

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN

EXAMINERS' COMMENTS

SUBJECT	SESSION
Business Communication and Behavioural Studies	Intermediate - Autumn 2007

Although the Paper was well in line with the prescribed Syllabus, a number of students were not able to attempt all the questions due to lack of serious preparations and inability to comprehend the specific requirements of the questions. The replies in many cases lacked proper focus and were considerably below the standard expected at this level.

Comments on the individual questions are given below:

- Q.1 Formal and informal communication networks exist in all types of organizational structures. Quite a few replies on formal communications were vague and did not take cognizance of their flow through designated channels and proper organizational hierarchy. Some students wrongly interpreted informal channels of communications to pertain wholly to personal relationships among the employees and stated that they have no relevance to the official business and working of the organization. In fact, informal communication channels do not adhere to the supervisor-subordinate relationship and take place across the different official levels in the organization.

Answers to Part (b) relating to reasons for creation of networks of informal channels lacked depth of knowledge and students were able to identify only 2-3 valid points. Informal channels of communication fill in the voids resulting from inadequacies of formal channels, are faster than the formal communication channels and also disseminate information selectively to consolidate the vested interests of the informal groupings as a source of power. Informal communication channels also help to fulfill the information requirements when the real power structures are at a variance with the formal organizational hierarchy. Informal communication channels also serve to identify unethical activities which are, at times, embarrassing for the employees to be routed through the formal channels.

- Q.2 This Question required the preparation of an Internal Memorandum expressing management's appreciation of the efforts put in by the employees and announcement of grant of bonus, besides specifying the business targets for the next year. Most of the students were aware of the essential features of the format of an Internal Memorandum and also covered all the main points, although the presentations lacked logical flow of thoughts in a number of replies.

- Q.3 In this question, the roles of top business leaders in an intensely competitive business environment were required to be considered from the strategic and organizational standpoints. The tasks and responsibilities of top business leaders include: identifying new business opportunities, creating a shared business vision for the entire organization, establishing mutually rewarding relationship for all the stakeholders, empowering and motivating employees and promoting a culture of learning and upgrading of skills throughout the organization.

A number of students discussed the basic planning, organizing and controlling functions which are normally performed by the managers. The overall performance in this question which carried nine marks was considerably below standard. Approximately, 20 per cent of the students did not attempt this question.

- Q.4 The question required explanation of four different concepts viz. Listening Skills, Halo Effect, Leadership and Job Description.

Listening skills - Replies adequately covered the main points i.e. listening for key ideas, facts and concepts, continual review of key points, avoiding distractions, having an open mind and providing feedback.

Halo Effect is prevalent when an overall impression of an individual is made on the basis of a single dominant characteristic or attribute e.g. appearance, sociability, family background, etc. Barely 4-5 per cent of the students could explain this rather simple concept.

Leadership- Important leadership concepts of influencing behaviour and actions of others for the purpose of achieving desired goals and traits of leadership qualities comprising personality, charisma and knowledge were mentioned by most of the students. A number of replies discussed at length the various styles of leadership which was not required.

Job Description - Most of the replies correctly stated that job description is a statement of duties, activities and responsibilities attached with any particular job, besides defining the position of an individual in the formal organizational hierarchy.

The replies to the questions pertaining to listening skills, leadership and job description adequately covered the salient points.

- Q.5 Axioms of Interpersonal Communication – This question offered the choice to reply to any two of the following three axioms:

- Inevitability of communication
- Irreversibility of communication
- Communication involves a process of adjustment

A large number of the replies related to inevitability of communication and irreversibility of communication.

The underlying concept of inevitability of communication that human beings cannot remain isolated without communicating or being in an uncommunicative state was mentioned by most of the students.

The essential feature of irreversibility of communication, viz. a message once sent and received is incapable of being reversed or retrieved was mentioned in almost all the replies. However, the vital point that the impact of a message may be mitigated by subsequent actions was missed by a number of the students.

Communication involves a process of adjustment - The impediments to communication on account of differences in education, social background, age, personal and professional experience can be overcome by a process of adjustment in which the receiver of communication makes efforts to understand and identify the important signals and underlying tones of the sender.

- Q.6 The replies to the theory of levels of needs as propounded by Maslow were generally satisfactory as a number of the students were able to identify and explain the following five levels of needs - physiological, security, love and social needs, esteem and self actualization needs.

Several students were also able to illustrate the levels of needs by means of a diagram.

However, instead of physiological needs, some of the students incorrectly mentioned psychological needs. In quite a few replies, the level of needs were not presented strictly in the sequence as stated in Maslow's theory.

The overall performance in this simple question was satisfactory.

- Q.7 This question of twelve marks was designed to assess the skills of persuasive writing by way of a letter apologizing to customers for the inconvenience caused to them due to the disruption in supplies and assuring them that in future deliveries would be made promptly without any interruptions. The letter also called for announcement that supplies of water equivalent to the consumption during the preceding two weeks would be supplied free-of-cost along with a request to continue to maintain the existing customer relationships.

The replies were below expectations and the common shortcomings were:

- In a number of replies, the format of the letter was not strictly adhered to with incorrect placement of recipient's address, improper format of date and unsuitable opening salutation.
- A number of letters were on the letterheads of Pure Water Co. Limited instead of Clearwater Limited.
- Some of the letters stated that there was a merger between the two companies which was not correct.

- In quite a few instances the free-of-cost supplies were stated to be equivalent to two week's supplies instead of preceding two week's supplies. This would certainly create confusion and differences in interpretations among the customers.
- The tone of the letters lacked persuasive marketing approach.
- Inappropriate vocabulary, errors of grammar and incorrect construction of sentences was observed in a number of cases.

Approximately ten per cent of the students did not attempt this question and only one third of the students who attempted it were able to obtain passing grades.

Q.8 The topic of Negotiations is discussed in considerable depth in most standard text books. However, it appears that a number of students did not consider this topic as sufficiently important as 16 percent of the students did not attempt this question which carried 11 marks. A number of students mentioned 2-3 important points concerning negotiations but were not able to describe the process of negotiation in its logical perspective which includes:

- involvement of at least 2 parties with common interest and their need to reach some desired outcome
- the different set of objectives in the initial stage of negotiation and the expectation of each party that the other part would be willing to modify its initial position, and
- willingness of the parties to compromise for success of the negotiation process.

The later part of the question regarding the stages of negotiations were described satisfactorily by a number of students, although the stages were not given in their appropriate sequence i.e.

- (i) preparation and planning;
- (ii) definition of ground rules;
- (iii) clarification of viewpoints of parties and their justification;
- (iv) bargaining and problem solving and
- (v) closure and agreement, including procedure for implementation and monitoring.

Only 21 per cent of the students who attempted this question were able to secure passing grades.

Q.9 This question required listing of type of information usually contained in a House Journal/Company Newsletter of a progressive fertilizer company. Although House Journals and Company Newsletters are widely issued by most of the leading companies, it appears that the students were not aware of the topics included in this type of circular which is of general interest to the employees. Nearly 20 per cent of the students did not even attempt to reply to this question bearing nine valuable marks.

A House Journal/Company Newsletter contains information of general interest to the employees such as transfers/appointments/retirements/resignation of senior

management employees, death of an immediate family member of an employee, announcement of bonus after its approval by the management, grant of benefits such as medical facilities, accident insurance coverage, free/subsidised meals, social events like staff picnic, mela, sports, musical programs etc. news of extraordinary achievements of employees both within the company and also recognition by the community, etc.

Most of the students quoted items such as news of prospective acquisitions, mergers, anticipated profits and dividends. These are not disclosed in the House Journal. Some of the students listed issues of terms of service and work procedures which are appropriately spelt out in the organizational manual or handbook or service rules and not in the House Journal/Newsletter.

- Q.10 In all large-size organizations, internal reports are prepared by departments and individuals periodically and distributed to the designated officials. These internal reports provide vital information on specific areas of performance for the purpose of planning, controlling and facilitating management to take well-informed decisions. Besides, reports are also prepared as special assignments on specific areas of business to study these issues in sufficient depth and arrive at sound conclusions.

It appears that a number of students were unable to comprehend the requirements of the question as almost 17 percent of the students did not attempt this question. Most of the replies related to Production Reports and Market Reports which in numerous cases were, in fact, Internal Memos rather than proper reports. The structure, format and style of internal reports and the information contained in these reports showed lack of understanding of the basic concepts of report writing. For example, title of report was mentioned as sales report without mentioning the period to which it pertained, whether it was a report or an internal office memo and whether it related to the whole company or pertained to a particular segment or range of products.

- Q.11 This question required identification of the different phases of the communication process. The replies, in most of the cases, were to the point and covered all five phases i.e. sender having an idea, transformation of the idea into a message, its transmittal through a channel of communication, receipt of the message, decoding and interpretation of the message and finally the phase of giving feedback to the sender. The students were able to score high marks on this question.

(THE END)