

ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA

LEVEL II EXAMINATION - JANUARY 2022

(204) BUSINESS MANAGEMENT

• **Instructions to candidates** (Please Read Carefully):

(1) **Time Allowed:** Reading : 15 minutes.

Writing : 03 hours.

(2) **All questions should be answered.**

(3) **Answers should be in one language, in the medium applied for, in the booklets provided.**

(4) **State clearly assumptions made by you, if any.**

(5) **Action Verb Check List** with definitions is attached. Each question will begin with an **action verb** excluding OTQ's. Candidates should answer the questions based on the **definition** of the verb given in the Action Verb Check List.

(6) 100 Marks.

20-03-2022

Afternoon

[01.45 – 05.00]

No. of Pages : 06

No. of Questions : 07

SECTION A

Objective Test Questions (OTQs)

(Total 25 marks)

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 Which of the following managerial skills are highly required for top level managers when compared with middle and lower-level managers according to Robert L. Katz?

(1) Time management skills.

(2) Human skills.

(3) Technical skills.

(4) Conceptual skills.

1.2 Which one of the following is **not** a feature of good information?

(1) Relevance.

(2) Cost effectiveness.

(3) Complexity.

(4) Completeness.

1.3 Which one of the following is an external determinant of rewards in Human Resource Management (HRM)?

(1) Worth of a job.

(2) Compensation policy of the organization.

(3) Cost of living.

(4) Employer's ability to pay.

1.4 Which one of the following is an example for a hygiene factor of Two-Factor motivation theory?

- (1) Career advancement. (2) Working conditions.
(3) Recognition. (4) Challenging work.

1.5 Consider the following statements relating to “Management”:

- (a) It helps to achieve organizational goals effectively by using the resources efficiently.
(b) It minimizes the wastages of resources and reduces cost.
(c) It helps to develop a good organizational structure.

Of the above, the benefits of “Management” are:

- (1) (a) and (b) only. (2) (a) and (c) only.
(3) (b) and (c) only. (4) All of the above.

(02 marks each, 10 marks)

Select the correct word/words from those given within brackets to fill in the blanks of question No. **1.6** to **1.10**. Write the selected word/words in your answer booklet with the number assigned to the question.

1.6 (*Efficiency / Productivity*) means the relationship between inputs and output in a specific time.

1.7 In (*selling / marketing*) concept, products are sold focusing needs and wants of customers.

1.8 As per the Hierarchy of Needs Theory, (*social / self-actualization*) needs accomplish the long-term personal aspirations such as intended lifestyle, lifetime ambitions, etc.

1.9 (*A vision / A mission*) statement focuses on tomorrow and what an organization wants to ultimately become.

1.10 (*Technology development / Service*) is a primary activity of Porter’s Value Chain. (01 mark each, 05 marks)

Write short answers for question Nos. **1.11** to **1.15** in your answer booklet with the number assigned to the question.

1.11 List two(02) types of organizational structures.

1.12 Explain briefly, what is meant by Marketing Management.

1.13 State two(02) disadvantages of an Internal Recruitment Policy.

1.14 List two(02) pricing methods used in Marketing.

1.15 State two(02) differences between strategic control and operational control.

(02 marks each, 10 marks)

(Total 25marks)

End of Section A

SECTION B

(Total 50 marks)

Question 02

Planning is the first and most important function of Management. It needs at every level of Management. Furthermore, it also assists to make rational decisions in the organizational context. To make such decisions, managers need accurate and reliable information to carry out detailed analysis and make logical conclusions.

You are required to:

- (a) **State** the steps of the planning process. (04 marks)
 - (b) **Explain** two(02) barriers for planning. (04 marks)
 - (c) **State** two(02) conditions that managers need to consider when making decisions. (02 marks)
- (Total 10 marks)

Question 03

In the present context, managing an organization is a more challenging task. The market is highly dynamic due to country's economic and political situation as well as the volatility in the world economy. Managers should be able to adapt to changing market conditions and they should be able to evaluate whether the business is operating as expected with adequate controls.

You are required to:

- (a) **Explain** two(02) challenges faced by managers in the present Sri Lankan context. (04 marks)
 - (b) **Identify** two(02) differences between Japanese Management Style and Traditional (western) Management Style. (02 marks)
 - (c) **Explain** two(02) reasons why controlling is important for an organization. (04 marks)
- (Total 10 marks)

Question 04

Production process of manufacturing sector must be monitored continually to meet the market demand frequently. Not only in the manufacturing sector, but also in the service sector, Operations Management plays a vital role in directing a business towards its success. The role of Operations Management in service sector has become more challenging with the COVID-19 pandemic. Regardless of the sector a business organization operates, Operations Management helps to maintain the effectiveness and efficiency of the business processes.

You are required to:

- (a) **Explain** three(03) difficulties faced by an organization that operates in the service sector in relation to Operations Management. (06 marks)
- (b) **State** four(04) strategies that can be adopted by the Operations Management in the service sector for better value addition. (04 marks)
- (Total 10 marks)

Question 05

Human Resource Management (HRM) acts as a long term strategy that aims to integrate the company's human aspects. The smooth running of an organization primarily depends on the strength of its human resources and how the organization's HRM functions assist in achieving organizational objectives. The verbal and written communication methods are very common within organizations when make use of its human resources effectively.

You are required to:

- (a) **State** four(04) reasons to consider induction as an important human resource management function for an organization. (04 marks)
- (b) **Explain** three(03) reasons why the effective communication is important for an organization. (06 marks)
- (Total 10 marks)

Question 06

COVID-19 pandemic has resulted organizations to re-think and re-design their organizational strategy. This change is radical, and managers need to re-think about their role and need to become leaders.

You are required to:

- (a) **State** three(03) elements of transformational leadership. (03 marks)
- (b) **Explain** two(02) types of change according to the nature of the change. (03 marks)
- (c) **Explain** two(02) internal factors which influence the strategy of an organization. (04 marks)
- (Total 10 marks)

End of Section B

SECTION C

Question 07

Athena is one of the leading and largest private educational institutes operating in Colombo region for more than 20 years. **Athena** builds its reputation by reinventing private education in Sri Lanka by combining a comfortable education atmosphere, advanced technology and other value-added services.

In the pre COVID-19 era, **Athena's** main building hosted for more than 7,500 students at once and with its branches in Kandy and Galle, it was able to cater more than 15,000 students. High caliber, reputed resource persons attached to **Athena** to conduct in-class teaching activities led the way to be one of the leading educational institutions in Sri Lanka.

The founder of the organization was one of the main reasons behind the success of the organization. He is a full-time administrator of this institute that provides the necessary leadership. As the organization still doesn't have a formal HRM department, all the recruitment decisions are taken by the founder.

For the last 20 years, **Athena** did not have a proper marketing plan. But due to the COVID-19 pandemic, the organization is planning to conduct digital marketing activities which will enable them to maintain it's market share.

You are required to:

- (a) **Explain** three(03) important functions that a leader should perform to gain success of a business organization. (06 marks)
- (b) **Explain** two(02) advantages and two(02) disadvantages of digital marketing for an educational institute like **Athena**. (08 marks)
- (c) **State** four(04) objectives that can be achieved by **Athena** from a proper Human Resource Planning (Man Power Planning). (04 marks)
- (d) **State** three(03) consequences of a wrong selection decision of an employee to **Athena** based on current situation. (03 marks)
- (e) **Explain** the suitable strategy that **Athena** can use in the post COVID-19 market situation according to Porters' Generic Strategies. (04 marks)

(Total 25 marks)

End of Section C

ACTION VERBS CHECK LIST

Level of Competency	Description	Action Verbs	Verb Definitions
Knowledge (1)	Recall Facts and Basic Concepts.	Draw	Produce a picture or diagram.
		Relate	Establish logical or causal connections.
		State	Express details definitely or clearly.
		Identify	Recognize, establish or select after consideration.
		List	Write the connected items.

Level of Competency	Description	Action Verbs	Verb Definitions
Comprehension (2)	Explain & Elucidates Ideas and Information.	Recognize	Show validity or otherwise, using knowledge or contextual experience.
		Interpret	Translate into understandable or familiar terms.
		Describe	Write and communicate the key features.
		Explain	Make a clear description in detail using relevant facts.
		Define	Give the exact nature, scope or meaning.

Level of Competency	Description	Action Verbs	Verb Definitions
Application (3)	Use and Adapt Knowledge in New Situations.	Reconcile	Make consistent / compatible with another.
		Graph	Represent by graphs.
		Assess	Determine the value, nature, ability or quality.
		Solve	Find solutions through calculations and/or explanation.
		Prepare	Make or get ready for a particular purpose.
		Demonstrate	Prove or exhibit with examples.
		Calculate	Ascertain or reckon with mathematical computation.
		Apply	Put to practical use.

Level of Competency	Description	Action Verbs	Verb Definitions
Analysis (4)	Draw Connections Among Ideas and Solve Problems.	Communicate	Share or exchange information.
		Outline	Make a summary of significant features.
		Contrast	Examine to show differences.
		Compare	Examine to discover similarities.
		Discuss	Examine in detail by arguments.
		Differentiate	Constitute a difference that distinguishes something.
		Analyze	Examine in details to find the solution or outcome.