



Business Management and Behavioural Studies

Certificate in Accounting and Finance
Model Paper

100 marks – 3 hours

- Q.1 Explain briefly the main features of a bureaucratic style of management as enunciated by Rosemary Stewart. (05)
- Q.2 (a) Competition for attracting direct foreign investments has always been intense among countries. Certain countries have been able to satisfactorily fulfill the requirements of the foreign investors and achieve significant growth through these investments. However, a large number of third world countries have not been so successful in attracting direct foreign investments mainly due to the high level of Political Risks perceived by the prospective investors.
- What are the different types of Political Risks which have to be considered by a prospective investor while evaluating opportunities of direct foreign investment in a third world country? (07)
- (b) Successful companies make concerted efforts to retain their competitive advantages vis-à-vis their competitors as an ongoing exercise encompassing all spheres of their business operations.
- Narrate **six** measures which these companies usually take to retain and further consolidate their competitive advantages. (06)
- Q.3 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)
- (b) Give brief explanations of each of these characteristics. (06)
- Q.4 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. (07)
- Q.5 (a) Briefly explain the Job Satisfaction. (02)
- (b) What is Job Stress? State the apparent Behavioural Symptoms of existence of Job Stress. (03)
- (c) State **four** factors which can cause Job Stress. (04)

- Q.6 Modern Fashion House was established as a one-person ladies dress boutique in 1995. Its founder, Ms. Aleena Naz, had a master's degree in fashion designing which meshed well with a deep passion to be a 'leader of fashion and trend-setter' whose unique designs would be emulated by the followers. Over the years, the business has grown considerably and it now has 50 employees on its payroll.

Ms. Naz involved herself increasingly with her staff and a conducive work environment promoted both commitment and efficiency in the organisation. She was well aware of her employees' personal and professional needs and was always available with support and advice.

However, during the preceding year some innovative fashion designs, introduced after mutual consensus of the key employees, failed to gain acceptance in the niche market and has left the company in a real fix. Modern Fashion House has depleted a large proportion of its cash resources as it had purchased materials, most of which had to be sold at a substantial loss.

Last Friday, Ms. Naz called a meeting of her staff and told them, either they would have to accept a cut in salaries by 30 per cent from the next month or Modern Fashion House may have to wind-up its operations. Although ample employment opportunities were available in the area for the trained staff, the news left them in a state of complete shock. They never thought of Ms. Naz as a boss but as their mentor and family member. Almost 90 per cent of the employees expressed their willingness to accept the salary cuts until such time that the affairs of the company are stabilised once again.

In order to bring the affairs of the business back on track, Ms. Naz has approached two ex-college friends who have adequate experience in fashion designing. They have agreed to make equity investment and participate actively in the affairs of the business. This would involve introduction of a more formal organizational structure in Modern Fashion House and adoption of a workable business plan for future growth.

Required:

Identify and explain the changes in the organisation structure that Ms. Naz and her incoming partners would have to introduce to achieve the business objectives and also retain the characteristics of the existing culture of the organisation.

(09)

- Q.7 Identify and explain briefly the different Levels of Needs as enumerated by Maslow in his theory of Hierarchy of Needs.

(07)

- Q.8 Aslam 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 apports 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.

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

- (i) Identification of the various factors which give rise to inter-group conflicts. (03)
- (ii) Both the positive and negative outcomes of internal conflict. (03)
- (iii) The steps that should be taken by AIL to reduce the negative impact of internal conflict in the above situation. (06)

- Q.9 What is meant by management by Objectives (MBO)? Identify the steps involved in establishing goals and plans by MBO. (06)
- Q.10 (a) Discuss what is Transformational Style of Leadership. (03)
- (b) Identify and explain briefly **six** characteristics and traits which are most commonly observed in leaders who pursue the Transformational Style of Leadership. (06)
- Q.11 (a) List five benefits of networking over standalone systems. (05)
- (b) As the need for updated information is increasing, online processing is gaining popularity. However, batch processing is still a preferred choice for certain business applications.
- (i) Explain how batch processing is different from online processing, in terms of processing of transactions, file updation and response time. (03)
- (ii) Briefly explain two situations in which batch processing will usually be preferred over online processing. (03)
- (iii) Briefly describe the three major types of data files used in batch processing environment. (03)

(THE END)