

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN	
EXAMINERS' COMMENTS	
SUBJECT Business Management and Behavioural Studies	SESSION Certificate in Accounting and Finance – Autumn 2016

General:

The questions in this paper were framed to test the level of understanding of the topics in the syllabus and applications of the management concepts in given business situations. The overall performance in the paper was good. Those who did not perform well suffered mainly due to (i) inadequate preparations for the examination, (ii) lack of ability to fully comprehend the precise requirements of the questions and (iii) constraints of suitable vocabulary and presentation skills to precisely express one's thoughts.

Question-wise comments are presented below.

Question 1

The requirement in this question was to discuss the salient features of some of the Organisational Configurations as described by Mintzberg in his theory of Organisational Configuration. The overall performance was satisfactory as the dominant roles of techno structure in Machine bureaucracy and professional staff in Professional bureaucracy were mentioned by a number of the students. However, in the Divisionalised form of organisational structure, the key attribute that the divisional managers are powerful and exercise strong influence on the strategic apex was missed by a number of students. In an organisational structure in which Adhocracy assumes a dominant role, the basic point that the internal support staff is of critical importance as it liaises with the external experts and consultants was not mentioned by quite a number of the students. Some of the students erroneously identified the support staff as clerks and janitors.

Question 2(a)

Replies to the question pertaining to external factors which necessitate changes in strategies and policies of organisations were quite satisfactory. All the relevant factors, viz. political, economic, social and cultural, technological, ecological/environmental and legal were stated by the students. However, in a number of the replies, the distinctions between political, economic and legal factors lacked clarity and therefore resulted in loss of marks.

Question 2(b)

The important characteristics of Japanese companies as illustrated by William Ouchi were stated by most of the students and they earned good marks. However, some students made comparison between the characteristics of Japanese and American companies which was not required.

Question 3

In this question, four situations were given. The students were required to identify the leadership styles in the context of Hersey and Blanchard's style of situational leadership in each situation and also state when these styles would be most effective.

The overall performance was average. Approximately, 11 percent of the students did not attempt this question. Although a fair number of the students correctly identified the leadership styles in the given situations, many of them were not able to relate the situations in which these styles would be most effective with levels of competence and degree of commitment of the subordinate staff.

Question 4

This question required identification of activities in the secondary value chain as stated by Michael Porter and also a brief description of their roles by which they add value for the business entity. A significant number of the students - 23 per cent - did not attempt this question. Mixed performance was witnessed among the rest. According to Porter, the activities in the secondary value chain are purchasing, technology development, human resource management and creation of a corporate infrastructure. Wholly out of context answers such as motivation of employees, effective communication, evaluation of performances of teams and finance function were given by the erring students.

Question 5 (a)

The overall performance in this question pertaining to negotiation techniques was average. A significant number of the students had fair understanding of the approaches/tactics adopted in 'the Chicken, Inflated opening position, and Oh poor me' types of negotiation techniques. However, inability to offer explanations of the concepts with clarity resulted in loss of marks.

In the 'Chicken' approach, the crucial point that inability to implement the threat would undermine the power and credibility of the party that adopts this posture was not mentioned by a number of the students.

Inflated opening posture is a low risk technique in which a highly inflated or exaggerated negotiation posture is adopted to elicit a counter offer and assess the other party's bargaining position. The point that an extremely inflated position may appear to be unethical and result in negative response from the other party and breakdown of the negotiation process was missed by many students.

Oh poor me approach is a low risk negotiation approach which seeks to gain sympathy from the other party to obtain maximum concessions. The drawback of this approach i.e. that the opposite party may adopt a more aggressive approach to extract maximum advantage which may be detrimental to the interests of the party adopting this approach was correctly mentioned by most of the students.

Question 5(b)

The overall performance in this part of the question was average. Majority of the students were unable to give a proper definition of job stress. A major issue was that the students linked job stress to a particular situation like working environment, workload and behavior of the supervisor, etc. However, the behavioural symptoms arising from job stress were stated correctly by most of the students.

Question 6(a)

A substantial number of the students identified correctly the different types of perceptual errors which are made by experienced and knowledgeable individuals in dealing with other people. However, replies regarding the reasons which are responsible for the perceptual errors showed lack of clarity in majority of the cases.

Question 6(b)

The difference between Explicit and Implicit attitudes was explained correctly by a significant number of students. However, majority of the students seemed confused while explaining whether explicit or implicit attitude should be assessed more closely while interviewing a candidate for the position of a public relations officer for a financial institution. A number of students thought it advisable to state that both explicit and implicit attitudes were important. The correct answer is implicit attitude because negative implicit attitudes would have a much deeper impact because the primary task of the incumbent requires dealing with others.

Question 7

Average response was observed in this question which requiring candidates to match given scenarios with the stated concepts of behavioural perceptions. Good, bad and average performances were very evenly distributed. Most of the errors were found in situation (i) where a number of students wrongly stated selective perception instead of Halo effect and situation (iv) where the students generally stated Halo effect instead of selective perception.

Question 8(a)

In this 2 mark question, the candidates were required to display their understanding of the term Organisational culture. Generally, the students mentioned shared attitudes and beliefs and norms of an organisation but did not say anything about how organisational culture guides the behavior of individuals and groups in an organisation.

Question 8(b)

This part of the question required explanations of the important features of power, role and task cultures. The performance in this question was average. In power culture the distinctive element that individuals who are close to the central point wield more power was missed by most of the students. In role culture, the key points that the roles are assigned according to the skills of the employees and role cultures are suitable for large organisations were not stated by a number of the students.

Question 9(a)

Good performance was witnessed in this question regarding Blake and Moulton's theory of Leadership/Managerial Grid. However, a large number of students got confused between the grid classifications 1,9 and 9,1 and gave opposite answers.

Question 9(b)

Replies to this questions pertaining to positive reinforcement were quite satisfactory and majority of the students performed well.

Question 10

The overall performance in this question was quite poor. 9.3% of the students did not attempt the question at all. The requirement was to explain the reasons why Rosemary Stewart considers bureaucracy as an essential feature in all organisations. Out of the four reasons given by Rosemary, generally the students were able to list correctly only 2-3 reasons. However, the explanations offered by a vast majority were extremely sketchy.

Question 11(a)

Performance in this part of the question was very poor. A large number of the students did not attempt this question regarding group dynamics. Those students who did attempt, mostly offered replies based on the literal meaning of the word 'dynamics' with little understanding of the concept from management's standpoint.

Question 11(b)

Replies to the question regarding factors which contribute towards group cohesiveness were quite focused and enabled students to earn good marks.

Question 12(a)

This six mark question regarding data input devices/methods and their advantages/benefits and limitations/shortcomings elicited a very good response and generally the students were able to score high marks.

Question 12(b)

The answers to the question pertaining to inventory control system and characteristics of a typical inventory control system were mostly satisfactory.

THE END