

EXAMINER'S REPORT

AA1 EXAMINATION - JANUARY 2017

(AA15) BUSINESS OPERATIONS AND MANAGEMENT

As the entire question paper has covered almost all the areas of Business Operations Management specified for level 1, the aim was to check the candidates' overall knowledge and understanding of the subject area. As a whole most of the candidates' performance was satisfactory while others had failed to answer well. Observing how the candidates have answered the question paper, it had been realized that the following important points / issues had prevented them in understanding the questions and answer to the point in order to obtain sufficient marks. The main purpose of the Examiners' Report is to draw attention towards the low performed areas which will be helpful to improve candidates' performance in the future examinations.

Section A

Question No. 01

By this section, overall areas of the subject of Business Operations Management have been covered and almost all the candidates have attempted the question. 40 marks out of 100 had been allocated and a considerable number of candidates had obtained high marks. Most of the candidates had not answered successfully for the following questions and the observations made regarding section A are as follows:

1.4 It was expected to measure the correct understanding about "Public Limited Companies"

Most of the candidates have not understood the question and were misled as "Private Limited Company" in answering. Some of the candidates have not understood that question has stated as "not correct", which means they have to select the irrelevant statement regarding public limited companies.

1.5 Most of the candidates have not marked the correct answer for "the not applicable component of Porter's Five Forces Model" from given choices in the question as bargaining power of employees.

1.11 Most of the candidates have not understood the tactics related to the "Marketing Philosophy". Therefore it is important that the candidates should have a clear and conclusive knowledge about the tactics of the Marketing philosophy.

Although, it has been clearly stated that the number of the selected answer should be written in the answer booklet for question No. **1.1** to **1.15**, it was observed that some candidates have written the full answer instead of the number assigned to the question.

- 1.17** It was observed that certain candidates have selected the incorrect answer “just in time inventory” as the optimal order size that minimizes the total inventory cost instead of the correct answer “Economic Order Quantity”.
- 1.18** It was observed that some candidates do not have clear and conclusive knowledge of the primary activities and support activities of the Porter’s Value Chain. Many candidates have selected the incorrect answer. “Marketing and Sales” as a support activity instead of correct answer “Human Resources Management”. Candidates have to understand about the models and frameworks relating to business operations management together with the segregations and sub parts of the same.
- 1.19** Some candidates do not possess the understanding of the difference between data and information. Those candidates have selected the incorrect answer “information” as raw facts and figures about the environment or organization.

Therefore candidates should improve their knowledge on fundamental concepts of Business Operations and Management. Except for above questions most of candidates have answered well for the other questions. Overall performance to question number 01 was satisfactory.

Section B

This part includes four compulsory questions for 40 marks. Each question carries 10 marks.

Question No. 02

The question was based on the Business Organizations and Support Services.

- Part – (a)** It was tested the differences between a Partnership and a Private Limited Company. Majority of the candidates have answered part (a) successfully and obtained high marks. Some of the candidates have only written two or three differences. Although the Candidates were asked to write differences between a partnership and private limited Liability Company, some of them have written the facts pertaining to the Proprietorship Vs Private Limited Company. Therefore, it is necessary to read and understand the question well before answering it. It was observed that some candidates have explained in detail and wasted their time unnecessarily even though the question was clearly instructed to “State”.
- Part – (b)** It was required to explain the importance of a good transport system for a business organization. The question was fairly easy and expected to measure the correct understanding about the support activities. Majority of the answers were satisfactory. Some of the candidates have gained full marks due to the practical knowledge about the transport system. It was observed that some of the candidates have explained about transportation instead of explaining the importance of a good transport system for a business organization.

Question No. 03

It was expected to test the candidates' knowledge about Information management and E-commerce.

Part – (a) It was required to identify the advantages of using a technological system for Information Management. Candidates have easily answered this question due to practical knowledge regarding the technological system for information management. A considerable number of candidates have obtained full marks for this part. It was observed that some of the candidates have explained the advantages although the question required to list the advantages.

Part – (b) This part was based on E-commerce. Most of the candidates have not understood the concept of E-commerce well and have written features or modes of Electronic Communication. Very few of them have given the correct answer. It is essential to understand what is expected from the question before answering. When it is asked to explain how E-commerce helps a business organization, it is required to explain the usefulness of e-commerce for a business. This proves that candidates should strengthen their knowledge regarding the emerging technologies related to business organizations.

Question No. 04

This question was based on recruitment process and training under Human Resources Management. Certain candidates scored well for this question.

Part – (a) It was required to explain the steps involved in a systematic recruitment process. Majority of candidates have not written the steps of systematic recruitment process in correct sequential order. A substantial number of candidates have written other functions of Human Resource Management instead of the recruitment process. It appears that most of the candidates have not read and understood the question well.

Part – (b) This part was based on Effective Training of the Employees. A considerable number of candidates have not discussed the benefits available to an organization from effective training of the employees. Hence, this results in most candidates getting low marks for this part. Most of the candidates have given vague answers to this part with their General Knowledge. Therefore the candidates should acquire a sound knowledge referring study packs.

Question No. 05

It was expected to test the knowledge of the candidate regarding Marketing. Majority of candidates have answered for this question satisfactorily.

Part – (a) This part tested the advantages of Branding. Majority of the candidates have answered to this question with their general knowledge. Some candidates have stated advantages of advertising instead of branding. So candidates should acquire a thorough knowledge about the Branding Role in Marketing.

Part – (b) This part was based on the Terms in Marketing.

- (i) Most of the candidates have explained the term product / market offering with examples but few of them have explained production instead of product.
- (ii) Certain candidates have obtained low marks for this question due to failure in explaining the term Target Marketing. Those candidates have explained the term marketing instead of target marketing.

Candidates should acquire sound knowledge regarding Marketing Management and should learn the differences between concepts of Marketing.

Section C

Question No. 06

This was a scenario based question regarding “**Maio Biscuits Ltd.**” and it was expected to examine the knowledge about Operation Management and Human Resource Management. It was observed that most of candidates have not read the question well.

Part – (a) Majority of the candidates have written SWOT Analysis ignoring the fact that it should be linked to the given scenario on practical grounds. Some of the candidates have explained what is meant by SWOT and have provided examples from the general business context ignoring the given scenario. A considerable number of candidates had failed to describe SWOT Analysis applicable for “**Mario Biscuits Ltd.**”

Part – (b) The question expected to test the knowledge regarding the role of the operation manager in “**Mario Biscuits Ltd.**”. Certain candidates had not understood the question well and had not given the expected answer and they had explained the role of a Production Manager instead of the Operations Manager. Candidates should understand that Operations Manager’s role is much wider than the production manager’s role of a company.

Part – (c) This question tested the knowledge about the features of an Effective Performance Appraisal System. Some candidates had failed to answer successfully. This highlights the poor knowledge shown by the candidates in human resource management. Most of them have written benefits of Performance Appraisal System instead of features of an effective performance appraisal system. Candidates should focus on the theoretical and practical aspects of human resource management to obtain high marks.

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

1. When you get the question paper, read the instructions carefully given to candidates. Do not write answers in the question paper itself.
2. Get the maximum use of **Self-Study Text** published by AAT Sri Lanka because it is the best guideline covering the entire syllabus.
3. 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 answer is expected from the question.
4. When you answer, time management is very important.
5. Action verb Check List with definitions is attached to the question paper itself and each question will begin with an action verb excluding Objective Test Questions (OTQs). Candidates should answer the questions based on the definition of the verb given in the Action Verb Check List.
6. Before handing over the answer script, check whether the question numbers and your index number have been written correctly.
7. Do not write answers in the question paper itself and forward with the answer script.
8. By answering past question papers, you can improve the subject knowledge as well as the ability to write answers well.
9. Make use of recently published magazines, hand books, newspapers and text books to update the knowledge.
10. Never try to give up questions as this habit may lead to achieve low marks.
11. Face the examination with a good preparation and with the utmost hope of passing the examination.

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