

EXAMINER'S REPORT**LEVEL I EXAMINATION - JULY 2022****(104) BUSINESS ENVIRONMENT**

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

SECTION A**Question No. 01**

By this section, overall areas of the subject of Business Environment have been covered and almost all the candidates have attempted the question. 40 marks out of 100 have been allocated and majority of the candidates had obtained between 20-30 marks. Most of the candidates had not answered successfully the question **1.5**, **1.14**, **1.16** and **1.18**. The observations regarding the questions are as follows:

- 1.5** A majority of the candidates were not aware of the Limited Partner. They had selected "General Partner" instead of the correct answer.
- 1.14** Most of the candidates had not identified that drawee can make a general crossing of a cheque.
- 1.16** Most of the candidates were not aware of the difference between money market and capital market. Some candidates mentioned that only money is being exchanged in money market and capital goods are being exchanged in capital market.
- 1.18** Most of candidates had not identified the difference between formal organization and informal organization. Majority of the candidates have given vague answers.

However, except above questions, most of the candidates have answered this part satisfactory.

SECTION B

This section consisted of 4 compulsory questions. Each question had been given 10 marks.

Question No. 02

The question was based on type of Business Organizations.

Part – A It was required to identify the type of business organization that **Chinthaka & Kithmina** can consider in starting up their businesses.

Considerable number of candidates had not answered properly this part and they had mentioned the type of business organization as private company instead of partnership / joint venture.

Part – B It was required to explain the features of the organization which have mentioned above (partnership or joint venture) and majority have answered this question well and obtained full marks.

Part – C It was required to state disadvantages of the above business organization. Most of the candidates have answered satisfactory this question and were able to obtain marks.

Question No. 03

It was expected to test candidates' knowledge on Money and Bank.

Part - A It was requested to explain reasons why money is important to a business organization. Majority of candidates had answered well and obtained full marks. Some have given general answers but not to the point. Therefore, the candidates were unable to obtain full marks for this question.

Part – B Majority have answered this question well and obtained full marks.
It was required to identify benefits available to a current account holder.

Part – C It was requested to explain the difference between “a post-dated cheque” and “an open cheque”.

Most of the candidates were unable to obtained full marks due to failure in explaining the difference between “a post – dated cheque” and “an open cheque”. Majority of candidates have given vague answers with their general knowledge.

Question No. 04

- Part – A** Reasons for entering in to the international trade were tested.
Majority of candidates had understood main reasons for entering into the international trade and obtained satisfactory marks.
- Part - B** Most of the candidates had correctly understood how the government may support **Giger Ltd.** and obtained full marks but some of them had answered this part with their general knowledge.
- Part – C** It was required to explain ways as to how **Giger Ltd.** may contribute development.
Most of the candidates were unable to obtain full marks for this part due to failing to explain the contribution of the **Giger Ltd.** to the development of the country.

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

Question No. 05

- Part – A** It was required to state advantages of a good transportation system.
Most of the candidates had identified the advantages of good transportation system correctly and obtained full marks.
- Part – B** It was required to identify elements of a transport system with an example each.
Majority have not answered this part successfully and they have explained the features of a good transport system instead of elements of a good transport system.
- Part – C** It was required to state reasons for the popularity of electronic trade.
Most of the candidates had identified reasons for the popularity of the Electronic Trade and obtained full marks.

SECTION C

Question No. 06

This was a case-study based question regarding **Richy Cookies**. Almost all the candidates have attempted this question and most of them had obtained reasonable marks for this question.

- Part – A** It was required to explain the internal & external business environment of the given organization.
Majority of the candidates had written internal and external business environment of the **Richy Cookies**, but not explained the business environment properly. Therefore, they were unable to obtain full marks.

- Part – B** The question was expected to test the knowledge of SWOT relating to **Richy Cookies**. Considerable number of candidates have identified SWOT of **Richy Cookies** properly. Some had written PESTEL instead of SWOT.
- Part – C** It was required to state determinants of distribution channel which can be considered by **Richy Cookies**.
Considerable number of candidates had answered well and earned full marks. But some have misunderstood the question.
- Part - D** This part tested the challenges faced by Sri Lankan SMEs'. Majority had earned full marks with their general knowledge.
- Part – E** This question tested how **Richy Cookies** can support to achieve environmental sustainability. Considerable number of candidates had not understood the question and they have given vague answers. Those candidates had explained using their general knowledge.

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

- (1) Get the maximum use of Self-Study Text published by AAT Sri Lanka because it is the best guideline covering the entire syllabus.
- (2) 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.
- (3) When you answer, time management is very important.
- (4) 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.
- (5) Before handing over the answer script, check whether the question numbers and your index number have been written correctly.
- (6) Do not write answers in the question paper itself and write the answers in the answer script.
- (7) By answering past question papers, you can improve the subject knowledge as well as the ability of writing skills.
- (8) Make use of recently published magazines, hand books, newspapers and text books to update the knowledge.

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