SRI LANKA

ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA

EXAMINER'S REPORT

AA1 EXAMINATION - JULY 2019

(AA15) BUSINESS OPERATIONS AND MANAGEMENT

The objective of this question paper was testing of overall knowledge of all the sections of the subject. "Business Operations and Management" practical situation is also apparent. The main objective of this Examiners' Report is paying attention to asses in which performance had been at a lower level, and help candidates to improve their future performance.

Except a very limited number, candidates had been able to answer well at this examination. A few weaknesses generally observed from the answers are set out below:

Section A

Question No. 01

By this section, entire subject of Business Operations Management has been tested and almost all of the candidates have attempted this question. 40 marks out of 100 have been allocated and majority of the candidates had obtained considerable marks. Most of the candidates had not answered successfully questions **1.4**, **1.7**, **1.13**, **1.15** and **1.18**. The observations regarding those questions are as follows:

- **1.4** Majority of candidates were not aware of the composition of a private limited company. Most of the candidates had explained "shares permitted to be issued to the public" instead of the correct answer.
- 1.7 As most of the candidates had not identified the elements of job specification, most of them had not been able to give the correct answer from the given choices to this question.
- **1.13** Most of the candidates had not understood the characteristics that need to be perceived as a successful brand as per Phillip Kotler. Therefore it is important that the candidates should have a clear knowledge about the Philip Kotler's theory.
- 1.15 The majority of candidates had not identified the quality certification for environment impact awarded to the organization and most of the candidates had chosen the answer no. 01 instead of no.04.
- **1.18** Most of candidates had selected National Savings Bank as an example for a commercial bank.

Therefore candidates should improve their knowledge on fundamental concepts of Business Operations and Management as included in the study pack. Except for above specified questions, most of the candidates have answered well.

Section B

This Section consisted of 04 compulsory questions to be answered and each question carried 10 marks.

Question No. 02

The question was based on Types of Business, Communication and Transportation.

- Part (a) Tested the features of Partnership. Majority of candidates had answered this part satisfactorily and obtained full marks. However few candidates had not explained the features.
- Part (b) (i) Tested the qualities of Communication. Majority of candidates had answered this part satisfactorily and obtained full marks.
 - (ii) Tested the features of Transportation. Majority of candidates had answered this part successfully and obtained full marks. Those who failed to scores had written about mode of transportation. Therefore it is necessary to read and understand the question well before answering.

Question No. 03

It was expected to test the candidates' knowledge on Business Organization.

- **Part (a)** Candidates had written features of business organization and majority of the candidates had obtained full marks to this part.
- Part (b) This part was based on Porter's Value Chain. Most of the candidates had not understood the primary activities and supportive activities of Porter's Value Chain. Very few candidates had given the correct answer. Some candidates had listed the primary activities and supportive activities, but not explained. Some candidates had written supportive activities instead of primary activities. This proves that candidates should strengthen their knowledge regarding Operation Management in an organization. Those who attempted this question had given vague answers.

Question No. 04

This was based on Human Resource Management. Majority of the candidates had obtained high marks.

- Part (a) Majority of candidates had understood the Functions of Human Resources Management and obtained full marks. But some candidates had answered the question with their general knowledge. Few candidates had written the functions of the management instead of functions of Human Resource Management.
- Part (b) Majority of candidates had explained functions of Human Resource Management properly and obtained full marks. But the rest of the candidates had not explained well and given short explanations. Few candidates had explained the management functions.

Question No. 05

It was expected to test the knowledge of the candidate regarding Marketing. Majority of candidates had obtained average marks. This question was based on a case-study of 'KIDO' food restaurant in Galle.

- Part (a) (i) This part tested the variables of marketing mix of 'KIDO'. Most of the candidates couldn't obtain full marks due to failure in explaining the variables considering the facts given in the case-study.
 - (ii) This part tested the 'Target Marketing Approach' for KIDO's food chain. Average number of candidates had answered this part and obtained full marks. Some candidates had written different facts without understanding the question due to lack of knowledge on marketing approaches.
- Part (b) This part was based on positioning strategies. Majority of candidates had not answered properly and have obtained low marks for this question due to failure in identifying the term of "positioning". Most of the students had answered positioning as place / location.

Section C

This section consisted of 01 compulsory question for 20 marks.

Question No. 06

This was a case-study based question regarding "Easy Soft" and it was expected to test the knowledge on Information Management and Globalization. Majority of the candidates have attempted this question and most of them had obtained average marks.

- Part (a) Majority of candidates had clearly assessed the Easy Soft business environment using PEST analysis and they had obtained high marks out of 6. But limited number of candidates had explained the PEST analysis without considering the given scenario.
- Part (b) The question expected to test the knowledge on SWOT analysis of Easy Soft. Almost all the candidates had understood the case well. They had given expected answers and obtained full marks.
- Part (c) The question tested the knowledge of characteristics of good information. Almost all the candidates had answered the question properly and obtained full marks.
- Part (d) This part was based on ERP software of Easy Soft. Majority of the candidates had failed to answer this part due to the poor knowledge on ERP. Very few candidates had obtained full marks.
- Part (e) It tested the knowledge on E-commerce. Average number of candidates had answered successfully and obtained full marks. Most of the candidates had written answers without understanding the question properly and they have written the effect of E-commerce instead of the key factors that affect the <u>success</u> of E-commerce.

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

- (1) When you get the question paper, read the instructions carefully given to candidates, before start of 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 from 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 forward with the answer script.
- (8) By answering past question papers, you can improve the subject knowledge as well as the ability to write answers well.
- (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.
