

**EXAMINER'S REPORT****LEVEL I EXAMINATION - JANUARY 2021****(104) BUSINESS ENVIRONMENT**

---

**Introduction:**

As the entire question paper covered almost all the area of Business Environment specified to the level -I, the aim was to check candidates' overall knowledge and understanding of the subject area. As a whole most of the candidates' performance were satisfactory while others were failed to answer well.

Following are the facts put forwarded by the examiners:

**SECTION A****Question No. 01**

Most of the subject area have been covered in this section. Almost all the candidates attempted this question. 40 marks out of 100 have been allocated and considerable number of candidates obtained successful marks. However, it was also noted that considerable number of candidates have provided incorrect answers for question number **1.8, 1.9, 1.12, 1.17** and **1.20**. The observations regarding the questions are as follows:

- 1.8** The question enquired about the participants in the Real Time Gross Settlement System. Most of the candidates had marked Employees' Provident Fund as the answer instead of the correct answer "*Employees' Trust Fund*".
- 1.9** The question required to select the document which is not required for the incorporation of a company. However, most of the candidates have selected "The Article of Association" instead of the correct answer "*Last year's Financial Statements*".
- 1.12** It was required to state "*Maximum number of shareholders of a Public Limited Company is 50*" is True or False. Though, this statement is "*False*" most of the candidates have mentioned it as "*True*".
- 1.17** It was required to explain the meaning of "*Sustainable Environment*". As this is a new concept, majority of the candidates were unable to write a correct answer for this.
- 1.20** It was required to state 2 elements of a cheque. Instead of elements, most of the candidates have stated parties of a cheque.

Except for these questions, most of the candidates have performed well for other questions. Overall performance for this part was satisfactory.

## SECTION B

### Question No. 02

This section consisted of 4 compulsory questions. Each question was allocated 10 marks.

The question was based on the area of *“Supporting Services required for Businesses”*.

- (a) Tested the functions of money. Almost all the candidates answered this **Part (a)** successfully and obtained full marks and others had explained characteristics of money instead of functions.
- (b) Tested the knowledge on Principles of Insurance. Most of the candidates had not understood the term. Some of them had explained parties involved in an Insurance agreement instead of principles of insurance. Though, this was a very simple question, some candidates were unable to state the principles of insurance correctly.
- (c) Tested the knowledge about the importance of Insurance for a Business Organization. Considerable number of candidates had only explained the benefit of Life Insurance and most of the candidates had not explained in detail and only stated in point form and earned lower marks. They were unaware of the benefit of minimizing risk, provision of welfare of employees, enhancement of credit facilities of business, etc.

### Question No. 03

It was expected to test the candidates' knowledge about Distribution Channels and Global business environment.

- (a) It was required to state the disadvantages of an improperly managed distribution channel.  
Majority of the candidates had written answers by using their general knowledge. Most of them were able to obtain full marks.
- (b) This part was based on the factors to be considered when selecting a good distribution channel. Majority of the candidates had not written answers to the point and they have given vague answers to this part with their general knowledge. However, considerable number of candidates have got full marks.
- (c) Tested the knowledge as to why a business needs to expand its operations globally. Most of candidates had given reasons without explaining. Therefore, the candidates were failed to obtain full marks for this part. It was also noted that some candidates had no idea regarding global business environment and they have just mentioned only the fact that it opens up avenues to new markets.

However overall performance of the above question is satisfactory and most of the candidates were able to obtain satisfactory marks.

#### Question No. 04

- (a) It was expected to test knowledge of entrepreneurship from this question. It was required to state characteristics of an entrepreneur. Almost all the candidates had identified the characteristics of an entrepreneur and obtained full marks.
- (b) Most of the candidates had understood the reasons as to why entrepreneurship is important to Sri Lankan economy and they have mentioned reasons correctly without giving explanations, though it was required to explain the reasons. Due to that they were unable to obtain the full marks allocated.

However overall performance of the above question is satisfactory and most of the candidates were able to obtain satisfactory marks.

#### Question No. 05

It was expected to test the knowledge of the candidates regarding Business Environment including actions to prevent environment pollution, stakeholders of a business, challenges faced by SMEs. Etc.

- (a) This part tested the knowledge of stakeholders of the given scenario. Most of the candidates had correctly identified the stakeholders and obtained full marks for this question.
- (b) This part was based on the actions that can be taken to prevent Environmental Pollution when operating an Ayurvedic Hospital. Considerable number of candidates had not answered this question properly relating the given scenario. But, they have mentioned general actions to prevent environmental pollution and were not able to obtain full marks.
- (c) This part tested the challenges faced by SMEs in Sri Lanka. Most of the candidates have given answers by using their general knowledge without referring to business knowledge relating to SMEs. Some irrelevant answers were also observed such as imposing high tax rates/ lack of contribution/ lack of support by the government/ political situation etc.

Overall performance for this question was not that satisfactory.

### SECTION C

#### Question No. 06

This was a case-study based question relating to **Refresh Ltd.** and from this question, it was expected to examine the knowledge of E-commerce / Transportation and ERP system relating to the given business. As we observed almost all the candidates have attempted this question and most of them had obtained satisfactory marks for this.

- (a) It was required to explain ways by which the given company uses E-commerce to its business operations. Majority of candidates had written E-commerce uses by **Refresh Ltd.**, but they have not explained it clearly. Therefore, most of them were not able to obtain full marks. But some of them had not understood the question properly and they have given answers such as business support services/advantages from E-commerce to both business organizations and customers.

- (b) It was expected from this question to test the knowledge of an efficient transportation system. It was specifically required to identify advantages available to **Refresh Ltd.** through an efficient transportation system. Considerable number of candidates had given correct answers and were able to obtain full marks.
- (c) The question tested the qualities of a good transportation system. Most of the candidates had written correct answers and were able to obtain full marks.
- (d) This part was based on advantages of using cheques than using cash. Considerable number of candidates had obtained full marks. Some of the candidates had repeated the same explanation more than once for this part and were not able to obtain full marks.
- (e) This part tested the knowledge on Electronic Communications that could be used by **Refresh Ltd.** Most of the students had given answers by using their general knowledge without considering the scenario. However, they were also able to obtain full marks.

- - -

**General points to be considered in developing the level of understanding of candidates:**

- (1) When you get the question paper, read the instructions on the paper carefully before start answering the question paper.
- (2) Get the maximum use of Self-Study Text published by AAT Sri Lanka because it is the best guideline covering the entire syllabus.
- (3) Read the question carefully and answer only what is asked in the question. Do not write unnecessary explanations and details. A direct and an accurate answer is expected for the question.
- (4) When you answer, time management is very important.
- (5) Action verb Check List with definitions is attached to the question paper itself and each question will begin with an action verb excluding Objective Test Questions (OTQs). Candidates should answer the questions based on the definition of the verb given in the Action Verb Check List.
- (6) Before handing over the answer script, check whether the question numbers and your index number have been written correctly.
- (7) Do not write answers in the question paper itself and write the answers in the answer script.
- (8) By answering past question papers, you can improve the subject knowledge as well as the ability of writing skills.
- (9) Make use of recently published magazines, hand books, newspapers and text books to update the knowledge.
- (10) Never try to give up any questions as this habit may lead to fail the exam.
- (11) Face the examination with a good preparation and with the utmost hope of passing the examination.

- \* \* \* -