

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN

EXAMINERS' COMMENTS

SUBJECT	SESSION
Business Management and Behavioural Studies	Certificate in Accounting and Finance – Spring 2018

General

The overall performance in this attempt was satisfactory and showed considerable improvement as passing ratio rose to 41% as compared to 33% in the previous attempt. However, it was noticed that many students had memorized the concepts from the book but were not able to apply them on the practical scenarios.

Question-wise comments

Question 1

This question on Conflict had two parts with the first part requiring the candidates to identify the situations in which conflicts are beneficial for an organisation and in the next part they were asked to explain what steps the CEO of a company should take to resolve the conflict in the given scenario.

The overall performance remained satisfactory as 41% of the candidates secured passing marks. In the first part, most of the students were able to list down the benefits of conflict correctly. However, in the second part, many students could not list down all the steps to resolve the conflict. The major issue was that they could not relate the steps to the given scenario and gave a generalized idea. Some of them stressed upon the CEO to use his powers as CEO rather unilaterally, to resolve the issue, without considering that such resolution of dispute should as far as possible lead to a mutually acceptable solution. Several students listed the five negotiation styles i.e. Competing, Accommodating, Avoiding, Compromising and Collaborating which was totally irrelevant.

Question 2

This question required causes and remedies of stress in the given scenario. The overall performance was satisfactory as 46% of the candidates secured passing marks. However, many students just listed down all the possible causes of environmental, organizational; and personal stress whereas the relevant causes had to be picked from the given scenario. The second part of the question was well performed as most of the students were able to list down the relevant remedies.

Question 3

This was the best attempted question of the paper as 67% of the candidates secured passing marks. Most of the students were able to list all the three interpersonal and informational roles as identified by Henry Mintzberg. However, there were some weaknesses/errors and the common among them have been described below:

- Some students just described liaison by using the word “bridge” but did not explain what a bridge does.
- Negotiator was included as one of the informational roles of the manager which was incorrect.

Question 4

This question consisted of two parts. The overall performance was reasonable as 38% of the candidates secured passing marks. Part-wise performance is discussed below:

Part (a)

In this part of the question, the requirement was to mention three key attributes of highly change adept organizations. The performance remained below average as most of the students listed some of the good attributes of an organisation without considering whether it could really be called a **Key** attribute or whether it had any clear relationship with being change adept. Points such as effective communication, skilled employees, risk taking, etc. were mentioned which were not relevant. Some students gave generalized answers i.e. these organisations promote professionalism, work efficiently, etc. Moreover, some students picked up the headings from the study text but did not explain them.

Part (b)

In this part the requirement was to identify and briefly discuss the seven factors mentioned in the 7S model presented by McKinsey. The performance was good as most of the students displayed good understanding of the seven factors. However, many students only mentioned the seven factors but did not explain them at all.

Question 5

This question consisted of two parts. The overall performance was average as 31% of the candidates secured passing marks. Part-wise performance is discussed below:

Part (a)

In this part of the question, the requirement was to discuss the circumstances in which Telling and Participative Leadership styles were appropriate. The overall performance remained average because most of the students gave one or two correct points mostly related to employee competence whereas other matters such as nature of work were not covered. Moreover many students got confused between high / low competence of employees and high / low motivation of employees. Many students only explained that participative style is used when the manager wants the employees to participate in decision making. That was evident from the term itself; the important thing was the reason behind this approach which was not given.

Part (b)

In this part, Belbin's nine roles were to be listed and one strength and one weakness of the roles falling under problem solving / thinking group were to be explained. This part was very poorly answered and a large number of candidates did not attempt it altogether. Further, a number of candidates gave totally irrelevant answers based on whatever guesswork they could apply. Among those who gave relevant answers, many wasted precious time in mentioning strength and weaknesses of all the nine roles instead of restricting these to problem solving / thinking group.

Question 6

This question consisted of two parts. The overall performance was average as 31% of the candidates secured passing marks. Part-wise performance is discussed below:

Part (a)

In this part of the question, the requirement was to discuss any four means by which a business may add value to its products or services. The performance remained average as many candidates did not understand the context and suggested irrelevant measures such as using modern plants, training the workers, improving management, reducing price, etc.

Many students wrote that value may be added by using a brand name but how to get the product to reach that level i.e. how to promote the brand was not discussed.

Part (b)

In this part of the question, the requirement was to describe the term 'Connected Stakeholders' and how to deal with those stakeholders who have considerable power but little interest in the performance and decision making of the organisation. This was a well-answered question, however, a common mistake observed was that employees were mentioned as an example of connected stakeholders.

Question 7

This question consisted of two parts. The overall passing ratio of 28% appears slightly below average but the actual performance was much poorer. This would be evident from the fact that 644 students (18%) did not attempt it altogether whereas a further 843 students (23%) could not secure any mark. Moreover, a number of students attempted part (a) only and ignored part (b). Part-wise performance is discussed below:

Part (a)

In this part of the question, the requirement was to explain the terms 'positive reinforcement' and 'negative reinforcement'. Very few students were able to explain the terms in an appropriate manner. Most of them seemed to have resorted to some sort of rote learning as they used the terms stimulus and stimuli without really being able to put up a proper explanation.

Part (b)

Those who performed well in part (a) also did well in this part. However, many students did not attempt this part or scored zero despite having scored reasonably in part (a) which also was an indicator of the fact that candidates had resorted to rote learning and could not handle question based on the application of the concept.

Question 8

This question consisted of two parts. Very good performance was witnessed in this question as 68% of the candidates secured passing marks and about 28% of the candidates secured high marks. Part-wise performance is discussed below:

Part (a)

In this part of the question, the requirement was to discuss any seven functions of inventory control system in a departmental store. The performance was excellent as majority of the candidates used their knowledge of other subjects also i.e. auditing and accounting to answer this part of the question. There were some confusion however as some candidates specified controls to be incorporated into the system instead of the functions of the system. Some students repeated the same points resulting in loss of easy marks.

Part (b)

The performance in this part was also good but many students only mentioned the four types of data but did not give their characteristics. Some students mentioned online storage instead of offline storage. While describing secondary storage some students also gave the maximum size of such storage which showed their lack of knowledge. With regard to tertiary storage many students wrote that it is very uncommon. This cannot be termed as a characteristic.

Question 9

This question pertained to PEST analysis. A scenario was given and the candidates were required to identify the environmental factors relevant to the given scenario and group them for the purpose of PEST analysis.

The overall performance remained below average as only 29% of the candidates secured passing marks. Moreover, about 25% of the candidates could not secure any mark.

Many students listed the factors without grouping them at all, which was a key requirement for securing marks. Some students mistook 'E' of the PEST for environmental and some for ecological factors.

Question 10

In this question, characteristics of finance and software development divisions of an organisation were briefly described. The requirement was to identify the type of corporate cultures prevalent in each division and key characteristics of the identified corporate cultures. Those who had studied the topic performed well as overall passing ratio was 41% but about 31% of the candidates were clueless and could not score any mark.

Some students got mixed up between task and power cultures and used one in place of the other. However, if the characteristics were correct they were able to gain some marks. Some of them were of the view that both departments were practicing power culture which was not correct in the case of the finance department. The characteristic about reliance on formal communication in role culture was rarely mentioned.

THE END