BUSINESS MANAGEMENT 2

1. GENERAL COMMENTS

The Chief Examiner reported that the standard of the paper was comparable to that of the previous year.

The performance of candidates was slightly lower than that of the previous year.

2. SUMMARY OF CANDIDATES' STRENGTHS

The chief examiner commended candidates for their ability to:

(1) state the importance of planning to an organization;
(2) explain why managers do not delegate;
(3) explain ways of creating agency and duties of an agent to his principal;
(4) explain types of bank accounts;
(5) state reasons for conducting performance appraisal;
(6) write legibly and orderly which made marking of the scripts easy.

3. SUMMARY OF CANDIDATES' WEAKNESSES

The chief examiner reported that some of the candidates had difficulty:

(1) applying the knowledge, they have acquired in the various topics to answer some of the questions under the Case Study;
(2) answering the questions on Insurance and Communication;
(3) explaining clearly some of the points they have listed;
(4) spelling correctly words like deposit, expert, etc which they spelt deposite, expect;
(5) following the rubrics of the paper correctly.

4. SUGGESTED REMEDIES

The Chief Examiner suggested that candidates must:

(1) read the appropriate and recommended textbooks and novels to improve upon their performance and their grammatical expressions as well as their spellings;
(2) be taught the various topics thoroughly and how to apply the knowledge acquired to answer the Case Study questions;
(3) be taught clearly all the aspects of Insurance and Communication;
(4) practice how to explain clearly their points with relevant examples which must be concise and precise.

5. DETAILED COMMENTS

QUESTION 1.

It was a Case Study and a compulsory question.

The candidates were asked to:

(a) list two means of motivation that management used in keeping the efficiency of workers high;

(b) list items to be included in the descriptions of jobs;

(c) explain reasons for which on-the -job training should be an option for training workers;

(d) mention advantages of decentralized organizational structure.

Some of the candidates did not answer the questions. Most of the candidates who answered the question had no difficulty with the ‘a’ part of the question as the answers were lifted directly from the passage. Some of the candidates had difficulty answering the ‘b’ and ‘c’ parts of the questions on job description and the reasons for on-the-job training. For instance, instead of listing job title, duties, purpose of the job, main tasks and responsibilities, working conditions as items to be included in job description, they wrongly lifted words like bolts and nuts, rivets, nails, clamps and staple pins, job enrichment, job enlargement from the passage as their answers.

In the ‘d’ part, instead of candidates providing answers such as decentralization reduces the burden of top management or gives opportunity for executive development, they rather wrote wrong answers such as makes communication easier, it prevents autocracy, and workers get high salaries.

QUESTION 2.

The question was in two parts.

The candidates were asked to;

(a) Explain:

- **(i) Administration;**
- **(ii) line manager;**
- **(iii) staff manager.**

(b) the informational roles of managers.

It was a popular question but most of the candidates could neither explain the management terms nor the informational roles of managers. Some of the candidates wrongly explained administration as the systematic ordering of activities to make things happen instead of ‘the act of managing duties, responsibilities and rules.

In the ‘b’ part, instead of candidates listing and explaining the informational roles of managers as being monitors, disseminators and spokespersons, they wrongly wrote on the functions of management such as planning, organizing, leading and controlling. Some of the candidates who listed the correct roles failed to clearly explain them.

QUESTION 3.

The candidates were asked to:

(a) state the importance of planning to an organization;

(b) explain reasons for which managers do not delegate.

It was a popular question and most of the candidates’ responses were very good. The importance of planning to an organization includes:

i. providing guidelines for all activities;
ii. achieving objectives without any problem;
iii. providing a basis for control, etc.

In the ‘b’ part, most of the candidates provided correct answers such as managers:

i. want to do everything or perform the entire task;
ii. may not have confidence in their subordinates;
iii. sometimes, feel threatened by their subordinate’s competence.

QUESTION 4.

The question was in three parts. The candidates were required to:

(a) explain an agency;

(b) explain the creation of an agency by:

(i) express agreement;

(ii) implication.

(c) state the duties of an agent to his principal.

It was a popular question. Most of the candidates who answered the question did very well in explaining the term agency; however, a few of them omitted salient parts such as ‘it is a legal relationship.’ Others too deviated in answering the ‘c’ part. Instead of them writing on the duties of an agent to his principal, they rather wrote on the duties of the principal.

The suggested answers are:

i. to act in the best interest of the principal;
ii. there should be no conflict of interest;
iii. the agent must not make any secret profit while in the service of his principal.;
iv. to execute his functions with care and skills.

QUESTION 5.

The candidates were asked to:

(a) explain risk, as used in insurance;

(b) list types of business risks caused by nature;

(c) explain:

i. **freight policy;**

ii. **fidelity guarantee;**

iii. **consequential loss;**

iv. **whole life policy.**

It was an unpopular question hence most of the candidates' performance was unimpressive. They could neither explain risk nor list the business risks caused by nature. Instead of listing factors such as flood, famine, drought, fire, earthquake and storm, they wrongly listed factors such as economic, political, security and financial risks.

The candidates could not explain the insurance terminologies in the 'c' part.

The suggested answers are:

i. Freight policy – this is charged by the ship owner to cover risk while carrying the goods;

ii. Fidelity guarantee – it is an insurance policy taken by the employer against any act of dishonesty on the part of employees;

iii. Consequential loss – it is an indirect loss resulting from an insured's inability to use business property or equipment.

QUESTION 6

The candidates were required to explain:

(a) types of bank accounts that could be opened by a customer;

(b) the following monetary control tools:

i. open market operations;

ii. bank ratio;

iii. cash ratio.

It was a popular question. Most of the candidates were able to list and explain the various bank accounts such as savings, current and fixed deposit accounts. Most of the candidates did well in explaining the monetary tools except that some failed to state the counter effects of the tools. For instance, with open market operations, when the Central Bank buys securities it expands money in circulation, but candidates failed to state that when the central bank sells securities it contracts the money in circulation.

QUESTION 7

The question was in two parts. The candidates were asked to:

(a) activities involved in the recruitment process;

(b) state reasons for conducting performance appraisal.

It was an unpopular question hence a few candidates attempted it.
In the 'a' part, some of them wrongly wrote on job specification, job analysis and job description instead of listing:

Identification of vacancy, advertisement of the vacancy, screening of applications, preparing shortlist, interviewing candidates, conducting medical examination, offering appointment, organizing orientation and making placement.

With the 'b' part, most of the candidates failed to state the reasons for conducting performance appraisal.

Some of the suggested answers are:

i. It provides feedback to the worker as to how he is performing;
ii. It is used in making placement decisions such as promotion, redeployment, or to determine staff strength;
iii. It is used to determine training and development needs of employees.

QUESTION 8

The candidates were asked to:

(a) explain these channels of communication:
  - **i. vertical communication;**
  - **ii. horizontal communication.**

(b) list and explain factors that could lead to ineffective decoding of a message.

It was a popular question and some of the candidates who attempted this question did fairly well in the 'a' part but missed some salient points in their explanation. For instance, in explaining vertical communication, they only wrote about the downward flow. Vertical communication is the flow of communication from top management to the lowest worker (downward flow) and vice versa (upward flow).

Most of the candidates who attempted the 'b' part showed that they did not understand the question. They wrongly wrote on: selection of inappropriate channels of communication; lack of confidentiality, distortions, long organizational structures, long distance and overload of information instead of listing and explaining the following as factors that lead to ineffective decoding of a message:

i. the use of jargons / semantics;
ii. noise;
iii. lack of attention;
iv. physical disability.