

PILOT PAPER – 2023-2027 SYLLABUS

OL2.3 Managing Business Operations, Audit & Control

Operational Level

ANSWER KEY

Practice Examination – Part I

Q. No	Answer	Q. No	Answer
01	D	11	C
02	C	12	A
03	A	13	D
04	B	14	C
05	C	15	C
06	C	16	C
07	C	17	C
08	A	18	B
09	C	19	C
10	B	20	D

Practice Examination – Part II

Question 01 - each question 02 marks in maximum, total 07 marks

Operations Management - Segment A

1. According to the vision and the business idea of IKEA, on which of the following competitive priorities IKEA competes in the market: **Answer C**
2. The costing department has calculated the labour productivity as 144. Which of the following figures may have been used by the costing department: **Answer B,D**
3. What is the labour productivity in units per labour hour: (Units/labour hour)

100

4. Select the correct value of material productivity. **Answer B**
5. State whether the below statement is true or false.

Statement	True / False
The most suitable process for a furniture company like IKEA to produce large volume of standardized products is batch production.	False
By looking at the vision and mission of the IKEA it can be concluded that competitive priority of IKEA is quality	False

Question 02 - each question 02 marks in maximum, total 08 marks

Operations Management - Segment B

6. Match the characteristics of a washing machine given in the right-hand side with the dimensions of quality as identified by David Garvin in left hand side.

Characteristic	Rank	Dimension
Less power consumption	4	1. Performance
Reputed brand name	3	2. Features
Availability of different colours	1	3. Aesthetics
Reputed brand name	2	4. Perceived Value

7. Identify whether the following factors that may be considered by Unico in establishing its new manufacturing plants are related to the country level or the site level.

	Country / Site
Literacy rate of the people	Country
Facilities available for employees	Site
Exchange rate fluctuation	Country
Proximity to port	Site

8. What is the most suitable tool Unico can use among the following to identify root causes of a quality issue: **Answer C**

9. State whether the below statement is true or false.

Statement	True / False
In the center of gravity method of location evaluation, the decision is made by multiplying the scores of the selected factors by the assigned weight in each location.	False
Deming wheel is one of the location evaluation methods.	False

10. You are given the following information regarding two locations that Unico is considering to establish the new factory.

Factor	Weight	Score	
		Galle	Kandy
Labour Attitude	0.3	60	70
Availability of transport facilities	0.4	70	40
Waste disposal facility	0.3	55	60

- (i) What is the total factor rating of Galle:

62.5

- (ii) Select the best location to establish the new factory. **Answer B**

Question 03 - each question 02 marks in maximum, total 07 marks

Marketing Management- Segment A

11. Do you agree or disagree with the given approaches:

Approach	Agree / Disagree
Add more menu items within the same range of prices	Agree
Give discounts for existing menu items	Agree

12. My Kitchen introduces free delivery services if the order price exceeds a certain limit.

Which aspect benefits it tries to increase: **Answer A**

13. When delivering the orders to respective customers My Kitchen distribute the brochures that includes all the items in the menu card and the easy ordering telephone numbers.

Which aspect/s of cost does it reduces: **Answer B&D**

14. My Kitchen introduces an 'open kitchen' concept where customers can see how the ordered products are manufactured and provides customers to give some specific instructions to include or exclude certain ingredients as per the preferences of the individual customers. State the True/False for the following statements.

Statement	True / False
It increases the service benefits	True
It reduces the time costs	False

15. Generally, when customers select a restaurant for dining, they consider for their previous experience and do not consider about collecting information about possible restaurant and analyzing them prior to the purchases. It is because customers do not like to bear

Cost. **Answer C**

Question 04 - each question 02 marks in maximum, total 08 marks

Marketing Management- Segment D

16. The following table explains levels of ‘Customer Value Hierarchy’. Match each of such level with the respective the practical application of the mobile phone taken as an example.

Communicating with friends and relatives	c	(a) Basic product
Having a SIM and a battery in the phone	a	(b) Expected product
Having a high-mega fix camera that gives good picture quality	b	(c) Core benefits

17. The company provides free power bank for first 100 hundred customers who purchase the phone.

Statement	True / False
It reflects the augmented level of the product.	True
It shows how potential value of the product can be increased	False

18. The mobile phone technology is ever changing by providing numerous opportunities for marketers to enhance the customer value. Such novelty is called as according to the Customer Value Hierarchy. **Answer A**

19. Which of the following statements reflects the augmented level of the value hierarchy.: **Answer C**

Question 05 - each question 02 marks in maximum, total 7.5 marks

Human Resource Management- Segment B

20. Select the true/false statements:

Statement	True / False
According to the above case, it is possible to outsource the work of sewing operators in the garment factory.	False
(Outsourcing does not involve any disadvantages to the organization	False

21. Select the true/false statements:

Statement	True / False
HRM function 'Labour Relations' has been referred in the above case.	False
Gain feedback from the customers (outsiders of the organization) is considered as 360-degree feedback performance evaluation.	True

22. Which one of the following is not enhancing the efficiency and effectiveness of its workforce:

Answer D

23. is not a method of performance appraisal. Select the correct answer from the below drop down. **Answer B**

24. Match the definition of each concept.

Concept		Definition
Employee Log	2	1. Information is collected through a panel of experts.
Jury of Experts	1	2. In this it is required the job holder to describe and record tasks, duties and other activities performed by him/her and number of times it repeated, on a daily basis.

Question 06 - each question 02 marks in maximum, total 7.5 marks

Human Resource Management- Segment B

25. Select the true/false statements:

Statement	True / False
Assessment Center is a programme that uses multiple methods of selection and multiple assessors to determine the suitability of candidates for particular job vacancies.	True
Selection is the process of finding suitably qualified people to apply for the organizational job vacancies.	False

26. Which two of the following are internal recruitment methods: **Answer A,C**

27. Select four (04) methods that can be used to select the most appropriate employees for IJF Pvt. Ltd. from the following list: **Answer A,C,E,F**

28. Select two methods that can be used in forecasting future HR demand when conducting human resource planning from the following list: **Answer A,D**

29. Match the definition of each concept.

Concept		Definition
Induction	2	1. Method that gets the service of an old employee, who is currently working for the organization, to assist the new employee to get familiarized with the job, job environment, and general organizational environment.
Buddy System	1	2. Function that systematically and formally introduces the new employee to the organization, to the job, to the work group to which new employee will belong, and the work environment where the new comer will work.

Question 07 - each question 02 marks in maximum, total 08 marks

Audit & Control- Segment A

30. Select the true/false statements:

Statement	True / False
The external auditor should consider the activities of internal auditing and their effect, if any, on external audit procedures.	True
The internal auditor has sole responsibility for the independent audit opinion expressed in the audit report.	False

31. Identify the following characteristics based on whether they are more commonly associated with internal audit (I) or external audit (E).

Activity	I/E
Focuses on evaluating internal controls.	I
Provides reasonable assurance to stakeholders.	E
Conducts financial statement audits.	E
Reports to management of the entity.	I

32. Match the following terms related to the internal audit with their corresponding definitions:

Term	Rank	Definition
1. Operational audit	3	Examination of conformity and adherence of a particular area, process, or system to policies, plans, procedures, laws, regulations, contracts, or other requirements that govern the conduct of the area, process, or system subject to audit.
2. Information and Technology Audit	1	Mainly focuses on the review of internal controls of key processes, procedures, or systems with the main objective is to improve productivity, as well as efficiency and effectiveness of the operation subject to audit.
3. Compliance Audit	2	An examination of the management controls within IT applications, operating systems, databases, or the infrastructure.

33. Why is the internal audit function important for organizations: **Answer D**

Question 08 - each question 02 marks in maximum, total 07 marks

Audit & Control- Segment B

34. Select the true/false statements:

Statement	True / False
Control environment describes a set of standards, processes, and structures that provide the basis and foundation for carrying out internal control across the organization.	True
Control activities are actions that help management to increase risks in order to ensure the achievement of objectives.	False

35. Which of the following is not an internal control activity: **Answer D**

36. According to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, which of the following is not a component of internal control: **Answer D**

37. How does management accomplish monitoring of controls: **Answer C**
