feedback, and recognition for high-performing tech talent. This motivates employees to strive for excellence.

(06 marks)

(c)

> *Chapter 03 – Operation Management*

Mentioning 03 automation technologies as listed below adequately covers the requirements for achieving a score of 03 marks

- Continuous Integration / Continuous Development
- Robotic Process Automation
- Mobile App
- ERP System
- Computer aided designing
- Computer aided manufacturing
- Computer integrated manufacturing
- Artificial Intelligence
- Machine learning
- Chatbots

(03 marks)

(d)

> *Chapter 06 – Change Management*

Explaining three points as listed below adequately covers the requirements for achieving a score of 06 marks

- **Continuous Market Research and Competitor Analysis:** XYZ Ltd. should establish a dedicated market research team to stay abreast of changing market conditions and evolving technology trends. By conducting continuous market research, they can identify shifts in customer preferences, emerging technologies, and competitive strategies. Regular competitor analysis helps XYZ Ltd. understand competitor actions and adapt their own strategies accordingly, ensuring they remain agile and responsive to market dynamics.

- **Identify and segment audience:** The company needs to properly analyze the market and identify the target audience. This way the company will be able to direct its effort in the right direction.

- **Incorporate customers" feedback:** Ask customer for feedback and the ways the company can improve and offer customer based on feedback.

- **Monitor the market:** Keep an eye on industry and competitors and stay informed about trends and changes in the market. This help to anticipate in consumers' demand and respond accordingly.

- **Agile Approach:** XYZ Ltd. adopts an agile development methodology, allowing them to adapt quickly to changing market conditions and technology trends. Agile enables the company to release new features and updates iteratively and respond to customer feedback promptly.

- **Investment in Research and Development (R&D):** To maintain a competitive edge, XYZ Ltd. must prioritize investment in research and development. By allocating resources to an R&D team, they can explore emerging technologies, anticipate future market trends, and innovate new solutions. Leveraging insights from R&D efforts, XYZ Ltd. can develop cutting-edge mobile applications that address evolving customer needs and outpace competitors in the market.

- **Scanning the market:** The Company maintains a vigilant eye on emerging technologies and market trends. Regular market analysis and competitive intelligence help them stay ahead of the curve.

- **Continuous Product Development and Innovation:** XYZ Ltd. should adopt a mindset of continuous improvement and innovation in their product development process. By actively monitoring customer feedback and identifying areas for enhancement or new features, they can iteratively improve their existing mobile applications to better meet customer needs and expectations. Additionally, investing in innovation initiatives and exploring new ways of doing things enables XYZ Ltd. to differentiate them in the market and sustain their competitive edge over time.

- **Building a Unique Online Presence and Audience Segmentation:** XYZ Ltd. should focus on building a distinctive online presence through digital marketing strategies, content creation, and engagement on relevant platforms. By crafting compelling brand messaging and leveraging digital channels effectively, they can attract and engage their target audience. Moreover, by identifying and segmenting their audience based on demographics, behaviors, and preferences, XYZ Ltd. can tailor their marketing efforts to resonate with specific customer segments, maximizing their impact and ROI.

- **Strategic Alliance:** To remain competitive, the company actively seeks strategic alliances and partnerships with other tech firms, financial institutions or fintech startups. These partnerships enable them to integrate new technologies and expand their reach.

- **Research and development: XYZ Ltd**. allocates resources to ongoing research and development to stay innovative and at the forefront of the industry. This ensures that they can adapt to the ever-evolving technology landscape.

(06 marks)

(e)

> *Chapter 03 – Operation Management*

Mentioning 05 advantages as listed below adequately covers the requirements for achieving a score of 05 marks

- Strengthened competitive position.
- Higher productivity
- Enhanced market image
- Elimination of defects and waste
- Reduced cost and better cost management
- Higher profitability
- Improved customer focus and satisfaction
- Increased customer loyalty and retention
- Increased job security
- Improved employee morale
- Improved and innovative processes
- Adaptability to changing or emerging market conditions and to environmental and other government regulations.
- Enhanced shareholders and stakeholder value.

(05 marks)
(Total 25 marks)

End of Section C

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