



ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA

LEVEL II EXAMINATION - JANUARY 2021

(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.

21-03-2021

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 The main functions of the management process are:

- (1) Planning, Unity of Command, Motivation and Leading.
- (2) Planning, Organizing, Leading and Controlling.
- (3) Planning, Decision Making, Communication and Leading.
- (4) Planning, Effectiveness, Efficiency and Productivity.

1.2 Which one of the following is **not** a principle of planning?

- (1) Principle of flexibility.
- (2) Principle of team work.
- (3) Principle of influence.
- (4) Principle of complexity.

1.3 A support activity of the Porter's Value Chain is:

- (1) Operations.
- (2) Firm infrastructure.
- (3) Inbound logistics.
- (4) Services.

1.4 Which one of the following is an internal determinant of rewards?

- (1) Labour market conditions.
- (2) Worth of a job.
- (3) Cost of living.
- (4) Government's policy.

1.5 Consider the following:

- (a)** Work from home.
- (b)** Employees' outsourcing.
- (c)** Work life balance.

Of the above, the correct innovation/s in Human Resource Management is/are:

- (1) **(a)** only.
- (2) **(a)** and **(b)** only.
- (3) **(a)** 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 Organizational culture can be identified as one of the (*internal / external*) factors that influence the organizational strategy.

1.7 (*Authority / Responsibility*) flows from top to bottom.

1.8 (*Growth / Recognition*) of an employee is an example for esteem need of Hierarchy of Needs theory.

1.9 (*Selection / Induction*) is the process of introducing and familiarizing new employees to the organization.

1.10 (*Educational qualification / Main duties to be performed*) is an element of Job Description (JD). (01 mark each, 05 marks)

Write 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) advantages of group decision making.

1.12 List two(02) elements of supply chain management.

1.13 State two(02) objectives of Human Resource Management (HRM).

1.14 State two(02) causes for grievances of employees of an organization.

1.15 State two(02) characteristics of Business Process Re-engineering (BPR).

(02 marks each, 10 marks)

(Total 25marks)

End of Section A

SECTION B

(Total 50 marks)

Question 02

The business environment is highly volatile and every business organization has to face changes in the dynamic environment. Hence managers need to be innovative in their thinking in order to face the challenges. Management thinking has continued to change in line with the social, cultural, political and economic changes that have been taking place in the business environment over the years.

You are required to:

- (a) **State** three(03) characteristics of Bureaucratic Management Theory. (03 marks)
- (b) **Explain** three(03) skills required by a manager. (03 marks)
- (c) **Explain** two(02) new trends in management emerged due to COVID-19 global pandemic. (04 marks)

(Total 10 marks)

Question 03

The production manager of **XYZ Ltd.**, had argued that planning is useless, because all the plans that they have developed did not achieve the expected results in the past few years. The CEO of **XYZ Ltd.** advised at the management meeting that all the plans should be developed in a realistic way by analysing all the relevant factors and suggested that decision making also should be more rational.

You are required to:

- (a) **State** the steps of the rational decision making process. (03 marks)
- (b) **Explain** three(03) reasons as to why planning is important for an organization. (05 marks)
- (c) **State** two(02) possible reasons for the failure of plans developed by the Production Manager of **XYZ Ltd.** (02 marks)

(Total 10 marks)

Question 04

Operations Management is an important function of the organization and it helps to continue the day to day activities of the organization effectively and efficiently. To run the business operations smoothly, authority is required to be delegated properly.

You are required to:

- (a) **Identify** four(04) key functions of Operations Management. (02 marks)
 - (b) **State** two(02) new technologies used in Operations Management in today's context. (02 marks)
 - (c) **Explain** three(03) advantages of delegation of authority. (06 marks)
- (Total 10 marks)

Question 05

New health guidelines issued by the government to control COVID-19 pandemic have created new set of controls inside organizations. This leads managers to use different communication methods to inform their staff about these controls. But some employees of most of the organizations do not adhere to these guidelines because those guidelines have not been effectively communicated to staff by the respective organization.

You are required to:

- (a) **List** two(02) benefits that can be obtained by effective communication for an organization. (02 marks)
 - (b) **State** the main steps in a process of controlling. (04 marks)
 - (c) **Explain** two(02) factors to be considered in controlling by an organization due to new health guidelines. (04 marks)
- (Total 10 marks)

Question 06

Marketing plays a key role in an organization. Success or the failure of an organization might depend on the quality of marketing techniques it uses. Therefore, organizations must properly handle its marketing activities in developing the organizational strategies. Most of the organizations give more prominent for their "branding" as a main marketing activity.

You are required to:

- (a) **State** the four(04) variables of marketing mix (4Ps). (02 marks)
 - (b) **State** two(02) requirements of a successful brand. (02 marks)
 - (c) **Explain** three(03) reasons as to why branding is important for a business organization. (06 marks)
- (Total 10 marks)

End of Section B

SECTION C

(Total 25 marks)

Question 07

Susantha is a pottery businessman who inherited his business from his father. He has managed to grow his traditional business to a certain level of success. He is the only person who involves in all marketing activities which are done using his personal connections. Now he is planning to establish an online platform for his business. But **Susantha's** father has not agreed with **Susantha** regarding using the advanced technology for their business.

Susantha has taken initiatives to introduce a strategic plan to the business and his strategy is to make this business more focused on the "Made to Order" business. E-commerce and social media platforms are some of the new initiatives which **Susantha** is planning to introduce.

Changes which were planned by **Susantha**, have a high impact on daily wage workers due to the risk of losing their jobs. Further, some of the senior employees who are committed at work are unhappy with these changes. **Susantha** is planning to recruit skilled employees for their business to cater the new demand as the Sri Lankan government has also taken initiatives to promote traditional businesses in Sri Lanka.

As employees resist to change, **Susantha** decided to conduct a workshop targeting all the staff to inform regarding the new changes and why those changes are required.

You are required to:

- (a) **Explain** three(03) ways by which digital marketing could be used for **Susantha's** business. (06 marks)
- (b) **Explain** using the PESTEL analysis, how the environment analysis could be considered by **Susantha** when developing a strategic plan for his business. (08 marks)
- (c) **Identify** four(04) strategies to overcome human resource surplus. (04 marks)
- (d) **Explain** two(02) ways that **Susantha** can use to overcome resistance to change. (04 marks)
- (e) **State** three(03) characteristics of a successful modern leader. (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.