

Examiner's Report
AA2 EXAMINATION - JULY 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.

It was necessary to select the most appropriate answer for question No. **1.1** to **1.5**, and write the number of selected answer in the answer booklet. This time it was noted that answers had been written following the instructions properly. It was observed that only a few had not paid attention to the instructions and provided the answers. A few had written the selected answers in the question paper instead of writing in the answer booklet. Majority of candidates had not written the correct answers to question No. **1.4**. Through that it became clear that the majority of candidates had no understanding about organization culture.

As regards question No. 1.6 to 1.10, it was required to write in the answer booklet whether each of the given statement was True or False. Majority of the candidates had correctly followed the instructions and written the answers. It was seen that a few had used "**√**" and "**x**" marks instead of writing True or False.

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.

Question No. 02

The managers are responsible for using scarce resources of an organization in an effective manner to achieve the set goals of the organization. Managers can be arranged in a hierarchy depending on the levels of the organization. Accordingly three levels of managers can be identified. The question was set to explain the 3 levels of managers with an example for each level.

When considered generally majority of candidates had provided satisfactory answers. A few candidates had mentioned the 3 levels of managers without giving explanation and also not giving suitable examples. They were unable to earn full marks. On the overall satisfactory answers had been given.

Overall performance for this question was at a satisfactory level.

Question No. 03

This question set on bureaucracy and consisted of 2 parts. **Part (a)** required stating 3 characteristics of a bureaucracy and **part (b)** required to state 2 challenges faced in bureaucracy. It was observed that candidates did not have adequate knowledge on bureaucracy.

On the whole majority of candidates had not attempted this question. Only a limited number of candidates had written answers to these 2 parts.

Overall performance for this question was at a poor level.

Question No. 04

The question required to explain the importance of carrying out an environmental scanning for an organization as the first step of planning process.

On the whole the presentation of answers for this had been at an average level. Although majority of the candidates had only stated PEST analysis and SWOT analysis, how that becomes important for the planning process had not been explained. Further, some candidates had stated steps of the planning process. What was important was to indicate how environmental scanning becomes important to the organization. Majority of the candidates had not presented facts in that manner. There were instances that very few candidates had provided facts in a satisfying manner and scored full marks allocated to the question.

Overall performance for this question was at an average level.

Question No. 05

This question required to explain 3 reasons as to why decision making is important for a Manager. Since majority of the candidates had not provided answers to this question, it could be determined that various difficulties would have arisen in understanding the question. It had been possible to explain in detail through this answer the benefits accruing to an organization by marking correct decisions.

Certain candidates had explained who a manager is. Therefore, majority of candidates could not earn sufficient number of marks.

Overall performance for this question was at an average level.

Question No. 06

Change management is a systematic approach to deal with change both from the perspective of an organization and individual levels. The nature of change can be categorized in various ways. Accordingly explaining 2 types of change was required by this question.

Majority of the candidates had not written answers to this question and some of them appeared to have avoided it. Even those who answered had failed to earn marks because of writing matters that were not relevant to the question. It would have been possible to score marks easily if they had been properly prepared for the examination. It became abundantly clear that the study text had not been made use of. A very few candidates had obtained sufficient marks. Different ideas and examples relating to what change is had been provided as answers.

Overall performance for this question was at a poor level.

SECTION C

The 03 compulsory questions of this section carried a total of 30 marks at 10 marks each of the questions. The overall performance for this section, on the whole, was at a satisfactory level.

Question No. 07

This question relating to behavioral approach and qualitative approach to management and it had been set in two parts. Identifying 5 criticisms of the behavioral approach was required in **part (a)**, while stating 5 techniques commonly used in the qualitative approach was necessary in **part (b)**.

Candidates had obtained full marks for **part (a)**, identifying 5 criticisms of the behavioral approach. But majority of the candidates had not attempted to answer **part (b)**. A limited number of some other candidates had explained qualitative approach. Lack of knowledge of management approach affecting formulation of management thinking and historical background of management could be stated as the reasons for obtaining less marks.

Overall performance for this question was at an average level.

Question No. 08

This question consisted of 2 parts. **Part (a)** required explaining the relationship between authority and responsibility while **part (b)** expected explaining 3 barriers to effective delegation of authority.

Majority of the candidates had provided satisfactory answers to this question, while a few did not seem to properly understand the question. Instead of explaining the relationship between authority and responsibility they had written about the difference between them. Also instead of writing about the barriers to delegation of authority they had written about the disadvantages. Also, instances were observed where candidates had been persuaded to write whatever facts that occurred to them as answers without paying attention to the subject matter under consideration.

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

Question No. 09

This was a question set on strategy of an organization. It consisted of 2 parts. **Part (a)** required explaining their main levels of organizational strategies, while **part (b)** expected explaining 2 characteristics of a good strategy. Majority of the candidates had provided satisfactory answers to **part (a)**. Some candidates had written about levels of management without understanding the question correctly. There were also instances where candidates had avoided writing answers.

Majority of candidates had not provided satisfactory answers to **part (b)**. Though some candidates had stated 2 characteristics of the strategy. They had not explained them. As a result they had not been able to earn full marks.

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)

The question had been set to assess the leadership style of **Mr. M. Silva of Honey Sweets Ltd.** Although 2 leaders had been mentioned as relevant to the case, the leadership of **Mr. Silva** who was the Managing Director should have been identified extracting relevant matters applicable to the case. It is not possible to follow several leadership styles. Having identified the relevant leadership style applicable to the given case, it would have been appropriate to extract matters associated with the case. A majority of the candidates had provided satisfactory answers. There were instances where candidates had extracted information from the case, but have not named the leadership style.

Part (b)

In this section, question was set to explain 4 differences between a Manager and a Leader. As the question was a direct one, candidate who had studied matters had provided satisfactory answers. But some candidates had defined manager and leader briefly.

Part (c)

In this section candidates were required to apply the two factor theory as a motivational theory for the company given in the case study. Here, it was necessary to explain the two motivational theory's as relevant to the case. Marks had been allocated for explaining in two motivational theory's and for practical applicably to the given case. Majority of the candidates had not written answers to this question. A limited number of candidates had submitted the two motivational theory, they had not related it to the **Honey Sweets Ltd.** in their answers.

Part (d)

The question in this part required candidates to state 4 actions **Mr. M. Silva** could introduce to create an effective corporate culture at **Honey Sweets Ltd.** It was necessary to understand what is meant by corporate culture when answer is writing. To obtain full marks, it was adequate to mention the actions that the organization should follow to create an effective organizational culture. Because majority of the candidates had no understanding about an effective corporate culture they could not given proper answers to this question.

Overall performance for this question was at an average level.

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Common factors to be considered in order to improve the competency level of the candidates:

1. Study the syllabus well.
2. When you receive the question paper read the instructions carefully (Use extra time allocated for this purpose).
3. Candidates should carefully read the question and understand what is required. When a direct answer is expected and 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 had been 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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