



Hong Kong Institute of
Accredited Accounting Technicians
香港財務會計協會

Accredited Accounting Technician Examination

Pilot Examination Paper

Paper 2 Business Communication and Organization and Management

Questions & Answers Booklet

The Suggested Answers given in this booklet are purposely made to give more details for educational purpose.

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Published in June 2008



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Pilot Examination Paper

Paper 2 Business Communication and Organization and Management

Time allowed – 3 hours

Section A: Multiple-choice Questions – Attempt all 15 Questions

Section B: Compulsory Questions – Attempt all 3 Questions

Section C: Optional Questions – Attempt any 2 out of 3 Questions

**DO NOT OPEN THIS QUESTION PAPER UNTIL
INSTRUCTED TO DO SO BY THE SUPERVISOR**

SECTION A (MULTIPLE-CHOICE QUESTIONS) (20 marks)

Answer **ALL** questions in this section. Choose the best answer for each question.
Marks will not be deducted for incorrect answers.

(Questions A1 to A10 carry 1 mark each. Total: 10 marks)

A1. All the following are elements in the communication process, **EXCEPT**:

- A noise.
- B encoding.
- C channel.
- D feedback.

A2. It is best to use email communication under all of these circumstances, **EXCEPT** when:

- A time zones are different.
- B you want to reach a dispersed audience within a short time.
- C you want to encourage interaction and problem solving.
- D you are physically separated from the audience.

A3. “To Whom It May Concern” is often used in the salutation line of a letter of:

- A appreciation.
- B congratulation.
- C condolence.
- D recommendation.

A4. The four Ps regarding the use of an appropriate tone include the following **EXCEPT**:

- A personal.
- B professional.
- C progressive.
- D polite.

A5. Which of the following statements about meetings is most accurate?

- A Less capable staff need more meetings so that they can follow instructions better.
- B Business people prefer to have meetings because they see that meetings are opportunities for professional growth and recognition.
- C Briefing meetings are the most important and brainstorming meetings are the least.
- D As businesses become more team-oriented, people attend more meetings than ever.

- A6.** An expert writer tends to spend most of his/her time on which phase(s) of the writing process?
- A Analysing, anticipating and adapting.
 - B Revising, proofreading, and evaluating.
 - C Researching, organising, composing.
 - D Visualising the audience.
- A7.** Line charts are usually used to:
- A organise a large amount of data into columns and rows.
 - B help readers see percentages and parts of a whole.
 - C illustrate management structure and line of authority.
 - D show changes in quantity over time.
- A8.** The four major groups of variables making up the marketing mix does **NOT** include:
- A place.
 - B people.
 - C product.
 - D price.
- A9.** The agency problem results from:
- A the poor performance of the agent and inability of the company to hire another agent.
 - B conflicts of interest between the manager and the shareholders.
 - C financial controllers' failure to maximise shareholders' wealth.
 - D the alignment of shareholders' interest in relation to the ownership of the company.
- A10.** A financial institution is an intermediary that:
- A channels the savings of individuals, businesses and governments into loans or investments.
 - B changes loans or investment from individual customers only into funds for net demanders.
 - C accepts customers' savings deposits and uses the money only to earn assets through investment.
 - D deposits money through financial markets in which the suppliers and demanders of various types of funds can make transactions.

(Questions A11 to A15 carry 2 marks each. Total: 10 marks)

A11. Which of the following sentences about reports are **CORRECT**?

- (1) An annual report is published every year for shareholders only.
- (2) A memorandum report is usually used for internal reporting.
- (3) A recommendation report is sometimes called analytical report.

- A All, except (1)
- B All, except (2)
- C All, except (3)
- D All of the above

A12. Which of the following sentences about memorandums are **CORRECT**?

- (1) Memorandums are used for informal communication.
- (2) There must be a complimentary close at the end of a memorandum.
- (3) Memorandums should be short, with a few lines of text only.

- A (1) and (2).
- B (1) and (3).
- C None.
- D All.

A13. Which of the following sentences about communication forms/directions are **CORRECT**?

- (1) Reports are usually used for upward communication purposes.
- (2) Lateral communication should normally be verbal rather than written.
- (3) External communication materials may be sent to potential customers or business partners.

- A (1) and (2).
- B (1) and (3).
- C None.
- D All.

A14. Key activities of human resource management include:

- (1) human resource planning.
- (2) performance appraisal.
- (3) business intelligence collection.
- (4) decruitment.

- A (1), (2) and (4).
- B (1), (3) and (4).
- C (1), (2) and (3).
- D All.

A15. Market targeting involves:

- (1) positioning the product competitively in the market.
- (2) creating a detailed marketing mix.
- (3) evaluating each market segment's attractiveness.
- (4) selecting one or more of the market segments to enter.

- A (1) and (2).
B (2) and (3).
C (1) and (4).
D (3) and (4).

(Total: 20 marks)

[END OF SECTION A]

SECTION B (COMPULSORY QUESTIONS) (30 marks)

Answer **ALL** questions in this section. Marks are indicated at the end of each question.

- B1. (a)** Communication barriers refer to factors that prevent a receiver from getting a message clearly.

REQUIRED:

Give an example of a physical barrier and an example of a semantic barrier.
(4 marks)

- (b)** Sometimes we prefer spoken to written communication, and at some other time, we prefer the opposite. For example, we prefer spoken communication when we need as much immediate feedback from the other party as possible.

REQUIRED:

Suggest three situations in which written communication is preferred to spoken communication.
(6 marks)

(Total: 10 marks)

- B2.** The sentences below are problematic for a variety of reasons such as wordiness, lack of “you-attitude”, and negativity.

REQUIRED:

Rewrite the following sentences to avoid the problems.

- (a)** In my own opinion, I believe that the market is expanding.
- (b)** If you don't submit your proposal by 10 am tomorrow, we will not consider it for approval.
- (c)** Do not waste time to talk to your friends through mobile phones during office hours.
- (d)** You are not entitled to any membership discount unless you buy our goods for more than \$500.
- (e)** The reason for the dramatic fall in the stock market is due to the subprime mortgage problem has deteriorated.

(Total: 10 marks)

B3. REQUIRED:

- (a) Many organisations use management by objectives (MBO), rather than traditional objective setting. Explain what MBO is.
(5 marks)
- (b) Briefly explain what national culture is and give an example of a typical Chinese behaviour that Americans should pay attention to when doing business with Chinese.
(5 marks)

(Total: 10 marks)

[END OF SECTION B]

SECTION C (OPTIONAL QUESTIONS) (50 marks)

Answer any **TWO** questions only in this section. Each question carries 25 marks.

- C1.** Yvonne Fong is Administrative Manager of a major advertising firm. Seeing that staff's proficiency in both English and Chinese is critical to their communication effectiveness and thus the company's success, the board of directors has decided to ask all staff at executive or above grades to sit for a globally recognised public examination. Those who fail to get a pass grade will have the salary point frozen until they pass the examination. To implement this policy, the company will run a language course to equip staff with the necessary skills to take the examination.

The board of directors has given Yvonne Fong the responsibility to inform all staff of the decision. The following is relevant information:

Exam:	International Diploma in Bilingual Communication (English and Chinese)
Exam body:	Chartered Institute of Linguists (a UK-based international professional body and language testing authority)
Exam content:	English and Chinese business writing, translation and interpretation (four papers all together)
Exam fee:	HK\$1,800 (company to pay in the first sitting; staff to pay if they fail the first sitting and sit for it again)
In-house English course:	to be launched next month
Course contents:	first five lessons (1 hour each) – exam techniques; further lessons (2 hours each) – English and Chinese language skills
Course fee:	first five lessons – paid by company; further lessons (optional) – \$990 per ten lessons (ten participants per class)

She knows that the new policy will not be welcome, and has decided to write a memo to all staff informing them of the policy and the course.

REQUIRED:

- (a) **Suggest two ways, with explanations, how Yvonne Fong may motivate the staff to accept the new arrangements.** (5 marks)
- (b) **Write the memo for Yvonne Fong, adding any relevant information where necessary. Your memo should be written in paragraphs, rather than notes.** (20 marks)

(Total: 25 marks)

- C2.** Ivy Wong is Sales Manager of Cyber Computing, a company supplying computer hardware and software to retailers. She has just received a complaint letter from David Lo of Lovely Gifts Limited, as below.

Lovely Gifts Ltd

8/F World Wide Building
78 Nathan Road
Mongkok, Kowloon
Tel: 2888-8888

18 March 2008

Ivy Wong
Sales Manager
Cyber Computing
2/F Commercial World Tower
38 Causeway Road
Hong Kong

Dear Ms Wong

Complaint about order for 150 game boxes (model: PMD18)

The above goods of 150 game boxes were received today.

However, on checking the players we found that the quality of the machines was faulty. Only the second generation series of games had been installed in the boxes and the third generation series had not been installed. Ten boxes could not be switched on. We are very disappointed with these products because they are not as good as the model that was demonstrated to us by your sales representative on 26 February at your showroom.

To make matters worse, we have already included the PMD18 in our new catalogue and have received a substantial number of enquiries about this item. We now face the problem of having to remove the product from our catalogue and explaining to our customers that it is no longer available. As you will appreciate, this will damage our company's reputation.

In order to compensate for the inconvenience, I wish to have a full refund of the money paid for these games boxes. If a refund is not possible, I will be prepared to accept the same number of PMD18 players as a replacement at the same price.

A copy of the purchase order is attached for your reference. Should you require any further information, you can contact me on the number given above.

I look forward to hearing from you by the end of this week.

Yours sincerely

David Lo

David Lo
Purchasing Manager

Encl.

Ivy Wong has immediately investigated the case and found the following:

- Third generation series – free download from internet (cable available in package, 15-digit account number in “authorisation card”)
- 10 faulty machines – to replace (a sales representative to contact)
- Refund – not necessary
- PMD19 (HK\$998 each) just released – available for order; 10% discount for orders of 100 or more

REQUIRED:

- (a) **Ivy Wong wishes to write a reply letter to David Lo. Design a suitable communication objective statement for her reply letter.**
(5 marks)
- (b) **With objective statement in mind, write a reply letter to David Lo for Ivy Wong.**
(20 marks)
- (Total: 25 marks)**

C3. ABC is a renowned language institute offering a wide range of English language courses. It has several branches and a staff of about 100 trainers. The Principal of the institute, Mr Raymond Chow, has recently heard of total quality management (TQM) and a friend told him that he should adopt TQM.

- (1) Assume that Mr Chow is your friend. He has contacted you and asked you for advice on how the concept of TQM can be applied to an educational institution like his. You wish to explain to him the key elements of TQM in the context of an educational institution. You know that one key element of TQM is the concern for continual improvement. This means that TQM is a commitment to never being satisfied. If Mr Chow implements TQM in his institute, he will not stop seeking improvement even when his students say that his institute is very good. He will keep finding ways to improve its service quality.
- (2) At the same time, believing that his institute is a service organisation, you think that Mr Chow should also have a clear concept of the characteristics of services.

REQUIRED:

- (a) **List the other four key elements of TQM and briefly explain to Mr Chow what they mean in the context of an educational institution.**
(13 marks)
- (b) **Describe to him the four characteristics of services and again briefly explain what they mean in the context of an educational institution?**
(12 marks)

(Total: 25 marks)

[END OF EXAMINATION PAPER]

Suggested Answers

Pilot Examination Paper

Paper 2

Business Communication and Organization and Management

SECTION A (MULTIPLE-CHOICE QUESTIONS) (20 marks)

(Questions A1 to A10 carry 1 mark each. Total: 10 marks)

- A1. A
- A2. C
- A3. D
- A4. C
- A5. D
- A6. B
- A7. D
- A8. B
- A9. B
- A10. A

(Questions A11 to A15 carry 2 marks each. Total: 10 marks)

- A11. A
- A12. C
- A13. B
- A14. A
- A15. D

(Total: 20 marks)

SECTION B (COMPULSORY QUESTIONS) (30 marks)

B1. (a) Physical barrier example: an air-conditioner making a loud humming noise in a room where a meeting is held; or
a speaker frequently adjusting her forelock away from her face; or
any other reasonable example **[2 marks]**

Semantic barrier example: one says “Right!” in response to the question “Should I turn left?” → the other does not know whether the response means he is wrong or not; or
one uses a word which is important to one’s message but the other party does not know the word; or
any other reasonable example **[2 marks]**

(4 marks)

(b) Three situations (examples) are needed:

- A permanent record is needed.
- The information is complex.
- The message should be sent to a large number of people and it is inconvenient for them to meet.
- The writer needs time to design the message and the reader to reflect on the message before responding to it.

or

- any other reasonable example

(2 marks each, maximum 6 marks)

(Total: 10 marks)

B2. There is not only one way to rewrite the given sentences. The following are examples of acceptable answers. Give credit when the candidate has properly avoided the problem.

(a) The market is expanding. or
I believe (that) the market is expanding. or
In my opinion, the market is expanding.

(b) So that your proposal can be considered for approval, please submit it by 10 am tomorrow. or
If you submit your proposal by 10 am tomorrow, we will consider it for approval.

(c) Please focus on your work during office hours.

(d) You are entitled to our membership discount for any purchases of \$500 or more.

(e) The subprime mortgage problem has deteriorated is because of the dramatic fall in the stock market.

(2 marks each)

(Total: 10 marks)

- B3. (a)** MBO is a management system in which
- specific performance objectives are determined by both subordinates and their superiors;
 - progress towards objectives is periodically reviewed; and
 - rewards are given on the basis of this progress.

(Or other valid points.)

(5 marks)

- (b)** National culture is the attitudes and perspectives shared by most people of a specific country that mould their behaviours and the way they see things. **[3 marks]**

For example, the Chinese tend to adopt an indirect approach to communicating their messages. They often avoid putting their key point at the beginning of a message. **[2 marks]**

(Or any reasonable example.)

(5 marks)

(Total: 10 marks)

SECTION C (OPTIONAL QUESTIONS) (50 marks)

- C1. (a)** Yvonne Fong may appeal to staff's growth needs or their need for self-actualisation, by pointing out that they will gain formal recognition of their language competence through the new company arrangements, if they pass the test.

In addition, through a cost-benefit analysis, she may emphasise to the staff that they will be given HK\$1,800 exam fee and five free lessons which are worth several hundred dollars. As for the cost, they will need to spend time, and if they cannot pass, they will not be given a rise in salary.

(5 marks)

- (b)** Credit should be given to the memorandum according to the following scheme.

Content:

Staff (audience) informed of new policy and arrangements
All data/information correct
Staff encouraged to accept the arrangements
Suitable relevant information added

(6 marks)

Grammar:

Near perfect grammar, correct choice of words and spelling **[6 marks]**
Understandable sentences with a few (minor) spelling mistakes **[4–5 marks]**
Understandable sentences with major spelling mistakes **[2–3 marks]**
Poor grammar and a lot of (serious) spelling mistakes **[1 mark]**
Unreadable sentences **[0 marks]**

(6 marks)

Memo layout:

Company name, memo
Date
To, from
Reference number
Subject heading
Main body paragraphs
Signature/initial

(3 marks)

Style and presentation:

Good choice of vocabulary and expressions
Sophisticated sentence structures
Appropriate writing tone
Relevant paragraphing
Concise yet comprehensive presentation
Clear personal style

(5 marks)

(Total: 25 marks)

C2. (a) Ivy Wong may adopt this communication objective statement:
“Through the reply letter, David Lo will accept Cyber Computing’s apologies and the proposed no-refund arrangements (download and install the software of third generation series on PMD18, and arrange with the company to replace the faulty machines) and place an order for PMD19.”

(5 marks)

(b) Credit is given to the reply letter according to the following scheme.

Content:

Apology made

All necessary information correctly given

No-refund arrangements proposed for PMD18

New purchase order for PMD19 encouraged

(6 marks)

Grammar:

Near perfect grammar, correct choice of words and spelling **[6 marks]**

Understandable sentences with a few (minor) spelling mistakes **[4–5 marks]**

Understandable sentences with major spelling mistakes **[2–3 marks]**

Poor grammar and a lot of (serious) spelling mistakes **[1 mark]**

Unreadable sentences **[0 marks]**

(6 marks)

Letter layout:

Date

Addresses

Salutation

Reference number

Subject heading

Main body paragraphs

Complimentary close

Signature

(3 marks)

Style and presentation:

Good choice of vocabulary and expressions

Sophisticated sentence structures

Appropriate writing tone

Relevant paragraphing

Concise yet comprehensive presentation

Clear personal style

(5 marks)

(Total: 25 marks)

C3. (a) The other four key elements of TQM are:

Intense focus on the customers

The customers include not only students who purchase the institute's education services but also the internal customers (such as teachers and administrative support staff) who provide services and interact with students.

Improvement in the quality of everything the institute does

TQM uses a broad definition of quality. It relates not only to the teaching performance of the staff and the implementation of the curricula but also to how the organisation handles its service delivery, how rapidly it responds to complaints, how politely the phone enquires are answered, and the like.

Accurate measurement

TQM uses statistical methods to measure critical variables in the institute's operations. Performance data are compared against standards or benchmarks to identify problems which are then traced to their roots, and their causes are then removed.

Empowerment of staff members

TQM involves staff members in the improvement process. Teams are formed and widely deployed as empowerment vehicles for finding and solving problems.

[3 marks per point, 1 addition mark may be given as bonus for proper organisation of the answer]

(13 marks)

(b) The four characteristics of services are as follows:

Intangible

The educational services provided by the institute cannot be seen, touched and felt. They result in improvement in English language competency which can be observed only indirectly. **[3 marks]**

Inseparable

The educational services are produced and consumed simultaneously and cannot be separated. **[3 marks]**

Variable

The quality of educational services depends on who provides it and where it is provided. The service quality relies on the venue, the teachers and the curriculum design of the institute. **[3 marks]**

Perishable

The educational services or lessons cannot be stored. It is not possible to store up interactions between teachers and students and deliver them to students months/years later. **[3 marks]**

(12 marks)

(Total: 25 marks)

[END OF SUGGESTED ANSWERS]