

## **Examiner's Report**

**AA2 Examination - January 2017**

### **(AA26) BUSINESS MANAGEEMNT & STRATEGY**

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This question paper comprised of 4 parts – A, B, C and D with 10 compulsory questions.

#### **SECTION A**

Objective Test Questions (OTQs)

##### **Question No. 01**

This question was set to cover the whole syllabus and consisted of 10 sub questions for a total of 20 marks with 2 marks each.

It was required to select the most appropriate answer and to write only the number assigned to it in the answer booklet for questions 1.1 to 1.5. Most of the candidates had followed the instructions and written the answer but some candidates had answered in the question paper itself, while some others had instead of writing the number assigned to the answer had written the full answer, which were seen as common mistakes.

For questions 1.6 to 1.10 it was required to state in the answer booklet whether the given statements were True and False. Here too some candidates did not appear to have followed the instructions. Instance of making “v” sign for True and “X” sign for False, as well as writing the whole selected answer in the answer booklet could be seen. The reason for such occurrences appeared to be the failure of candidates to understand the instruction properly.

As a whole candidates had been able to score more marks out of what was allocated to this section, and the performance level of candidates had been very satisfactory.

#### **SECTION B**

This section comprised of 05 questions for 25 marks with 5 marks each.

##### **Question No. 02**

Stating 5 principles of management introduced by Henry Fayol was required by this question. It was possible to obtain full marks by stating any 5 out of the 14 principles introduced by him. It was an easy question. There were instances where certain candidates had written irrelevant matters in detail and also writing anything when answers were not known. However, on the whole the performance level for this question was at a satisfactory level.

##### **Question No. 03**

The relationship between authority and responsibility had to be explained by candidates. In explaining the relationships between these two concepts, the meaning of each concept should have explained first and then the relationship. Most candidates had not explained the two concepts clearly. Only a few candidates had answered this question successfully and scored full marks. The poor answers to this question indicated that candidates did not possess a proper understanding of even such simple concepts.

#### **Question No. 04**

This question required candidates to state 5 conditions that need to be satisfied for effective communication. A majority of candidates were able to write the expected answer correctly and obtain full marks. Some candidates had mixed up and misunderstood the requirement of the question as basic principles of the communication model. Some other candidates had written detailed answers explaining characteristics of communication one by one. Many instances of wasting time allocated by writing unnecessary details, without paying attention to the numbers of marks allocated for the question were observed. Also, there were instances where the same point had been repeated in the answers.

#### **Question No. 05**

In this question candidates were required to state 5 signs which indicate that employees are demotivated. Majority of the candidates had very satisfactorily answered this easy question. Also a handful of candidates had not tried to attempt this question. Some candidates had mixed up motivation and demotivation and provided signs of motivation. Further, some candidates had stated how employees should be motivated. Candidates should read the question carefully and correctly understand it before writing the answer.

#### **Question No. 06**

It was required to state 5 benefits of controlling by this question. Although it was an easy question, there were instances where candidates had written in detail matters that are not relevant, such as what is control and what could be controlled, without understanding the question correctly. Also, there were instances where the same benefit had been repeated in different ways. However, the performance level of answers was very high.

### **SECTION C**

#### **Question No. 07**

This is a question set to test the knowledge on leadership in management. It comprised of 2 parts covering knowledge understanding and application. Part (a) required explaining 3 differences between a leader and a manager. In explaining the differences, it was necessary to identify who a leader and a manager is and then, explain the differences between the two. Majority of the candidates had written correct answers and obtained marks.

Certain candidates could not obtain full marks because they had chosen one matter only and proceeded to explain that in detail unnecessarily. If those candidates appeared after preparing well for the examination having studied the subject matter they could have obtained high marks.

Part (b) of the question required writing of four qualities of a Leader. Majority of the candidates had answered this part satisfactorily. Certain candidates had written synonyms of the same quality. This was a simple question and full marks could have been obtained easily by listing four qualities of a leader.

### **Question No. 08**

Stating (a) 4 benefits of an effective organizing process and (b) 4 possible actions for creating an effective culture in and organization were the requirements of this question. It is observed that candidates had answered satisfactorily part (a) in comparison to part (b). Evaluation of answer scripts revealed that candidates had not understood the question properly. Although 4 benefits were sufficient, there were instances where irrelevant matters that had been written at length in detail.

Either because part (b) regarding creating of an effective culture was not correctly understood by candidates, or not being conversant with the subject matter, only a few candidates had written satisfactory answers. It was clear from the answers that majority of the candidates lacked of knowledge and understanding of organization culture.

### **Question No. 09**

Part (a) of this question required explaining 3 methods of overcoming resistance to change. Here it is important to understand correctly what is asked in the question. Candidates should frame the answers accordingly. By writing in detail matters not relevant to the question only wasting of time takes place. There were many such instances in the answers and only very few candidates had submitted satisfactory answers.

It was necessary in part (b) to state four factors which influence the unethical behaviours of employees of an organization. No explanation was expected and only listing of factors was expected. Majority of the candidates were successful in earning full marks.

## **SECTION D**

### **Question No. 10**

This was a compulsory question of 25 marks to be answered based on the given scenario. In comparison to previous years questions, it was observed that candidates had scored low marks to this question.

Part (a) – candidates ability to adjust management theories to practical situations is expected to be tested by this type of structured question. Accordingly, it was necessary to read the problem with proper understanding and adjust the theoretical parts practically to the questions raised. It was observed that they had tried to write just something. Although it is necessary to have proper understanding of the subject matter in answering a question of this type, it was revealed at the marking process that no attention had been paid to that aspect. Certain candidates however had understood the scenario and had written successful answers.

Part (a) of the question required candidates to examine why decision making is important. Though there are several aspects of importance of decision making, it was necessary to explain how they become important to solve the present problems of **Agro Mac PLC**. For example, making decisions to overcome the challenges faced as set out in the scenarios. It should be clearly explained that in order to re-capture the market share the company was making decision to diversify is very important.

Part (b) required explaining 3 principles of planning to guide the panning process. It was revealed that answers given were not at a satisfactory level due to candidates being unable to differentiate and identify principles of planning and planning methods. It was noted that many candidates had obtained low marks for this section. There were instances where instead of explaining principles of planning, other principles had been explained.

Part (c) of the question expected candidates to discuss how environmental analysis will be considered by the company for their business diversification using PEST analysis. While some candidates had written satisfactory answers for this part, some of them had written only about Internal Environmental characteristics. It was seen that instead of PEST analysis, even SWOT analysis had been explained.

Part (d) required explaining three key functions of the CEO as an effective leader of the organization. No satisfactory answers were found even for this part of the question.

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**Common factors to consider in order to improve the competency level of the exam candidates:**

1. Study the full syllabus.
2. When you receive the question paper read the instructions carefully (Extra time allocated for this purpose).
3. Candidates should carefully read the question several times and understand what is required. When a direct reply is expected writing unnecessary explanations and details should be avoided.
4. Manage the time efficiently at the examination.
5. Before handing over the answer booklet check twice that question numbers and your Index Number are written correctly.
6. The “Action Verb Check List” is included at the end of the question paper. Each question other than OTQs; begin with an Action Verb. Candidates should write the answers based on the definition given in that list.
7. Ensure that the handwriting is at a legible level and question numbers are properly stated for the answers.
8. Reading of Self-Study Text, Articles and Magazines, etc. is desirable.
9. Study and practice answering past question papers in order to improve your knowledge.
10. Face the examination well prepared with a firm determination of passing.

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