THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN **EXAMINERS' COMMENTS**	
SUBJECT Business Management and Behavioural Studies	**SESSION** Certificate in Accounting and Finance – Spring 2015

General:

It was an easy paper, but still the overall performance of majority of the students was poor, which in our opinion was mainly due to selective study. It was also noted that many students could not apply their knowledge to the scenario-based questions. They gave their answers in isolation without carefully figuring out the requirements of the questions.

Question 1(a)

Before starting to attempt any question it is important to read the question carefully. Candidates tend to pick a familiar word from the question and start answering it without comprehending what is being asked. In this question, the Role of Managers in their decision making capacities was asked whereas most of the candidates wrote at length on the Role of managers in the overall business environment.

Question 1(b)

A number of the candidates were unaware of the main feature of a Matrix organization, i.e. dual command. Some of them stated the history as to how this system was evolved which was totally irrelevant. Many candidates mentioned multiple command system instead of a dual command system. The concept of project manager and functional manager were covered by very few candidates.

Question 2

In this question, students were required to identify and explain factors that contribute towards the good performance of a company in the context of Peter Drucker's management theory. Most students ignored the specific context in which the question was asked. Majority of the candidates did not comprehend the question or suffered due to lack of knowledge of Drucker's theory. Many students explained in detail the process of management by objectives, including advantages and disadvantages of MBO which were not relevant. A few students vaguely stated planning steps of performance, viz. establishment of priorities, scheduling of tasks, establishing checks and controls to ensure achievement of assigned objectives and contingency plans for any unexpected problems as well as unscheduled events. These points are not in accordance with Drucker's concept of management's role for achieving good performance.

Question 3(a)

In this scenario-based question candidates were required to explain the considerations, which the management should keep in perspective while forming a workgroup. The overall performance was good. However, some candidates did not grasp the question and explained characteristics of effective groups, viz. forming, norming, storming, etc.

Question 3(b)

Performance in this question was average. The requirement was to list the salient features which must be kept in perspective by managers to achieve optimal performance from employees according to Theory X and Theory Y. However, some students described the types of managers and their approaches in dealing with the employees like autocratic, consultative, persuasive etc. which was not relevant.

Question 4(a)

The term Motivation was defined in highly general terms as most students tried to produce the dictionary meaning rather than defining it in the context of business management. Many students instead of defining the term 'motivation' mentioned the factors that would lead to motivating individuals.

Question 4(b)

This question pertained to limitations of Maslow's Theory of Hierarchy of Needs. The overall performance in this part of the question was satisfactory. However, some students failed to understand the requirements of the question and instead of explaining the limitations of the theory, they explained the Needs as discussed in Maslow's theory. Many students wrote that Maslow's concept of self-actualization had flaws but did not explain those flaws. Many students could not highlight the limitations and repeated the same points in different ways.

Question 5(a)

In this part the candidates were required to match the specified electronic devices with their uses. Almost all the students performed well and it was the best attempted question of this paper.

Question 5(b)

In this part, the candidates were required to describe a Decision Support System and identify its characteristics. The performance was rather poor. Most of the replies were generalized and revolved around the decision making process and the computer. Specific replies were rare. The students are advised to seek guidance from ICAP's suggested answers.

Question 6(a)

This part of the question had two requirements, i.e. the skills that the members of a negotiating team should possess and the steps which they should take before the conduct of negotiations and the approach that should be adopted during negotiations.

As regards the skills, a significant number of students correctly identified Active Listening and Verbal Communication skills. However, majority of them could not explain the importance of listening skills. The points relating to ethics and reliability were totally ignored. Many students wrote irrelevant points as they tried to include all the good qualities that an individual may possess.

The second requirement was not understood by majority of the candidates. Random answers were given. Important points such as what concessions can be offered and alternative ways of achieving the objectives were rarely covered. Further, since the negotiations were to be held with a team representing the government, it was very important that any kind of hostilities are avoided as far as possible. This aspect was also not covered in majority of the cases.

Some students did not understand the question and gave detailed explanation of various stages of negotiations.

Question 6(b)

This part of the question required brief explanation of the factors for successful change implementation. This question has been asked in the past also and most of the students had a clear idea of the requirement of the question. However, some candidates failed to grasp the essence of the question and explained in detail the PEST factors and focused on the roles and responsibilities of change agent.

Question 7

In this scenario-based question, candidates were asked to describe the steps that should be taken by the CEO to resolve the conflict between the Marketing and the Procurement departments of the company. Poor response was observed in most of the replies. Instead of discussing how the CEO may try to resolve the situation and create a win-win situation, most of the candidates, without analysing the situation, talked about meeting profit targets, need for revision of procurement procedures and proposed changes in marketing strategy. Most of them depicted the CEO in the capacity of a boss rather than a facilitator.

Question 8

In this question, the students were required to define the term 'attitude' and also identify and explain its different components. Most of the students performed well and offered reasonably good replies. However, many candidates who hadn't studied this topic, tried to give dictionary meaning of the term which is not appropriate in the context of attitude in business organization theory.

Question 9

In this question, brief explanation of the concepts of job satisfaction, self-efficacy and power distance dimensions were required. The performance remained below average as most of the students gave generalized answers which were mostly based on guesswork and in which there was very little or no value addition. For example, many candidates stated job satisfaction as the satisfaction one gets from job, whereas, power distance dimensions was explained as the distance between the subordinates and the managers or as power culture prevailing in an organization.

Some students wrote lengthy explanations ignoring the fact that each concept carried only two marks.

Question 10(a)

In this part of the question the candidates were required to explain the terms Batch Processing and Real Time Processing with two advantages in each case. Generally, the students were able to score good marks. However, few students seemed too confused and related batch processing with collection of similar products of the company in batches in the warehouses and dispatching products immediately as real time processing.

Question 10(b)

Majority of the students gave proper explanation of a computer network and its advantages and scored high marks in this part of the question.

Question 11

In this question the candidates were required to identify and briefly explain any **five** inter-related elements which can be readily observed in the cultural web of a typical large corporate entity. A mixed performance was seen as some very good performances were observed along with a number of cases where the students were totally blank. Further, there were a number of candidates who were only able to identify the elements but were unable to explain them well.

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