

# THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN

Intermediate Examinations Autumn 2007



September 04, 2007

## BUSINESS COMMUNICATION AND BEHAVIOURAL STUDIES

(MARKS 100)

### Module C

(3 hours)

- Q.1 (a) Explain what do you understand by Formal and Informal Communication? (05)  
(b) Enumerate and explain briefly the reasons for establishment of Informal Communication networks in organizations. (05)
- Q.2 Household Technologies Limited (HTL) is engaged in the business of manufacturing and marketing of a wide range of domestic home appliances. The Company has achieved outstanding results for the year ended June 30, 2007 and its key indicators of performance viz, production, sales and profits have exceeded the budget targets. In its recent meeting, the Board of Directors while appreciating the team effort of the employees have decided to grant a bonus equivalent to two months basic salary to all the employees.
- In your capacity as Director Corporate Affairs, you are required to prepare an Internal Memorandum addressed to the employees announcing the declaration of bonus. The Memorandum while conveying management's appreciation of the employees efforts should briefly mention the target of increase in all the key parameters by 20 per cent for the next year and the need for development of new products and markets to achieve sustainable business advantage. The Memorandum should be prepared with the objective to elicit maximum employee efforts to enable HTL to achieve leadership position in its line of business within a period of 4 years. (10)
- Q.3 In the present highly competitive business environment, successful and effective Business Leaders devote an ever-increasing proportion of their time, effort and energy to the critical tasks of strategic planning and organizational development and delegate the recurring operational responsibilities to the lower echelons of management.
- Identify and briefly explain any SIX different tasks/responsibilities which should be performed by the top business leadership in an organization operating in an intensely competitive business environment. (09)
- Q.4 Briefly explain the following concepts: (10)  
(a) Listening Skills  
(b) Halo Effect  
(c) Leadership  
(d) Job Description
- Q.5 Explain any TWO of the following Axioms of Interpersonal Communication: (06)  
(a) Inevitability of Communication  
(b) Irreversibility of Communications  
(c) Communication involves a Process of Adjustment

Q.6 Identify and explain briefly the different Levels of Needs as enumerated by Maslow in his theory of Hierarchy of Needs. (08)

Q.7 The entire business of processing and marketing of Pure Water Co Limited (PWCL) has recently been acquired by Clearwater Limited (CWL), a US-based multi-national corporation. PWCL is a domestic company established in 1995 and, has over the period, created a reputation as a supplier of superior quality product with a highly efficient and reliable distribution network in Karachi. Approximately, 1200 PWCL customers are the large corporate entities and affluent households who are not only extremely conscious of the quality of water they consume, but are also willing to pay premium prices for the uninterrupted and reliable delivery of water at their premises. Consequently, any breakdown in supplies would drastically affect the water consumption habits of these customers who may switch-over to other suppliers vying for this highly lucrative segment of the market. These 1200 customers account for 80-85 per cent of PWCL's total turnover.

CWL's decision to acquire the business of PWCL at a substantial goodwill was based largely on the retention of this established and lucrative customer profile. In the intervening period of change of management and replacement of PWCL's empty/filled bottles, there were considerable disruptions in supplies. This has created resentment among the important customers who have threatened not only to switch-over to other suppliers, but also claim refund of deposits for the empty bottles retained by PWCL. This threat, if carried out, would adversely affect CWL's business and cause huge losses.

As Director Marketing of CWL, you are required to write a persuasive letter to be issued to the important customers, apologizing for the inconvenience and assuring them that such disruption in supplies would not occur in future. Also state, that as a gesture of goodwill, supplies of water equivalent to the previous two weeks consumption would be provided free-of-charge to the customers. (12)

Q.8 Explain what do you understand by Negotiations? Briefly explain the various stages of the negotiation process. (11)

Q.9 What kind of information would normally be included in a House Journal/Company Newsletter issued by a progressive fertilizer company which has over 3000 employees in various cadres? Identify nine different types of information which would be of general interest to the employees. (09)

Q.10 In all large organizations, numerous Internal Reports are prepared by individuals and departments for review at various management levels. Identify Two Reports which are, in your opinion, prepared in an integrated steel mill which has several specialized departments and divisions and employs over 15,000 workers.

You are required to give:

- (a) Name/Title of the Report
- (b) Name of the Department which has prepared the Report
- (c) Date and Purpose of the Report
- (d) Name(s) of the Recipients of the Report
- (e) List any 4 types of information which would be contained in the Report (10)

Q.11 Identify the different phases of the Process of Communication. (05)

(THE END)