

**EXAMINER'S REPORT**  
**AA2 EXAMINATION - JANUARY 2016**  
**(AA26) BUSINESS MANAGEMENT AND STRATEGY**

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**SECTION A**

Objective Test Questions (OTQs)

**Question 01**

Question 1 consists of twelve (12) compulsory sub questions.

It was required to select the most correct answer for question No. 1.1 to 1.5 and write the number of the selected answer in the answer booklet with the number assigned to the question. It was observed that, most of the candidates did not adhere to the given instructions. It was also noticed that, some candidates had mentioned the selected question numbers on the question paper instead of writing them on the answer booklet.

It was required to state whether each of the statements from No. 1.6 to 1.8 was TRUE or FALSE. Majority of candidates answered this question well and obtained high marks. However, some candidates have scored lower marks due to lack of knowledge or poor preparation for the exam.

It was required to select the most suitable words from the given words within brackets to fill in the blanks of question No. 1.9 and 1.10 and write the selected words in the answer booklet with the number assigned to the question. Most of candidates have answered well for this question. However, it was observed that some candidates have scored lower marks due to poor preparation for the exam and not referring the self-study text book relates to Business Management and Strategy.

It was required to write short answers to question No.1.11 and 1.12 in the answer booklet with the number assigned to the question. However, it was observed that some candidates have provided lengthy answers and irrelevant answers.

When answering the "Objective Test Questions"; candidates must manage their time effectively and understand the given instructions properly.

## **SECTION B**

Five (05) compulsory questions

(Total 25 marks)

### **Question 02**

It was expected to test the knowledge of the candidate regarding the different managerial skill combinations required by different levels of management. It was observed that most of the candidates have provided lengthy answers. Some candidates have answered for this question well and obtained full marks. However, it was observed that some candidates have scored lower marks due to lack of knowledge or not understanding the requirements clearly or providing irrelevant answers.

### **Question 03**

It was expected to state five (05) benefits of planning for an organization in an ever changing business environment. Majority of the candidates have answered well for this part and got full marks. However, some of the candidates have provided lengthy answers instead of stating the benefits in point form. Nevertheless, some candidates have scored lower marks due to lack of knowledge and poor understanding on the requirements. Finally, it was observed that there were few candidates who did not score marks for straightforward question like this.

### **Question 04**

It was observed that the candidates had shown a poor knowledge on identifying contingency factors to be considered by managers in designing an appropriate organizational structure for their organizations. However, very few candidates have given clear and focused answers. Most of the candidates had identified the sub sections of contingency factors to be considered by managers in designing an appropriate organizational structure for their organizations. It must be noted that, the candidates are expected to provide clear and focused answers for these types of question. It is advisable not to write unnecessary explanations and details, when direct and accurate answers are expected from the question.

### **Question 05**

It was expected to state five (05) characteristics of controlling. Based on the answers given it was found that the candidates have not clearly identified the difference between characteristics of controlling and steps involved in controlling process. Additionally, it was noted that some candidates have defined the term “process of controlling” instead of defining the term “controlling”. Furthermore, several candidates have stated the characteristics of managers. Hence, it was observed that; the majority of the candidates have not scored marks due to providing irrelevant answers. Before answering the question; it is very important to understand the requirement of the question given on the paper.

## Question 06

In part **(a)**; it was expected to state what competitive advantage is. However, some candidates have defined the term “competition” instead of defining the term “competitive advantage”. However, most of the candidates have answered well for this part and got full marks.

It was expected to explain the two (02) sources of competitive advantage as discussed by Michael Porter. Majority of the candidates did not score good marks for part **(b)** of the question. Hence, it was observed that the candidates possess poor knowledge on “competitive advantage”. It is important to be knowledgeable on models and frameworks related to Business Management and Strategy by all the candidates. However, it was noticed that, candidates did not have a sound knowledge on such theoretical concepts.

## SECTION C

Three (03) compulsory questions. 10 mark each.

(Total 30 marks)

## Question 07

It was expected to test the knowledge of the candidates regarding key practices associated with Japanese Management style and the applicability of Japanese management practices in improving the productivity of Sri Lankan organizations.

It was observed that most of the candidates did not properly understand the given question requirement. Additionally, the candidates had not properly structured their answers.

It was noticed that; the candidates did not possess an adequate knowledge on, key practices associated with Japanese Management style and the applicability of Japanese management practices in improving the productivity of Sri Lankan organizations.

Additionally, it was observed that the candidates did not hold a proper understanding on the business activities of Sri Lankan organizations, the nature of the issues faced by such organisations and how to make use of management practices in improving the productivity of Sri Lankan organizations.

It is important to improve the candidates’ knowledge on modern management practices in the globe.

## Question 08

It was observed that most of the candidates did not properly understand the given question requirements. Most of the candidates have discussed the composition of the board in practice instead of discussing the possible composition of the Board of Directors based on Agency theory and Stewardship theory.

Majority of the candidates did not answer part **(a)** of this question. Hence, the candidates did not score marks for part **(a)**. Additionally, most of the candidates who have answered for this question, did not provide the accurate answer for part **(a)**.

It was expected to state four (04) communication methods available to top management for inviting investors to subscribe for shares. Even though, this is an easy question to answer; the overall performance was not satisfactory.

## Question 09

It was expected to test the knowledge of the candidate regarding the importance of developing a specific culture to an organization and layers of organizational culture introduced by Johnson and Scholes.

Even though the candidates had attempted to answer part **(a)** of the question, only about half of them had been answered in a satisfactory manner.

It was observed that the overall performance for part **(b)** was very poor. It was expected to state four (04) layers of organizational culture introduced by Johnson and Scholes. Even though this is a direct question; the candidates had not properly answered. This was due to lack of sound theoretical knowledge. The main reason for this can be identified as not making use of Self Study Text by the candidates.

By answering past question papers, candidates can improve the subject knowledge as well as the ability to write answers well. In addition, before writing the answers; candidates must read and understand the questions carefully. Thereafter, the candidates can prepare an outline of the answer. The above method will help candidates to provide well structured answers.

## SECTION D

One (01) compulsory question  
(Total 25 marks)

## Question 10

It was expected to assess the leadership style of Mr. Fernando based on any appropriate leadership model. Some candidates have identified the leadership style as “autocratic” and on the other hand some candidates have identified it as “work-oriented” leadership style. Most of the candidates have correctly identified the leadership style.

In part **(b)**; it was expected to discuss how to motivate the employees of Nastas (Pvt) Ltd using any of the theories of motivation. Some of the candidates have answered well for this question. However, it was observed that the candidates have faced difficulties in applying the theoretical knowledge obtained regarding core concepts into the real life scenarios.

In part **(c)**; it was expected to explain on how the Kurt Lewin’s model could be applied in changing the prevailing organizational culture of Nastas (Pvt) Ltd. Most of the candidates did not answer due to lack of knowledge and understanding on models and frameworks relate to Business Management and Strategy. However, some of the candidates answered correctly with the use of relevant frameworks.

It was noticed that; some candidates only explained the frameworks without applying to the given context.

By answering past question papers, candidates can improve the knowledge as well as the ability to applying the given information to the relevant frameworks and contexts.

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**General points to be considered in developing the level of understanding of candidates:**

1. New syllabus. Study the New Syllabus well and pay more attention to new subject matters.
2. Read the question carefully several times and answer only what is asked in the question. Do not write unnecessary explanations and details, when a direct and an accurate answers are expected from the question.
3. Legible hand writing and correct numbering.
4. Follow the instructions given in the question paper correctly.
5. Action verb Check List with definitions is attached to the question paper itself and each question except for objective test questions will begin with an action verb. Candidates should answer the questions based on the definition of the verb given in the Action Verb Check List.
6. By answering past question papers, you can improve the subject knowledge as well as the ability to write answers well.
7. When you answer, time management is very important.
8. Before handing over the answer script, check whether the question numbers and your index number have been written correctly.
9. Make use of Self Study Text and recently published magazines, hand books, newspapers and text books to update the knowledge.
10. Face the examination with a good preparation and with the utmost hope of passing the examination.

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