

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN

**Examiners' comments
Business Management and Behavioural Studies
Certificate in Accounting and Finance
Autumn 2017 Examinations**

Overall General Comments

32.59% candidates passed as compared to 21.26% in the previous attempt. The questions were mostly straight forward. A review of the question wise comments would reveal that main issue was the candidates' inability to understand the exact requirement of the questions and lack of knowledge resulting in use of guesswork.

Question-wise Comments:

Question 1

The performance remained below average as 23.98% candidates secured passing marks in this question. The question contained two parts. Comments on each part are given below:

Part (a)

In this part the candidates were required to give reasons because of which bureaucratic organisations are unable to achieve reasonable growth in their operations. The performance remained average. Many students ignored the fact that the answer had to be devised in the light of Rosabeth Moss Kanter's analysis. Most such students gave general reasons such as bureaucratic organisations are slow, unprofessionally managed, etc. Some students even emphasised on the importance of growth which was totally irrelevant.

Part (b)

This part required the key success factors as suggested by R.M. Kanter. The performance remained below average as the terms such as professionalism, building collaboration, learning and development, etc. were mentioned as the factors instead of the success factors mentioned by Kanter i.e. Innovation, Entrepreneurship and Participative Management.

Question 2

This was a very well attempted question as 70.82% candidates secured passing marks. The question contained six situations and the candidates were required to link them with six elements of culture as envisaged by Johnson and Scholes. Some the errors observed were as follows:

- In point (v) placement of electronic terminals was identified as an element of organisational structure whereas it is basically a control system.
- Inappropriate terms were used such as History instead of Stories and Myths, Culture instead of Routine and Rituals, etc.

Question 3

In this question the candidates were required to explain the different types of legitimate authorities as identified by Max Weber. Very good performance was witnessed in this question also as 70.18% candidates secured passing marks. However, some of the more common errors were as follows:

- Hierarchical Authority was mentioned instead of Traditional Authority.
- Vague explanations were given which were based on dictionary meaning of the terms.

Question 4

This question was primarily based on a simple scenario according to which TJJ was an owner managed organisation which had grown significantly since its establishment 10 years ago. The question consisted of three parts. Overall performance was quite reasonable as 41.80% candidates secured passing marks. Part-wise comments are given below:

Part (a)

No major errors were observed in this part and almost all the candidates obtained full marks by specifying four types of organisation structures.

Part (b)

The requirement was to identify and briefly describe the type of organisation structure which TJJ should adopt and describe how it would enhance the effectiveness and efficiency of the organisation.

Though the candidates were expected to identify functional organisation structure, other answers were also acceptable provided logical reasons were presented explaining how the recommended organisation structure would enhance the organisational efficiency in the given scenario. Those who mentioned functional structure were able to meet the above requirements but those with other choices were rarely able to give proper justification.

A common issue was that while explaining the advantages, general points were mentioned such as increase in output, achievement of overall objectives, etc. without actually explaining how the chosen structure would be helpful in that regard.

Part (c)

In this part the requirement was to identify the business activity which may be outsourced and some benefits and limitations of such outsourcing. Generally the performance was good. However, instead of specifying a particular activity such as accounting, HR, etc. some candidates stated "non-core activities" which was inappropriate. Some candidates just listed the benefits and limitations of outsourcing without really seeing whether the same was applicable in the case of the activity identified by them.

Question 5

The question required discussion on the concept of 'mentoring' and how a manager can play the role of a mentor for his staff. The performance remained poor as only 15.27% candidates secured passing marks.

In most cases, the concept of mentoring was mixed up with teaching and training or with the relationship between boss and sub-ordinate. Moreover, even when a manager wants to play the role of a mentor, he has to keep that relationship somewhat informal or separate from his job responsibilities as a manager. This aspect was not understood and general functions of the manager were included in the answer.

Question 6

This question consisted of two parts. The overall performance was good as 69.90% candidates secured passing marks. Part-wise comments are given below:

Part (a)

There were no major errors by those who had studied the McClelland's Motivational Theory. However about 5% candidates did not attempt this part of the question altogether whereas many others used guesswork with little success.

Part (b)

The performance in this part was good as the students were generally able to provide the required four examples of intrinsic and extrinsic rewards. However, many candidates lacked clarity and mixed up the two. The candidates were mostly confused with regard to promotion of employees and considered it as an intrinsic reward.

Question 7

This question was on leadership styles. There were two parts and each part contained a different scenario. The common requirement in each case was to identify the leadership style. The other requirement in part (a) was to identify the advantages and disadvantages of that particular leadership style whereas part (b) required characteristics of that leadership style as enumerated by Warren Bennis.

19.99% candidates secured passing marks in this question. Part-wise comments are given below:

Part (a)

Majority of the candidates correctly identified the authoritarian/autocratic leadership style. However, while explaining its advantages, only the advantages of quick decision making were discussed. In fact, quick decision making is just one advantage of autocratic leadership, the others were mostly ignored. Further, many candidates expressed the opinion that it is beneficial for the organisation, which may not always be correct and is a matter of great debate.

Part (b)

Only few candidates could identify that the given scenario was an example of transformational leadership. Majority of the candidates were also not able to express the characteristics of such leadership style and their answers were limited to personal qualities such as caring leaders, good leaders, intelligent leaders etc. Characteristics describing their approach such as challenging the status quo, long-term vision, change and innovation, etc. were rarely mentioned.

Question 8

In this question, the candidates were required to explain the six principles of leadership for adaptive change as suggested by Ronald Heifetz. The performance was below average as 25.35% candidates secured passing marks. About 22% of the candidates did not attempt it altogether. In a significant number of cases, only headings were given without any explanation. Moreover, instead of stating the principles suggested by Ronald Heifetz many candidates gave general tips on how change should be managed by a leader.

Question 9

In this question the candidates were required to describe the activities involved in the process of Management by Objectives (MBO) and the benefits of MBO. Being a relatively straight question, the result of 33.99% was much below expectations. Quite surprisingly, almost 11% candidates did not attempt the question altogether. Many candidates ignored the activities and only stated the benefits. Moreover, many candidates were confused and considered the performance of various activities as the benefits i.e. MBO facilitates in setting goals and objectives, formulating action plans, etc.

Question 10

The question consisted of two parts. The overall performance was quite poor as only 07.21% candidates secured passing marks. About 45% of the total candidates could not secure any mark in at least one of the two parts. Part-wise comments are given below:

Part (a)

In this part, the requirement was to state any four measures which a company owning research and diagnostic centers across the country should take to implement an Expert System. Instead of stating the measures to be taken to successfully implement the Expert System, the definition of the Expert System or its advantages were given. In many cases, instead of recommending specific measures, generic points were given such as make necessary changes in the structure/system, restrict access to authorised persons, install firewalls, etc.

Part (b)

In this part, the requirement was to explain the role of computer networks in improving the office environment. The common errors were as follows:

- The main features of a network were explained whereas the requirement was to explain their role in improving office environment.

- Advantages of computers and data storage devices were explained rather than those of computer networks.
- Many answers revolved around just one advantage i.e. the ease and speed of communication.

Question 11

Overall, the performance was reasonable as 37.63% candidates secured passing marks in this question. The question consisted of two parts. Partwise comments are given below:

Part (a)

This part required brief explanation of a control system. Some answers were restricted to input, processing and output whereas other elements were missed. Some candidates tried to explain various types of control systems rather than the elements of a control system.

Part (b)

The requirement was to state the differences between open loop and closed loop systems with one example of each. The performance remained good, however, in many cases, example of a closed loop control system was not given or incorrect examples were given.

(THE END)