THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN

Intermediate Examinations Spring 2009

March 3, 2009

BUSINESS COMMUNICATION AND BEHAVIOURAL STUDIES

Module C

Q.1 Apollo Industries Limited (AIL), is currently experiencing intense conflict and work friction between the Research & Development Department and the Marketing Department. The Marketing Department often puts forth the argument that the customers are not willing to pay premium price for the co-called innovations and improvements in the products. The increase in costs on account of perceived improvements in product designs results in higher prices which undermine the marketing efforts in the face of intense competition. The R&D Department is of the firm opinion that in the absence of sustained efforts to upgrade and improve the quality of the products, AIL would lose its competitive advantage and its image as an industry leader would be adversely affected. The Marketing Department has not been able to achieve its targets and apportions the blame on the inability of the R&D Department to understand the current competitive environment. The CEO is most concerned about the situation as it is adversely affecting the overall performance of the company.

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(MARKS 100)

(3 hours)

You are required to explain to the management of AIL the following :

- (a) Identification of the various factors which give rise to inter-group conflicts.
- (b) Both the positive and negative outcomes of internal conflict.
- (c) The steps that should be taken by AIL to reduce the negative impact of internal conflict in the above situation. (12)
- Q.2 Leaders through their vision, foresight, business acumen and commitment provide impetus, direction and lay the foundation of some of the largest and most successful business organizations. Leaders are also known for their ability to create deep feelings of confidence, trust and respect which inspire and motivate their followers to achieve positive results.
 - (a) What are the distinctive styles of transactional and transformational leaders?
 - (b) Describe the characteristics and approaches of transactional and transformation leadership. (07)
- Q.3 (a) What do you understand by the term Negotiations?
 - (b) In what situation would Third Party involvement in Negotiations be considered to be appropriate?
 - (c) List and explain briefly the basic roles of the **four** different types of Third Party negotiations. Mention the unique characteristics of each of the Third Party negotiators with their basic differences.
 (09)
- Q.4 (a) Explain what do you understand by a Notice Board. Briefly mention **three** drawbacks of communication of information through the Notice Board. (06)
 - (b) What is a Learning Organization? State **four** distinguishing characteristics of a Learning Organization. (06)

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You are required to transform the messages given below into positive messages to remove any negative perceptions by the recipients.

- (a) The Board rejected three of the twelve proposals submitted by the management.
- (b) We shall not give discount on orders worth less than Rs. 10,000.
- (c) We would not be able to complete the order before the end of the month.
- (d) Employees' tea breaks should not be longer than 15 minutes.
- (e) We cannot begin the printing work until all the revisions are reviewed.
- (f) We do not provide insurance cover for a period of less than six months.
- Q.6 (a) Recent developments in communication and information technology have enabled organizations to link their world-wide operations and achieve close co-ordination and control of their businesses located in different countries. Satellite capabilities, advancements in optic fiber band width and software make it possible to beam messages from one place to another almost instantly. This has considerably increased the use of video conferencing technology by business organizations.

List **five** factors which in your opinion, have contributed to the increasing popularity of video-conferencing in recent years.

(b) Implementation of an efficient system of Formal Communication Channels is essential for smooth performance in business organizations.

State **four** main advantages which accrue to an organization having a well planned system of formal communications.

Q.7 (a) The use of buffers is recommended to soften the adverse impact of bad news messages. However, in certain situations it is considered advisable to avoid the use of buffers while conveying negative or unfavourable messages and come directly to the point of the message.

Briefly explain **four** situations under which the direct approach is considered to be the more appropriate and effective option for conveying bad news messages. (06)

(b) Feedback is considered to be a critical component of the communication process as it enables the sender to determine whether the message was, in fact, received and understood by the receiver as intended by the sender. In spite of its vital importance, feedback poses serious problems in the communication process.

Explain briefly the circumstances in which such feedback may not prove to be effective and, in fact, be detrimental to the process of communication.

Q.8 As CEO of Earnest Pharmaceuticals Limited you have today concluded marathon negotiations for the merger between your Company and Zenith Pharmaceuticals Limited. You would like to inform your employees about the merger, before the announcement is made public. The merger agreement contains a number of detailed clauses. At this stage, you would like to inform the employees of only the significant aspects of the merger.

Draft a Circular Letter containing between 150 - 200 words, to be addressed to the employees in all cadres informing them of the circumstances which have led to the merger. They should also be informed of the imminent lay-offs to cut costs and revisions in seniority, pay packages and perquisites of the retained employees. The letter should also apprise the employees that important developments would be disclosed as they unfold from time to time.

Assume that your name is Shahid Ahmad.

(05)

(06)

(05)

(04)

(12)

Q.9	(a) Explain what do you understand by the term 'Business Report'(b) What are the different purpose of preparation of Business Reports?	(06)
Q.10	An empirical research study of a sample of approximately five hundred diversified business organizations showed that communication skills were lacking in a large number of candidates who had applied for managerial positions.	
	Briefly explain the different ingredients of good communication skills that employers seek and expect from the prospective applicants for managerial positions.	(10)
Q.11	Explain the term Universals of Interpersonal Communication. List eight Universals of Interpersonal Communication.	f (06)

(THE END)