

ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA

LEVEL II EXAMINATION - JANUARY 2025

(204) BUSINESS MANAGEMENT

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

- (1) **Time Allowed:** Reading : 15 minutes.
Writing : 03 hours.

02-02-2025
Afternoon
[01.45 - 05.00]

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

No. of Pages : 06
No. of Questions : 07

- (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.**

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** Skills required to effectively communicate, interact and work with individuals and group are known as:

- (1) Diagnostic skills. (2) Technical skills.
(3) Interpersonal skills. (4) Conceptual skills.

- 1.2** The relationship between the inputs and outputs of an organization during the specific period of time is:

- (1) Effectiveness. (2) Productivity.
(3) Management. (4) Efficiency.

- 1.3** Which one of the following is a technique / method used in the job design of Human Resource Management?

- (1) Job Enlargement. (2) Job Rotating.
(3) Job Enrichment. (4) All of the above.

1.4 Consider the following statements:

- (a) It is animate, active, and alive.
- (b) It makes decisions in respect of all the other resources of the organization.
- (c) Its' behaviour is simple so that it is predictable.

Of the above statements, select correct statement/s with reference to the human resources of an organization:

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

1.5 Which one of the following is a primary activity of Porter's Value Chain?

- (1) Marketing and Sales.
- (2) Infrastructure.
- (3) Human Resource Management.
- (4) Technology Development.

(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 (*Targeting / Positioning*) refers to the ability to influence consumers' perception regarding a brand or a product relative to competitors.

1.7 (*Integration / Marketing*) is an element of supply chain management.

1.8 As per (*production / product*) concept, customers prefer products of greater quality.

1.9 (*Market growth / Market share*) is a market's total sales that is earned by a particular company over a specific time period.

1.10 (*Accessible / Flexible*) is a requirement for the effective segmentation.

(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) requirements for a successful brand.

1.12 State two(02) automation technologies used in operational management.

1.13 State two(02) characteristics of the Japanese Management Style.

1.14 State two(02) disadvantages of digital marketing.

1.15 State two(02) objectives of rewards management.

(02 marks each, 10 marks)

(Total 25marks)

End of Section A

SECTION B

(Total 50 marks)

Question 02

In the present volatile business environment, managers' role in leading organizations has become significant. Attracting and retaining the right talent within the organizations is a challenge in some industries such as information technology (IT) due to higher level of brain drain from Sri Lanka.

You are required to:

- (a) **List** four(04) challenges faced by managers in the present uncertain environmental context. (02 marks)
 - (b) **Explain** how the Equity Theory of Motivation can be used to gain the maximum output from employees in a newly started IT firm. (04 marks)
 - (c) "Bureaucratic Management Theory is the most suitable management approach for a modern IT firm."
Explain whether you agree with the above statement. (04 marks)
- (Total 10 marks)

Question 03

In a bustling marketing firm, **Sarah**, the project leader, faces a tight deadline to complete a major campaign. She gathers her team to evaluate data from past projects, weighing pros and cons of various strategies. By using a structured approach to analyse potential outcomes, they collaboratively choose the best option, ensuring a successful launch on time.

You are required to:

- (a) **Explain** three(03) reasons why planning is important for an organization. (06 marks)
 - (b) **State** four(04) barriers of planning that might be faced by **Sarah's** firm. (04 marks)
- (Total 10 marks)

Question 04

At **Green Tech (Pvt) Ltd.**, the organizational structure consists of distinct departments: marketing, engineering, and customer support. Each department has clear roles and responsibilities, fostering collaboration. Regular inter-departmental meetings ensure alignment on projects.

You are required to:

- (a) **Explain** two(02) importances of organizing for **Green Tech (Pvt) Ltd.** (04 marks)
 - (b) **Explain** two(02) barriers to effective delegation of authority. (04 marks)
 - (c) **List** two(02) advantages of a Matrix Structure. (02 marks)
- (Total 10 marks)

Question 05

At **Innovate Ltd.**, the leadership team initiates a bi-weekly newsletter to improve organizational communication. This newsletter highlights projects' updates, employees' achievements, and upcoming events. Additionally, open forums are held for employees to share feedbacks and ideas. As a result, collaboration increases, employees feel more connected and informed.

You are required to:

- (a) **Explain** two(02) reasons why communication has become a vital function in the modern business organization. (04 marks)
 - (b) **State** two(02) advantages of informal communication for an organization. (02 marks)
 - (c) **Explain** two(02) innovations in Human Resource Management in today's context. (04 marks)
- (Total 10 marks)

Question 06

Chief Executive Officer, **Lisa** of **Future Tech (Pvt) Ltd.**, implements a bold new strategy to pivot from traditional software to AI-driven solutions. Recognizing the need for change, she organizes a series of leadership workshops to empower her managers in driving this transition. By fostering a culture of innovation and open communication, **Lisa** inspires her team to embrace the shift, ensuring everyone understands their role in achieving the company's new vision for success in a competitive market.

You are required to:

- (a) **Explain** two(02) roles of a strategy for **Future Tech (Pvt) Ltd.** (04 marks)
 - (b) **State** two(02) characteristics of a good strategy. (02 marks)
 - (c) **Explain** two(02) forces of change. (04 marks)
- (Total 10 marks)

End of Section B

SECTION C

(Total 25 marks)

Question 07

Ann is the Chief Executive Officer (CEO) of **Sunshine (Pvt) Ltd.** and she exemplifies dynamic leadership by fostering a collaborative culture where creativity thrives. She encourages open communication among teams, empowering employees to share ideas freely. This approach not only boosts morale but also drives innovation, essential for the company's competitive edge.

Recognizing the need for a robust marketing strategy, the marketing management team, led by **Mark**, conducted a market research to identify emerging trends and customers' preferences. They developed a multi-channel campaign that highlighted the unique features of their latest product, aiming to increase brand visibility and customer engagement. By leveraging social media, influencer partnerships, and targeted advertisements, they effectively reached new audiences.

Simultaneously, HR Manager **John** implements targeted training programs to enhance employees' skills, ensuring the workforce remains agile and responsive to market changes. By promoting professional development and a positive workplace environment, he cultivates a motivated team ready to meet challenges. Further an induction program is conducted after hiring employees to the company.

As these initiatives unfold, **Ann** introduced principles of strategic management to align the company's long-term objectives with its operational capabilities. This involves setting measurable goals and regularly reviewing progress. Integrating insights from leadership, marketing, HR and innovate solutions for sustainable growth, ensure innovation, employees' satisfaction and strategic alignment and drive the organization forward in a competitive landscape.

You are required to:

- (a) **Explain** three(03) ways how **Ann's** leadership style at **Sunshine (Pvt) Ltd.** contributes to fostering a collaborative culture and driving innovation among employees. (06 marks)
 - (b) **Explain** three(03) reasons why branding is important for **Sunshine (Pvt) Ltd.** (06 marks)
 - (c) **State** four(04) reasons why the induction is important for **Sunshine (Pvt) Ltd.** (04 marks)
 - (d) **Explain** how the position audit is an important activity in strategic planning process of **Sunshine (Pvt) Ltd.** (04 marks)
 - (e) **State** five(05) principles of Total Quality Management (TQM). (05 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.