



ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA

LEVEL II EXAMINATION - JULY 2024

(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.**

11-08-2024

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 Select from the following, the main functions of the management process:

- (1) Planning, Decision Making, Communication and Motivation.
- (2) Planning, Organizing, Decision Making and Marketing.
- (3) Planning, Organizing, Leading and Controlling.
- (4) Planning, Motivation, Efficiency and Controlling.

1.2 Which one of the following statements is correct with reference to need for management to an organization?

- (1) Ensuring employees work long hours.
- (2) Achieving organizational goals efficiently and effectively.
- (3) Managing every task in an organization.
- (4) Reducing employees' autonomy.

1.3 Which one of the following is an example for an “Internal Force of Change”?

- (1) Conditions of the work environment. (2) Influence from competitors.
(3) Influence from suppliers. (4) All of the above.

1.4 Consider the following statements:

- (a) Decision making is a continues process in management.
(b) Decision making helps in facilitating the entire management process.
(c) There is no relationship between planning and decision making.
(d) All managers at levels of the hierarchy are required to make decisions.

Of the above, the correct statements regarding decision making are:

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

1.5 Consider the following statements on planning:

- (a) It is based on reasons rather than emotions.
(b) It helps in setting organizational goals and objectives.
(c) It increases chaos and uncertainty.
(d) It is only applicable to large organizations.

Of the above, the correct statements regarding planning are:

- (1) **(a)** and **(b)** only. (2) **(a)** and **(c)** only.
(3) **(a)** and **(d)** only. (4) **(a), (b)** and **(d)** only.

(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 Effective managerial skills encompass a combination of technical, interpersonal and (*conceptual / artistic*) skills.

1.7 Decision-making in management involves developing alternatives, evaluating them, selecting the best alternative and (*implementing / delegating*) the best alternative.

1.8 While both leaders and managers play vital roles, a key distinction lies in the focus on (*vision / tasks*) by leaders.

1.9 Communication in a modern business organization serves as a foundation for collaboration, fostering teamwork and ensuring (*ambiguity / clarity*) across all levels.

1.10 According to Peter Ducker, doing the right thing is (*effectiveness / efficiency*).

(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 State two(02) key challenges that managers encounter in the contemporary business environment.
- 1.12 Explain briefly what is meant by productivity.
- 1.13 Identify the basic marketing mix (4Ps).
- 1.14 Explain briefly what is meant by change management.
- 1.15 State two(02) reasons for resistance to change by the employees.

(02 marks each, 10 marks)

(Total 25marks)

End of Section A

SECTION B

(Total 50 marks)

Question 02

In an active retail company, the role of information in decision-making is paramount. This involves forecasting demand, scheduling promotions and optimizing inventory. The importance of organizational structure becomes evident as departments collaborate seamlessly. Together, information-driven decision-making, meticulous planning, and a robust organizational structure force the retail company towards success in the dynamic market.

You are required to:

- (a) **State** what is meant by planning. (02 marks)
- (b) **Explain** three(03) reasons why information is important in decision making. (06 marks)
- (c) **State** two(02) advantages of divisional structure. (02 marks)

(Total 10 marks)

Question 03

In a banking company, authority is vested in managerial roles, granting individuals the right to make decisions and enforce policies. As the industries integrate new technologies, finance professionals must possess competencies to navigate the evolving landscape. Effective communication is paramount in ensuring the successful implementation of a cutting-edge financial technology system.

You are required to:

- (a) **Explain** the difference between the authority and the power. (04 marks)
- (b) **Identify** two(02) competencies required for finance managers with new technology. (02 marks)
- (c) **Explain** two(02) importances of having an effective communication process in implementing a cutting-edge financial technology system. (04 marks)

(Total 10 marks)

Question 04

The supply chain management is a key function of operations management and the importance of supply chain management becomes evident as the company can achieve seamless coordination between suppliers, manufacturers, and distributors. In order to manage the supply chain in the right way, a business need to adapt several strategies of the supply chain operations.

You are required to:

- (a) **Explain** two(02) functions of Operations Management other than Supply Chain Management. (04 marks)
 - (b) **Explain** two(02) importances of effective Supply Chain Management. (04 marks)
 - (c) **State** two(02) differences between goods and services. (02 marks)
- (Total 10 marks)

Question 05

Workforce diversity has become a huge challenge for organizational managers in the present situation. Directing diverse employees towards organizational common goals while obtaining their optimum contribution has become a focal point of every manager in business organizations.

You are required to:

- (a) **Explain** three(03) reasons why Human Resource Management is important for an organization. (06 marks)
 - (b) **State** four(04) benefits of the organizational behavior to an organization. (04 marks)
- (Total 10 marks)

Question 06

In the competitive automobile industry, a company employing a differentiation strategy introduces a revolutionary electric vehicle with cutting-edge technology, targeting environmentally conscious consumers. Through strategic digital marketing campaigns on social media platforms and search engines, the company highlights the car's advanced features, environmental benefits, and superior performance, creating a unique position in the market and attracting a niche audience seeking innovation and sustainability.

You are required to:

- (a) **Explain** the difference between segmentation and positioning. (03 marks)
 - (b) **Explain** two(02) advantages of digital marketing for a business. (04 marks)
 - (c) **Explain** what is meant by a differentiation strategy. (03 marks)
- (Total 10 marks)

End of Section B

SECTION C

(Total 25 marks)

Question 07

Peacock Airlines, the national carrier of **XYZ country**, faced significant challenges in recent years, including financial turbulence, operational inefficiencies, and an increasingly competitive global aviation industry. Strategic management played a pivotal role in reshaping the airline's future trajectory. A thorough analysis of the internal and external environment leads to the development of a comprehensive strategic plan. The organization set clear objectives, identified key performance indicators, and implemented a robust monitoring and evaluation system.

The airline underwent a leadership transition during a critical phase. The incoming CEO, faced with declining financial performance, embarked on a transformational journey. Emphasis on ethical leadership and accountability played a crucial role in regaining trust and aligning the workforce towards a common goal. Human Resource Management played a pivotal role in **Peacock Airlines**. Training and development programs were revamped to enhance employees' competencies and foster innovation.

Facing increased competition, **Peacock Airlines** had to redefine its marketing strategy. The marketing team adopted a customer-centric approach, leveraging market research to understand passenger needs and preferences. Branding efforts were intensified to position the airline as a premium and reliable carrier. Strategic partnerships with global alliances and enhanced digital marketing campaigns were implemented to expand the airline's reach. The marketing management team successfully redefined the airline's image, attracting a diverse customer base and increasing market share. Communication of **Peacock Airlines** was key and the organization implemented regular meetings, workshops, and training sessions to keep employees informed and engaged. The change management strategy focused on building a culture of adaptability and resilience, preparing employees for the evolving landscape of the airline industry.

You are required to:

- (a) **Explain** three(03) reasons why the effective leadership is important for **Peacock Airlines**.
(06 marks)
- (b) **Explain** three(03) ways how the revamped training and development programs contribute to enhance employees' competencies and fostering innovation.
(06 marks)
- (c) **Explain** three(03) benefits to **Peacock Airlines** using repositioning its brand to attract a diverse customer base.
(06 marks)
- (d) **Explain** why the environmental analysis is important for Strategic Planning Process of **Peacock Airlines**.
(04 marks)
- (e) **Identify** three(03) key strategies which are developed in different management levels of **Peacock Airlines**.
(03 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. |