

Examiner's Report

AA2 EXAMINATION - JANUARY 2019

(AA26) BUSINESS MANAGEEMNT & STRATEGY

This question paper comprised of 4 parts – A, B, C and D with 10 compulsory questions.

SECTION A

Objective Test Questions (OTQs)

Question No. 01

Question 1 consists of ten (10) compulsory questions. Each question is for 2 marks and for 20 marks in total.

In the case of sub questions **1.1** to **1.5** the most appropriate answer had to be selected and the number of selected answer was to be written in the answer booklet. When answering these questions which had been set covering most of the parts of the syllabus, candidates should pay attention to management of time and also answer the questions having understood the instructions properly. Most of the candidates had done so, but it was observed that a few candidates had written the selected answers again in the answer booklet. Further, questions for which marks could have been easily detained had been avoided.

As regards sub question numbers **1.6** to **1.10** it was required to write “True” or “False” in the answer booklet with the question number. Majority of the candidates had followed the instructions correctly and written the answers, while a few had marked “√” and “X” instead of True and False. Some candidates had not written correct answer to sub questions **1.8** and **1.9**. Candidates had no understanding of the term “decoding”. Also they had mixed up downward and upward communication.

Overall performance for this question was at a satisfactory level.

SECTION B

This section comprised 05 questions each carrying 5 marks with a total of 25 marks. The performance level of majority of the candidates for these 5 questions was at a very low level. Most candidates had not written answers for some of the questions.

Question No. 02

This question was set to explain 2 principles of management out of the 14 principles of management introduced by Henry Fayol. Generally most of the candidates had presented two relevant principles and explained those. Certain candidates had presented functions of management-planning, organization and controlling. Certain candidates had stated specialization and motivation instead of the principles of division of labour. Although authority and responsibility constitute one principle those have been stated as two principles by some candidates. Though some candidates recognized principles had not properly explained them. This was a simple question that specific answer was available thereby making it easy to obtain marks.

Overall performance for this question was at an average level.

Question No. 03

This question required to state 5 key practices associated with the Japanese Management Style. Majority of the candidates had not written satisfactory answers to this question. Lack of knowledge about the subject was observed. Answers given appeared to be without proper understanding. Further, even though only 5 matters were required to be stated, unnecessary detailed answers had been written. It was clear that candidates did not know about Japanese Management. Many had avoided answering this question. Only a limited member of candidates had provided proper answers relevant to this question.

Overall performance for this question was at a very poor level.

Question No. 04

This question required explaining the steps of controlling process. It became clear from the answers given that the knowledge of candidates was at a low level. There were instances where candidates had presented steps in decision making instead of steps of controlling. Certain others had described in detail the management process, namely, planning, organizing, leading and control. Some candidates although had properly written down the steps of the controlling process had not explained them.

Overall performance for this question was at a poor level.

Question No. 05

This question had been set to explain two ways to create an effective culture in an organization. It would have been sufficient to name 2 ways and explain those briefly to obtain full marks. Only candidates who properly understood what was required by the question has written satisfactory answers and obtained full marks. The reason why most of the candidates obtained marks at a low level was writing down unnecessary irrelevant details such as importance of a culture, cultural network and characteristics of a good culture. Some candidates had attempted to include all they knew about culture. Also there were candidates who had not written any answers to this question.

Overall performance for this question was at a very poor level.

Question No. 06

This question required stating 5 difference between the agency theory and the stewardship theory. It was revealed that obtaining of marks was at a very poor level because answers written by the majority of candidates had been very unsatisfactory. The number who had avoided answering this question was also at a higher level. Only a few candidates had submitted correct satisfactory answers out of those who answered the question. The reason would have been either not doing proper reference or not understanding the question. In the case of those who answered, there had been instances where some student mixed the Agency Theory with the stewardship theory. Some candidates had stated Agency Theory and stewardship theory separately instead of stating the differences.

Overall performance for this question was at a very low level.

SECTION C

The total of 30 marks could be obtained for this section at the rate of 10 marks each for question Nos. 07 to 09. The overall performance for this had been at a satisfactory level.

Question No. 07

This question set on the organizing process consists of 2 parts. **Part (a)** required explaining 3 reasons as to why an effective organizing process is important for an organization, while **part (b)** required stating 2 advantages and 2 disadvantages of a matrix organization structure.

Most of the candidates had stated the importance of an effective organizing process satisfactory for **part (a)**. Further, some candidates in an attempt to write something as the answers, had written irrelevant long details without explaining the importance of effective organization process. Certain other candidates had explained about organizing instead of its importance. Some others had identified the reasons for importance but had not explained those, on the whole, it was revealed that obtaining of marks for this part had been at a satisfactory level.

It was observed that most of candidates have not answered for **part (b)** of the question. Although some of them had written answers, they had not correctly stated advantages and disadvantages also, advantages and disadvantages of other structures being stated instead of matrix organization structure were observed.

Overall performance for this question was at an average level.

Question No. 08

This question consisted of 2 parts. Part (a) required explaining 3 major functions of leadership, while part (b) required explaining the difference between autocratic leaders and democratic leaders. A very few number of candidates had stated the role of leadership, but no explanation had been given. Such candidates could not obtain full marks. Also some candidates had explained the same matter as two roles.

Most candidates had presented satisfactory answers to **part (b)**. Some candidates had written answers about autocratic and democratic leaders from the point of view of politics. In explaining the difference between these 2 leaders proper explanation had not been provided by the candidates.

Overall performance for this question was at a very satisfactory level.

Question No. 09

This question, set on motivation consisted of 2 parts. Part (a) test on the importance of motivation to an organization providing 3 reasons. As a whole 95% of the candidates attempted this question and about 80% of them had earned full marks giving 3 reasons for motivation to be important to the organization. There were some candidates who had given reasons for the importance of motivation, had not explained those matters. Therefore, they could not earn marks for explaining those. There were also candidates who had no idea about 3 reasons and went on explaining at length the same matter. It was necessary to mention all the 3 reasons and explain them briefly to earn the allocated full marks.

Part (b) required the following 2 needs identified by McClelland's Acquired Needs Theory.

- (i) Need for achievement
- (ii) Need for affiliation

It was revealed that candidates lacked adequate knowledge regarding the need for achievement theoretically. Only a few candidates had written correct answers and obtained marks. It was observed that the candidates' knowledge was at a very poor level. Some candidates had even written irrelevant theories and matters connected with them. Most of the candidates had avoided writing answers to this part. It was observed that knowledge on McClelland's Theory was at very low level.

Overall performance for this question was at an average level.

SECTION D

Question No. 10

This is a case study question. This has been set to test how theoretical matters applied to the given scenario. The question consists of 4 parts **(a)**, **(b)**, **(c)** and **(d)**.

Part (a)

It was required to explain 4 barriers to effective planning in the company of the given case. It was necessary for this purpose to get an understanding of the planning of the given company and find 4 barriers and explain one by one. Majority of the candidates were able to write satisfactory answers and obtain the allocated marks. Some candidates although had named the barriers, had not explained those with reference to the case given. Therefore, they failed to score the full marks allocated for explaining.

Part (b)

This part required stating 3 matters to overcome the barriers in the implementation of the plan. Most of the candidates had written satisfactory answers and earned the allotted marks. Some candidates had written lengthy details. The question mentioned to state only.

Part (c)

This part required stating 3 methods that could be adopted resistance to change. Majority of the candidates had written satisfactory answers for this too. Some candidates had stated the action that could be taken to overcome the barriers, but had not related it to the relevant case.

Part (d)

This part required explaining 4 primary activities of Value Chain relating to the company. Answers to this part as a whole was poor. Most of the candidates had avoided answering this part. It meant that they had no knowledge about the value chain. Although some candidates had earned the primary activities in explanation connecting with the given case had not been given. Such candidates could not earn the full marks allocated to the question.

Overall performance for this question was at a very satisfactory level.

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Common factors to consider in order to improve the competency level of the exam candidates:

1. Study the syllabus well.
2. When you receive the question paper read the instructions carefully (Extra time allocated for this purpose).
3. Candidates should carefully read the question several times and understand what is required. When a direct answer is expected writing unnecessary explanations and details should be avoided.
4. Manage the time efficiently at the examination.
5. Before handing over the answer booklet check twice that question numbers and your Index Number are written correctly.
6. The “Action Verb Check List” is included at the end of the question paper. Each question other than OTQs; begin with an Action Verb. Candidates should write the answers based on the definition given in that list.
7. Ensure that the handwriting is at a legible level and question numbers are properly stated for the answers.
8. Reading of Self-Study Text, Articles and Magazines, etc. is desirable.
9. Study and practise answering past question papers in order to improve your knowledge.
10. Face the examination well prepared with a firm determination of passing.

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