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Serial No.....

Institute of Certified Management Accountants of Sri Lanka
Operational Level
November 2016 Examination

Examination Date : 12th November 2016 **Number of Pages :** 05
Examination Time: 1.30 p:m. – 4.30 p:m. **Number of Questions:** 08

Instructions to Candidates

1. Time allowed is **three (3) hours**.
2. Total: **100** Marks
3. Answer **all** questions in the answer booklet. Write the question number in the answer booklet and write the answer against each number.
4. The answers should be given in **English Language**.

<u>Subject</u>	<u>Subject Code</u>
Business English II	(BE II / SK 2- 205)

Question No.1 (20 Marks)

Read the following passage and answer the questions given below.

The \$50 billion Ponzi scheme allegedly masterminded by former Nasdaq chairman Bernard Madoff punctuated a miserable year for Wall Street in the worst possible way: by underlining, yet again, that savvy market-makers can harness mysterious financial instruments as weapons of mass destruction. Left in Madoff's wake are bankrupt investors, **mortified** regulators and a raft of unnoticed red flags.

Though a Boston businessman named Charles Ponzi was the scam's namesake, he wasn't its original practitioner. According to Mitchell Zuckoff, a Ponzi biographer, the reigning king of the "rob Peter to pay Paul" scam was a New York con artist named William Miller, who cheated investors out of \$1 million — nearly \$25 million in today's dollars — in 1899. After drumming up interest by claiming to have an inside window into the way profitable companies operated, Miller — who earned the nickname "520 percent" due to the astonishing rate of return he promised investors over the course of a year — pulled off his scam by paying out the first few investors.

Ponzi was a charismatic Italian immigrant who, in 1919 and 1920, coaxed thousands of people into shelling out millions of dollars — including a staggering \$1 million in a single three-hour period — to buy postage stamps using international reply coupons. This strategy, Ponzi promised, enabled one to purchase postage at European currencies' lower fixed rates before redeeming them in U.S dollars at higher values.

Ponzi, who was released from prison and deported back to Italy in 1934, set the standard in the genre. But the golden age of Ponzi and pyramid schemes didn't arrive for decades. In the boom years of the 1980s and '90s, as traders developed increasingly sophisticated investment vehicles, the cons cropped up with increasing regularity. In 1985, a San Diego currency trader named David Dominelli was revealed to have fleeced more than 1,000 investors for \$80 million. During the 1990s, a Florida church called Greater Ministries International bilked nearly 20,000 people out of \$500 million in a pyramid scheme hatched by leader Gerald Payne, who claimed God would double the money of pious investors.

(Adopted from *A Brief History of Ponzi Schemes* <http://content.time.com/time/business/article/0,8599,1866680,00.html>)

(a) What is Bernard Madoff accused of?

(b) What is the colloquial phrase used to describe a Ponzi scheme?

(c) Was Charles Ponzi the original practitioner of Ponzi schemes?

(d) In which year was the first Ponzi scheme carried out?

(e) How did Miller persuade the investors to invest in his scheme?

(f) What was Miller's nick name?

(g) What was the business strategy behind Charles Ponzi's scheme?

(h) What was the reason for the resurfacing of Ponzi schemes back in the 1980s and '90s?

(i) What was the amount that David Dominelli cheated from his investors?

(j) How did Gerald Payne explain his pyramid scheme to his investors?

(10 × 2 Mark = Total 20 Marks)

Question No.2 (10 Marks)

- (a) **Put the verbs in brackets into the correct tense.** (06 Marks)

I (1) _____ (walk) around in Race Course Shopping Complex when I (2) _____ (realize) that a man wearing an orange shirt, whom I has seen in three shops already that afternoon, (3) _____ (follow) me. To make quite sure, I (4) _____ (stop) suddenly in front of a shop window. He came up to me and said, "I am so sorry, I (5) _____ (have follow) you thinking you were my friend. I guess still he (6) _____ (try) out shirts in the first shop. I should get back there".

- (b) **Write negative yes or no questions to the following.** (04 Marks)

- (i) I have been to a workshop conducted by Mr. Kumar de Silva.
- (ii) She was here a few days ago speaking to Mr. Faazil.
- (iii) You know the Director's name.
- (iv) There are many good restaurants near the office where we can buy lunch.

(Total 10 Marks)

Question No.3 (10 Marks)

- (a) **Fill in the blanks of the following dialogue with the appropriate form/tense of the verb.**

Terrance: I know. If I (1) _____ (like, not) living here in Colombo so much, I (2) _____ (jump) at the chance to move to Kandy. Anyway, I like Colombo.

Kenoli : Terrance, if I (3) _____ (be) you, I (4) _____ (accept) that promotion in a heartbeat!

(04 Marks)

- (b) **Select a word from the given list to fill each blank in the passage below. Prepare a numbered list from 1 to 4 in the answer booklet and use it to state the word you have selected for each number.**

The rules of etiquette in (1) _____ restaurants depend upon a number of factors the physical location of the restaurant, e.g., (2) _____ or urban; the type of restaurant, e.g., (3) _____ or formal; and certain standards that are more universal. In other (4) _____, some standards five of etiquette vary significantly while other standards apply almost anywhere. Learning the (5) _____ etiquette in a particular type of restaurant in a particular area may sometimes require instruction, but more commonly it simply requires (6) _____ and experience.

(06 Marks)

proper sensitivity rural words informal American
(Total 10 Marks)

Question No.4 (10 Marks)

- (a) **Write the most suitable form of the verb to fill the blank.** (04 Marks)

- 1. I enjoy _____ (read) the stock market report.
- 2. Where did you learn _____ (speak) Spanish? Was it in Sri Lanka or in Latin
- 3. Do you mind _____ (help) me to translate this letter?
- 4. Shane plans _____ (study) abroad next year.

(b) Identify whether the following sentences include ‘defining’ or ‘non-defining’ clauses. Write your answer against each sentence. (06 Marks)

- (a) Her car, which was very old, broke down after just five miles. _____
- (b) The reason why I came here today is not important. _____
- (c) Here are some computers which have been affected by the virus.

- (d) They should give the money to somebody who they think needs the treatment most.

- (e) Unlike American firms – which typically supply all three big American car makers – Japanese ones traditionally work exclusively with one maker. _____
- (f) It’s hoped that we will raise Rs.100,000/- for local charities, which help the refugees.

(Total 10 Marks)

Question No.5 (10 Marks)

Fill in the blanks with the appropriate preposition. (*There are three extra words*)

People can be divided basically (1)_____ those who keep knowledge and their personal contacts (2)_____ themselves, and those who are prepared to share what they know and indeed their friends (3)_____ others. A person who is insecure, for example someone who finds it difficult to share information with others and who is unable to bring people, including friends, together does not make a good networker. The classic networker is someone who is strong enough (4)_____ themselves to connect different people including close friends with each other. (5)_____ the non-networker’s point of view such a development may be intolerable, especially if it is happening (6)_____ their control. The unfortunate thing here is that the initiator (7)_____ the contact, if he did but know it, would be the one to benefit most. Unfortunately, making new contacts, while it brings success does cause problems. It enlarges the individual’s world. This is (8)_____ truth not altogether a bad thing, but it puts more pressure (9)_____ the networker. The most convenient way (10)_____ is, perhaps, to cull old contacts, but this would be anathema to our networker as it would defeat the whole purpose of networking.

up	to	across	in	over	within	on
outside	out	of	with	into	from	

(10 ×1 Marks = Total 10 Marks)

Question No.6 (10 Marks)

Change these sentences from Direct Speech to Indirect Speech.

- (a) The newly appointed HR Manager said, "I will introduce a new recruitment scheme".
- (b) Mr. Peiris said, "Please finish your project proposal and send it to me".
- (c) The supervisor asked Ali, "Did you finish your work late yesterday?"
- (d) The client asked, "Does the company offer a 10% discount for priority customers?"
- (e) Mr. Timal retorted, "I can schedule a meeting next week".
- (f) The secretary swore, "I didn't see this mistake in the previous draft".
- (g) The Manager told the office assistant, "You may leave early if there is a bus strike on".
- (h) "Agatha never liked me", retorted Johann.
- (i) "I am going to take the letters to the post office", replied Nimal.
- (j) The staff complained, "We don't like your lengthy presentation".

(Total 10 Marks)

Question No .7 (10 Marks)

(a) Write the passive form of the following sentences.

(05 Marks)

- 1. The Manager accused the office assistant for stealing stationery from the store.
- 2. We are the delegates going to Japan to represent our company.
- 3. David will be delivering the keynote speech at the inauguration ceremony.
- 4. The jury is debating whether to pardon the defendant or not.
- 5. They haven't stamped the letter.

(b) Write the active form of the following sentences.

(05 Marks)

- 1. Some information is archived by the young librarian.
- 2. The staff were not properly looked after by the former boss.
- 3. Someone will have to be found to take Jan's place.
- 4. The old office clock needs to be wound.
- 5. The supervisor shouldn't have been told about the latest developments of the law suit.

(Total 10 Marks)

Question No .8 (20 Marks)

Write a composition of **300** words on **one** of the following topics on your answer booklet:

- (a) **Social Media and business communication.**
- (b) **There is marked increase in the participation of women in the workforce.**
- (c) **Multinational corporations are responsible for global scale issues.**

(Total 20 Marks)

End of Question Paper
