

## Examiner's Report

### AA2 EXAMINATION - JULY 2018

### (AA26) BUSINESS MANAGEEMNT & STRATEGY

---

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

Question 1 consists of ten (10) compulsory questions. Each question is for 2 marks and for 20 marks in total.

For questions 1.1 to 1.5, the most appropriate answer had to be selected and the number assigned to the selected answer only had to be written in the answer booklet. Candidates have to be mindful of time management in answering this type of questions and they should carefully follow the instructions relating to answering of questions. Although most of the candidates had followed the instructions correctly and written the answers, it was observed that a few of them had not followed the instructions.

Although only the number assigned to the question was required to be written in the answer booklet, there were instances where candidates had written the relevant answers in the question paper itself. Some candidates have not attempted some sub questions of this question to which marks could have been earned easily.

- 1.2** A considerable number of candidates failed to identify the management theory which explain the human dimension of work. The correct answer to this question was (2) behavioural theory.
- 1.4** In answering this question, misunderstanding the requirement to state which is not a limitation of controlling as a limitation of controlling has resulted in many incorrect answers. The correct answer to this part is (3) acceptance from employees.

In the case of 1.6 to 1.10, it was required to write in the answer booklet, with the question number, whether each of the given statements was “True” or “False”. Although majority of the candidates had written satisfactory answers, certain candidates were not able to earn marks due to lack of prior preparation or lack of knowledge. Further, some candidates had not paid attention to the instructions given and instead of writing “True” or “False” there were instances with symbols such as (✓) and (X) marked in the answers. To prevent this type of shortcomings, it will be absolutely necessary for candidates to follow instructions in a disciplined manner.

- 1.7** Considerable number of candidates had written incorrect answers stating that the statement “Centralization is a principle of management which was introduced by Henry Fayol” was incorrect. But candidates should understand that centralization is a management principle introduced by Henry Fayol.

## SECTION B

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

### **Question No. 02**

It was required to explain three (03) managerial skills to be developed by managers at different management levels. If the three (03) skills to be developed were stated and explained one by one full marks could have been obtained. Although managerial skills had not been identified exactly, some candidates had explained their contents. Certain others have just stated three managerial skills although they had not explained those. However, majority of candidates had named 3 managerial skills and had explained those satisfactorily and also had written proper answers submitting diagrams as well. It is more important to understand what is asked in the question. The managerial skills to be deployed by managers at different management levels can be stated to be Technical skills, Human skills and Conceptual skills.

### **Question No. 03**

The question required stating 5 characteristics of an objective. Candidates who correctly understood what was expected by the question had mentioned 5 characteristics of an objective and obtained full marks. Though the 5 characteristics were required to be stated as points, there were instances where detailed descriptions were written at length. Also, there were instances where time had been spent to write irrelevant matters, which could have been otherwise used gainfully to earn marks for other questions.

### **Question No. 04**

Explanation of three (03) advantages of delegation of authority was required. If three (03) advantages through delegation of authority had been presented with explanation on how it happened it would have been possible to obtain full marks. Majority of candidates had answered satisfactorily and earned full marks. However, some had only stated the facts without explanations. It was observed that some candidates had written answers paying attention to the rough idea of delegation based on managerial concepts, adding lengthy matters not relevant to the question. Matters such as effective management, employee development, motivation of employees, facilitation of growth, ability to set the basis for management hierarchy and better co-ordination can be stated to be the advantages of delegation of authority.

### **Question No. 05**

This question required identification of five (05) factors that should be considered in selecting a suitable media for an effective communication. It would be sufficient to identify what effective communication is and identify 5 matters to be considered in selecting a suitable media for an effective communication to obtain full marks for this question. Majority of the candidates had stated the matters to be considered in selecting a media and obtained full marks. However, some candidates had stated unnecessary matters apparently without a proper understanding about communication.

Instead of 5 factors to be considered in selecting a media for effective communication, there were instances where advantages of communication, characteristics relevant to communication had been written as answers. It would be unnecessary to devote time with lengthy descriptions. Cost, Speed, Accuracy, Nature of message, and Nature of receivers, scale of the task and importance of feedback can be stated as matters to be considered in selecting a suitable media for an effective communication.

### Question No. 06

The question required explaining “*organizational structure*” and “*stories*” out of the elements of the cultural web. Examination of answer scripts revealed that only a limited number of candidates had been able to write satisfactory answers. Although organizational structure is very easily identifiable in management studies which is an element that could have been easily explained, majority of the candidates had not earned the relevant marks. There were instances where candidates had presented better answers with diagrams of organization structures.

It was observed that majority of the candidates had scored low marks for “*stories*” because they had not explained matters in a satisfactory manner. Stories are the past events and people talked about inside and outside of the organization. Who and what the company chooses to immortalize says a great deal about what it values and perceives as great behaviour.

## SECTION C

### Question No. 07

This question comprised of two (02) parts (a) and (b).

**Part (a)** required stating two (02) differences between Traditional (Western) Management Style and Japanese Management Style. The candidates who had the knowledge of the two (02) styles had stated the two (02) differences comparing one another and were able to earn the marks, while some others without such understanding had written irrelevant differences and were unable to score any marks. There were instances, where instead of stating the difference candidates had explained each style separately.

**Part (b)** required explaining three (03) contemporary management challenges which may be faced by the given company, **Maldeniya Industries**. It was possible to state three (03) management challenges and score marks by explaining those challenges which may be faced by the company. Majority of the candidates had written satisfactory answers in that manner while certain candidates had only named the challenges without explaining how those affected. There were also instances which candidates had given up answering. It was observed that, as a whole, the performance of candidates in answering was at an average level for this question. Matters such as globalization, demand for products and services of high quality, increasing workforce diversity and different cultures and continuous change in the technology could be stated as the contemporary management challenges.

### Question No. 08

This question consisted of two (02) parts.

**Part (a)** required discussing the importance of strategy for an organization. In discussing the importance of strategy after presenting facts logically on different aspects, the importance of strategy should be pointed out. It was observed that majority of the candidates had not properly understood this question. It was revealed that some candidates had written irrelevant matters, explain things on different management concepts and the earning marks was also at a very low level. However, it was revealed that a very limited number of candidates had presented answers properly and carefully.

**Part (b)** required explaining the two (02) strategic alternatives in the Ansoff Matrix of strategic option generation (i) Product Development and (ii) Diversification. It was found that some of the answers to this part were not at a satisfactory level. It was abundantly clear that some candidates had no prior preparation for the examination. Some candidates had written fairly satisfactory answers. Some had written answers without explaining the terms. The number of candidates receiving full marks was very limited. Candidates should understand that “Product Development” is the process of development of a new product to the existing customers.

### **Question No. 09**

This question consisted two (02) parts.

**Part (a)** required explaining three (03) parameters for a successful change. Majority of the candidates had given up answering this part of the question. Assumption of reason for answering may be not understanding the question, or not studying this subject or not knowing the meaning of “Parameters”. A very small number of candidates had written that change was necessary for the success of management and set down the parameters for same and obtained full marks. Candidates should understand that three parameters for a successful change are need for a change, adaption and resources. It would be absolutely necessary to know the relevant theories clearly and explaining those correctly.

**Part (b) (i)** It was required to identify two (02) internal stakeholders of an organization, and  
**(ii)** required to explain their influences towards the organizational operations.

It was observed that majority of the candidates had answered this question satisfactory. Candidates should understand those parties such as shareholders / owners, managers and employees can be treated as internal stakeholders.

## **SECTION D**

### **Question No. 10**

A scenario based case study question. This has been set to test the manner in which candidates make use of theoretical knowledge relating to the incidents of the given scenario. This question comprises of 03 **parts (a), (b) and (c)**.

#### **Part (a)**

This part required discussing the leadership styles of **Mr.Priyantha** and **Mr.Austin**. The leadership style of each person should be identified after reading through the case study and examining various aspects of their performance in the roles of leadership. A considerable number of candidates had written irrelevant answers, such as president leadership and Democratic Leadership. However, only a small number of candidates had correctly identified that **Mr. Priyantha** had adopted transformational leadership style while **Mr.Austin** had adopted transactional leadership style. As two (02) persons are involved only two (02) styles of leadership should be considered. Therefore, the leadership style of each other should be correctly identified in relation to the scenario.

There were instances where candidates had stated several styles of leadership. However, it was revealed that earning of marks for this part of the question was at a very low level.

### **Part (b)**

This part required explaining two (02) motivational theories that could be considered by the company to motivate the employees. What should be done is to carefully read through the case study, understand and explain two (02) motivational theories. 12 marks were allocated to this question and it is important to consider the marks allocated to a question when answering questions. Further, when explaining motivational theories it is necessary to do so in an appropriate manner, making it relevant to the scenario. In answering this question, theories such as Hierarchy of Needs Theory, Two Factor theory, ERG Theory, McClelland's Acquired Needs Theory, could be adopted.

### **Part (c)**

This part required to explain why organizational culture important for operations of this company. Explaining what organizational culture is through proper understanding of it and how it becomes important to the given company have to be done. Answers given by candidates for this part on the whole appeared to be at a satisfactory level and majority of the candidates were able to earn the marks allocated to this part. Candidates should understand that for the unity, loyalty, competition, direction and identify of an organization, its organizational culture is of utmost importance.

- - -

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

1. Study the syllabus well.
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 answer 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.

- \* \* \* -