



The Institute of Chartered Accountants of Pakistan

Business Communication and Behavioural Studies

Intermediate Examinations – Autumn 2010
Module C

August 31, 2010
100 marks - 3 hours

- Q.1 Highly successful companies build Organisational Structures which are closely aligned with their missions and goals, nature of business, level of technology, size and location(s) to enable them to achieve distinct competitive advantages and earn high profits. On the other hand, there are business entities which carry the burden of serious deficiencies in their organisational structures resulting in unsatisfactory performance, low profitability and poor returns on investment.
- (a) Identify **six** characteristics which are generally observed in the day-to-day working of business entities which do not have appropriately designed organisational structures. *(03 marks)*
- (b) Give brief explanations of each of these characteristics. *(06 marks)*
- Q.2 Written Business Communication is most effective when the sender has planned the proposed message carefully to ensure that the message is conveyed to the receiver(s) in the same context as is envisaged by the sender.
- (a) Identify the **five** important steps in the planning of written messages to ensure that the communication is effective. *(2.5 marks)*
- (b) Give brief explanations of each of the above steps. *(7.5 marks)*
- Q.3 List **six** traits **each** which are observed in a Good Listener and a Poor Listener. *(06 marks)*
- Q.4 (a) Define Code of Ethics. *(02 marks)*
- (b) State **four** advantages which soundly-managed business organizations seek to achieve by adopting Code of Ethics. *(04 marks)*
- Q.5 (a) While discussing Styles of Leadership of Managers, Douglas McGregor refers to Theory X and Theory Y. State the salient features of Styles of Leadership based on each of these Theories. *(06 marks)*
- (b) List any **four** positive outcomes of conflict. *(02 marks)*
- Q.6 (a) Enlightened corporate managers realise that a competent and loyal work force contributes immensely to the creation of competitive advantage for organisations engaged in knowledge-based business activities.
- Briefly explain **four** policy measures which enlightened corporate management should adopt to create an internal environment to retain its most competent professional workers and discourage them from joining its competitors. *(06 marks)*
- (b) Briefly describe the term Group and list **six** important attributes of a Cohesive Group. *(06 marks)*

- Q.7 (a) Identify **six** different phases of the Process of Communication. *(03 marks)*
- (b) It is widely acknowledged by communication experts that positive messages elicit more favourable responses vis-à-vis messages which carry negative undertones.

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

- (i) Our company has a strict policy not to accept orders for amounts of less than Rs 2.5 million.
 - (ii) The employees' lunch break should not be longer than 45 minutes.
 - (iii) The inter-city Express Bus Service will not wait for more than 15 minutes at any stop.
 - (iv) We do not offer discount to customers who want credit facilities.
 - (v) Do not apply for the position of Security Officer if your height is less than 185 centimetres. *(05 marks)*
- (c) The concepts of **Completeness** and **Clarity** are integral ingredients of the Seven C's of Communication. Explain briefly these **two** concepts, stating why they are accorded high degree of importance in business communications. *(05 marks)*

- Q.8 You are the manager of Elegant Furnishers which manufactures superior quality furniture exclusively for the high-end of the market. Your customers belong to the affluent class who prefer to change the décor and style of their residences at regular intervals and purchase furniture of latest contemporary designs and fashions. Each individual client is important and you would go to any lengths to retain the goodwill of these customers. Most of your customers have close social interactions and adverse comments by even a single customer may result in loss of business from other customers.

Mr. Zaman Khan, who is your valued customer, has complained that the quality of the furniture purchased by him amounting to Rs two million is not satisfactory. The quality of wood used is substandard and the workmanship of polishing of the furniture is poor. He has expressed his disappointment and asked you to replace the entire furniture.

You are required to write a letter to the customer to convey your apologies for the inconvenience caused and offer to undertake the polishing and other works at your cost to the entire satisfaction of the customer. Your letter should be worded politely and convey the message that customer satisfaction is very important for you.

Assume that your name is Muhammad Sadiq. *(11 marks)*

- Q.9 (a) What is a Memorandum? Why is it used so frequently in inter-office communications? *(05 marks)*
- (b) Write the following decisions as they would be recorded in the Minutes of meeting of the board of directors of a limited company.
- (i) The name of the Company should be changed from Karachi Trading Company Limited to National Trading Company Limited. Mr. Hameed Ahmed, Secretary should handle all matters relating to the change of the name of the company.
 - (ii) Mr. Sohail Ahmed is appointed as Chief Executive Officer from September 1, 2010 at a salary of Rs 6 million per annum plus benefits, according to the company policy.
 - (iii) A bonus equivalent to one month's basic salary should be paid to all the permanent employees of the company for the year ended March 31, 2010.
 - (iv) Shahid & Company, Chartered Accountants are appointed as statutory auditors of the Company for the year 2010-2011 on a remuneration of Rs. 200,000. *(04 marks)*

Q.10 Superb Fans Limited (SFL) are manufacturers of a wide range of electrical fans and have been acknowledged as a key player in the market due to the elegant design, durability and reliable performance of its products. Since the past two years, SFL has been affected by decline in domestic demand, fall in exports due to global recession and rising prices of its essential raw material inputs. This has caused a drop in sales revenues and increase in costs resulting in sharp erosion of the company's profitability. The board of directors has decided to strictly curtail all expenditures, including freezing of salaries, reduction in fringe benefits and withdrawal of loan facilities to employees.

In your capacity as Chief Executive Officer of SFL, you are required to write a Circular Letter addressed to the staff explaining the circumstances which have forced the company to adopt stringent austerity measures. Also inform the staff that the SFL would avoid layoff of its employees as they have made invaluable contributions towards the company's achievements. The Circular Letter should apprise the employees that the hardships would be overcome and the situation would change with the improvement in the economic conditions.

Assume that your name is Zahid Awan.

(10 marks)

Q.11 "Noise" is a phenomenon which interferes in the delivery of messages. Explain briefly what is meant by Physical, Psychological and Semantic Noises. *(06 marks)*

(THE END)