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Serial No.....

Institute of Certified Management Accountants of Sri Lanka

Managerial Level

November 2016 Examination

Examination Date : 27th November 2016 **Number of Pages :** 04
Examination Time: 1.30 p.m. - 4.30 p.m. **Number of Questions:** 06

Instructions to candidates:

1. Time allowed is **three (3) hours.**
2. Total: **100 Marks.**
3. Answer **five (5)** questions selecting at least **two (2)** questions each from Sections A and B.
4. **Section A:** Marketing and **Section B:** People Management.
5. The answers should be given in **English Language.**

<u>Subject</u>	<u>Subject Code</u>
Marketing and People Management	(MPM – ML 3 / 303)

SECTION A: Marketing

Question No. 01 (20 Marks)

Sandra Mawaduna only daughter of the rich landed proprietor Sam Mawaduna, on her return to the country after obtaining a post graduate diploma in ‘hair styling’ from a prestigious finishing school in Norway has just commenced her salon exclusively for ladies in an up market suburb in Colombo-05 that is expected to be patronized by many members of the expatriate community.

She is planning to offer a range of services that include many value added prescriptions capable of serving individual needs for a variety of specific problems ranging from hair loss to dandruff problems. The salon will only employ qualified hair stylists after an extensive training by Sandra personally conducting such training courses.

Notwithstanding her family wealth and rich inheritance her father has emphasized the need to operate her salon as a profitable entity. He has also introduced a business consultant who is expected to advice Sandra as to how she will run a strategically successful business.

During Sandra’s first meeting with her consultant, he has raised the issue of having a web-page for her business outfit.

You are required to:

- (a) Briefly explain the meaning of competitive advantage as an important condition to be strategically successful. **(04 Marks)**
 - (b) Discuss the ways that ‘Internet’ can be used to add value to Sandra’s business. **(08 Marks)**
 - (c) Explain in what ways Sandra can offer superior service to her target customers. **(08 Marks)**
- (Total 20 Marks)**

Question No. 02 (20 Marks)

- (a) Taking Sri Lankan tea as an example, distinguish between the terms ‘core product’ and ‘basic product’. **(05 Marks)**
- (b) Couple of decades ago ‘Ceylon Tea’ was one of the most popular beverages around the world. It enjoyed the status of a very prestigious brand and was able to command premium prices. However, over the years due to some unethical practices of few marketing firms such as mixing and exporting our tea mixed with cheap imported products, diluted the brand image of our ‘Ceylon tea’. Currently Sri Lankan tea is suffering from these practices as our country continues to lose its competitiveness in the world markets for one of its most iconic products.

You are required to:

- (i) Briefly explain the meaning of a ‘brand’ from a marketing perspective and how this meaning can be applied in relation to ‘Sri Lankan Tea’ as mentioned above. **(06 Marks)**
- (ii) Discuss the benefits of having a strong brand for a country’s premier product such as ‘tea’ in our country. **(06 Marks)**
- (c) Mention three advantages of a good packaging in marketing Sri Lankan tea. **(03 Marks)**
- (Total 20 Marks)**

Question No. 03 (20 Marks)

- (a) Briefly discuss the necessity to distinguish between ‘needs’ and ‘wants’ to an organization that is planning to market food products aimed at older population with considerable buying power. Illustrate your answer with an example relevant to the specific factors given above. **(06 Marks)**
- (b) With reference to the organization mentioned in above (a) assume, it is a restaurant that is aiming to cater to affluent older population with good income in a up market area in Colombo-07. It has an objective to be the most preferred location for those opting for fresh ingredients.

Explain the meaning of ‘**market segments**’, ‘**market segmentation**’, ‘**targeting**’ and ‘**positioning**’ and relate these terms to the facts mentioned above. **(12 Marks)**

- (c) Mention the steps involve in marketing research process. **(02 Marks)**
- (Total 20 Marks)**
- End of Section A

SECTION B: People Management

Question No. 04 (20 Marks)

When Mahesh de Silva joined the Avedayaj Bank in 2010, he had one clear goal to prove his potentiality. He did prove that and had been promoted 5 times since his entry into the bank. Compared to others, his progress has been the fastest. Currently his job demands that Mahesh should work 10 hours a day with practically no holiday. At least, 2 days in a week Mahesh is required to travel.

Peers and subordinates at the bank have appreciation for Mahesh. They don't grudge the success achieved by Mahesh, though there are some who wish they too had been promoted as well. The post of General Manager fell vacant. One should work as a GM a couple of years if he were to climb up to the top of the ladder. Mahesh applied for the post along with others in the bank. The chairman has assured Mahesh that the post would be his.

A sudden development took place, which almost wrecked Mahesh's chances. The bank has the practice of subjecting all its executives to medical checkup, once a year. The medical reports go straight to the chairman who would initiate remedial measures, where necessary. Though Mahesh was only 35, he too, was required to undergo the test.

The chairman of the bank received a copy of Mahesh's medical examination results, along with a note from the doctor. The note explained that Mahesh has seriously overworked and recommended that he be given an immediate 4 weeks' vacation. The doctor also recommended that Mahesh must take physical exercise, every day. The note warned that if Mahesh did not care for the advice, he would be in for heart trouble in another 6 months.

After reading the doctor's note the chairman sat back in his chair and started brooding over the situation. Three issues were the uppermost in his mind: 1. How would Mahesh take this news? 2. How many others would have similar fitness problems? 3. Since the environment in the bank helps create problem, what could he do to alleviate it?

The idea of holding a stress management program flashed in his mind and suddenly, he instructed his secretary to set up a meeting with the doctor and some key members at the earliest.

You are required to:

- (a) What causes make employees stressed? "Give at least 5 major reasons. (05 Marks)
 - (b) In your capacity as a member of the management what coping strategies would you suggest for the organization with regard to employee stress? (10 Marks)
 - (c) What are your suggestions to Mr. Mahesh de Silva in the above (case study). (05 Marks)
- (Total 20 Marks)**

Question No. 05 (20 Marks)

Attracting and retaining talented employees in the workplace is a challenge for the company. As an Accountant who is key member of the management team of your company what suggestions can you make for this company?

- Anil Perera is the HR Director of Alfa Singer Industries Limited.
- Suresh is the production manager and he had to approve hiring of new supervisors.
- One day Anil called Suresh and suggested him a young engineering graduate named Ranga from Technical College Moratuwa for the post of supervisor.
- Anil asked Suresh whether to send Ranga to his office if he is free at that moment in spite being busy Suresh agreed as he did not want to displease HR director because of the organizational hierarchy.

- After few moments, Ranga arrived at Suresh's office & introduced himself.
- Suresh told him to wait for a while because he has to make some urgent phone calls.
- After 15 minutes, Suresh began interviewing Ranga and was quite impressed after seeing applicants merit certificates, best suggestion award from previous multinational company where he had worked and Ranga's quick responses revealed his potential. There were a lot of interruptions (phone calls, etc) for next forty minutes.
- Finally Ranga interrupted and told Suresh that he has to leave to catch the train for Galle at 6pm. Suresh replied okay and requested him to call after a week.

You are required to:

- Based on facts in the above (case study) what recommendations can you make for this company with regard to their recruitment and selection policy and procedures? **(10 Marks)**
 - Do you see any training needs in this are, if so discuss those needs and who should be given such training? **(10 Marks)**
- (Total 20 Marks)**

Question No. 06 (20 Marks)

Reproduced below is an extract from the diary of Mr. H .Liyanage - HR Director of the company.

"First Monday of the month again - Board meeting. This was the opportunity I'd been waiting for - with some trepidation. My function had produced firm proposals on a new training and development strategy which I was to present to the Board. Development for all was theme, with key competencies being identified at each level of the organization and everyone being entitled to six days off training per year, plus coaching on the job to meet individual development goals. A real step in the right direction at last. All I had to do was to get the Board's backing and we'd be off.

I began to present the scheme complete using a power point presentation, proposed information packs to employees and a manager guidance and support package. My colleagues listened intently, for about 5 minutes, and then all hell broke loose.

"So what's going to happen to production when they're all off for training - we're understaffed anyway? - That was Mr. Siriwardane, the Production director.

Mr. Brian Perera, Director Marketing chipped in next: They'll be poached as soon as they're trained if word gets out about this - we'll be doing it for nothing'. But worst of all was Mr. Christy Cooray the MD: 'Why are you proposing this anyway. Granted we desperately need some skills training to operate those new machines and to encourage flexibility - but we didn't ask for all this. How will it improve business performance? What are we going to get out of all the money this is going to cost us?

I had hoped more of Mr. Cooray. He was usually very supportive when I came up with training proposals to solve business problems - well crises would be a better word - we did what I suggested and it usually worked. This time my words fell on stony ground - no one was interested. Where do we go from here?"

You are required to:

- What could be the possible reasons for the rejection of HR Director's proposal at the Board Meeting? **(05 Marks)**
- Your response / comments on the other directors' reactions? **(10 Marks)**
- What could Mr. Liyanage, the HR director could have done differently to improve his chances of success? **(05 Marks)**

(Total 20 Marks)

End of Section B
End of Question Paper