

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN

Final Examinations Summer 2007



June 7, 2007

BUSINESS MANAGEMENT

(MARKS 100)

(3 hours)

- Q.1 (a) What do you understand by the terms Primary Data and Secondary Data? (04)
(b) What are the advantages of using Secondary Data in Market Research? (02)
(c) Give at least four sources in Pakistan from which Secondary Data regarding business and industry can be obtained. (03)

- Q.2 Branding plays a critical role in the marketing of Fast Moving Consumer Goods (FMCGs) and companies incur substantial expenditures for promotion of their brands.
(a) Explain what is meant by Branding? (03)
(b) Under what conditions do companies pursue aggressive Branding Strategies for marketing of their FMCGs? (06)

- Q.3 GMP Pharmaceuticals Limited is engaged in the manufacture of a wide range of pharmaceutical products. The company has a highly qualified and skilled professional cadre of employees whose competence and ability to work in a team-environment are vital for the manufacture of top quality products. The company has well-defined Rules of Service and expects strict adherence to these rules by its employees at all levels.

Required:

Describe briefly the various stages of Disciplinary Actions which GMP Pharmaceuticals may take against employees who violate the rules and regulations of the company. Identify the situations in which a certain type of Disciplinary Action is considered to be appropriate.

(10)

- Q.4 A UK-based group of overseas Pakistani investors intends to make substantial investment in a new cement project in Pakistan and has engaged you as a consultant to undertake an industry and competitive analysis on their behalf. The investors have mentioned that the proposed cement plant of latest EU technology and manufacturing process is based on most efficient fuel consumption and environment-friendly parameters and it would be the first plant of its kind in Pakistan. Since fuel efficiency is a critical success factor for the cement industry, the proposed unit would offset the advantages accruing to the competitors who had set up their units earlier at significantly lower capital costs. Moreover, the new cement project would be completed within an extremely tight implementation period of one year as compared to the units of the competitors which were set up in 3-4 years and involved higher financial costs.

The proposed cement unit would involve a significant investment decision with far-reaching consequences.

Required:

Identify what strategic factors relating to the industry and competitive outlook for cement industry in Pakistan would you consider in your report to enable your client to reach a sound investment decision.

(12)

- Q.5 (a) What are the distinguishing characteristics of a company which pursues a Strategy of Globalization? (04)
(b) What are the main advantages of adopting an aggressive Global Strategy? (04)
- Q.6 (a) Explain what is Distinctive Competitive Advantage? (03)
(b) What are the factors which contribute towards the creation of Distinctive Competitive Advantage? (05)
- Q.7 The success of even the well-formulated Strategic Plans depends to a considerable extent on their implementation. What are the factors that make the organizational environment conducive for successful implementation and achievement of the objectives conceived in the Strategic Plan? (09)
- Q.8 In Pakistan, the Mobile Telephone companies are promoting their products to meet the various **Social Needs** of different segments of the market. Identify five types of social needs that the Mobile Telephone companies are targeting in their promotion campaigns? (05)
- Q.09 In all well-managed organizations, Performance Appraisal is an important Human Resource Management function. What are the objectives of undertaking Performance Appraisal exercises at regular intervals? (10)
- Q.10 BNG Textile Mills Limited operates an integrated textile mill having spinning, weaving and finishing facilities. It has a work force of 2,000 employees. Approximately 90% of the workers are deployed in the spinning, weaving and finishing departments where the work is of a strenuous and repetitive nature.
- In your opinion, what kind of **work environment** should BNG Textile Mills adopt and promote to attract and retain a dedicated and stable work force committed to achieve its business goals? (09)
- Q.11 (a) An increasing number of firms have entered into International Contract Manufacturing arrangements in the past few years. Explain what do you understand by International Contract Manufacturing arrangement? (03)
(b) List three advantages of entering into such arrangements. (03)
- Q.12 At present a significant volume of international trade is facilitated by use of Documentary Credit. Briefly explain what do you understand by Documentary Credit? (05)

(THE END)