CAB I EXAMINATION – MARCH 2013

Financial Accounting

Part A

The question paper seems to be well balanced becoming most of the questions based on accounting principles rather than calculations.

Majority of the students scored more than 60% of the allocated marks.

Question number 6 and 16 seems to be little advance than other questions. Majority of the students given the wrong answers for question number 6 and 16

Question No. 01

This question is compulsory. Except very few candidates all other students have answered the question. Most of the students properly understood the question. They have properly done depreciation calculations, expenses allocation, trade receivable, closing inventory calculations, etc. Almost 20 marks were coming from above mentioned adjustments.

Some candidates were not able to understand the question, and they have answered without understanding the question.eg: Appropriation of electricity, security, insurance & maintenance wages, W.I P adjustment, disallowed input V.A.T, recognition of plant disposal loss calculation, calculation of deprecation for plant & machinery, proper presentation in the income statement are the major areas where the students made mistakes.

There were some candidates whose answers were totally irrelevant to the question. Those students' subject knowledge was very poor. They did not understand the question requirement correctly.
Some students have given the answers in inconsistent figures like some are in thousand and some are in millions.

Question No. 02

This question is an optional question. Most of the candidates did not select this question. Majority of the students' answers were satisfactory. Though the answers were satisfactory some students have failed to recognize the adjustment relating to revaluation, bad debts, bank account balances. Very few students have recognized the accurate bank balance.

Most of the students who attempted the question have answered satisfactorily. However there were instances where the students have failed to reorganize the debit and credit entries in preparing the revaluation account. Some students have failed to identify the entries relevant to capital and current account, revaluation entries, entries relating to goodwill etc.

Found the following common difficulties faced by the students.

- Not adjusting the debtors/creditors adjustment in revaluation account.
- Not reorganizing the cash payment adjustment, thereby not adjusting the bank balance.

- Mixing the entries in current and capital account. Example Goodwill adjustment

Question No. 03

This question is also an optional question. Many of the candidates have well answered to the question, specially to the part a (1) and part (b) (1)

The answers to the part a(1) and part (b)(1)are very satisfactory and most of the candidates fully scored for the part b(1) of the question. The knowledge of the candidates in calculating the adjusted cash book and preparing the bank reconciliation seems to be good.

Some students have not understood the question and done following mistakes.

Examples;

- some candidates have wrongly calculated depreciation on revalued amount.
- Some have mixed up cash book adjustment figures with reconciliation figures
- Some items have been excluded from adjusted cash book balance and included in the reconciliation statement.
- Answer for part (a) (11), majority of the students have erroneously answered. They took the revaluation figure to calculate the depreciation. But the question asked the profit & Loss account for the year ended 31.3 2012.
- Many of the candidates scored no marks for the part a (2) of the question and some of them were not able to put entries to the cash book

Question No. 04

This question is also an optional question. Majority of the students have selected this question and their answers are satisfactory. Overall performance of the subject knowledge of the students were considered satisfactory.

Majority of the students' answers for part (a) of the question were very satisfactory. But when answering part (b) of the question, majority of the students did not describe advantages of committees and most of them have described types of committees instead of advantages.

When preparing P&L Account for bar & income & expenditure account for club, they made several calcification errors.

- Members subscription opening/closing balances accounted incorrectly. Donation for weight lifting accounted as expense.
- Some students did not have fair knowledge of basic accounting principals.eg financial position mixed up with income & expenditure
- Majority of the students did not prepare the accumulated fund, Even though it is not requested in the question, it is necessary to prepare.

CAB I EXAMINATION – MARCH 2013

Business Mathematics and Statistics

Part A

All questions were within the syllabus.

Question No. 6 was answered properly by most of the candidates. As regards to question No. 11, they seemed to have knowledge of simple probability theory and solving basic probability questions.

Candidates have not shown good knowledge in solving questions in relation to regression analysis (Question 16).

Lack of relevant theoretical knowledge resulted in understanding the skew-ness of a distribution (Ex. Question No. 9)

Lack of time management of the candidates were seen by the fact that the initial 10 question have been answered correctly by most of them, but the answers to the last 10 questions seemed to have been done in haste.

About 60% of the candidates have secured marks between 10 and 20; and about 30% have secured between 20 and 30.

Part B

1. **What was good in answers?**
   (ex: understanding the question, position (quality) of the answer, answer relevant to the question, subject knowledge of the student, planning (building the answer etc.)

   Understanding the question:
   Q.1(a) Most have understood this part of the question; however some have made mistakes in the application of the 'discount factor'.
   Q.1(b) The answers to this part of the question were generally acceptable.
   Q.1(c & d)   More than half of the candidates who have attempted these parts have not been able to provide correct answers.
   Q.2   Most of the candidates have understood the cost and revenue functions and answered this question satisfactorily.
   Q.3   Majority of the candidates have understood and answered this question satisfactorily.
   Q.4   This question is straightforward and about half of the candidates have understood same correctly and provided very systematic answers.
   Q.5   Most of the candidates have been unable to answer either part of this question correctly.
   Q.6   The theory part of this question has been answered satisfactorily.
   Q.7   Most of the candidates have secured good marks to the first part of this question.
   Q.8   The candidates generally have been able to provide good answers to this question as it is direct and easily comprehensible.

Position (Quality of Answer)

Q.1   The candidates who could not understand the question have not done the calculations correctly.
Q.2   The quality of answers were generally good.
Q.3   The quality of answers were generally good.
Q.4   Some of the answers were Very good.
Q.5   Some answers for the part 'a' were of good standard.
Q.6   About 16% of candidates could provide answers of good quality.
Q.7   The quality of answers were generally good.
Q.8   The quality of answers were generally good.

Answer relevant to the question

Q.1   More than 90% of the candidates who have attempted this question have used NPV techniques correctly.
Q.2   Some of the candidates have provided answers directly relevant to the question.
Q.3   Some of the candidates have provided answers directly relevant to the question.
Q.4   About half of the candidates have provided answers directly relevant to the question.
Q.5   Those who have understood the question correctly had provided relevant answers.
Q.6   The answers have been generally relevant to the question.
Q.7   Except for few, the answers were relevant.
Q.8   Almost all answers were relevant to the question.

Subject Knowledge of the Student

Q.1   Generally satisfactory.
Q.2   Generally satisfactory.
Q.3   Generally satisfactory.
Q.4   More than 75% of the candidates have shown good knowledge.
Q.5   Most of the candidates have good knowledge of the subject, but could not apply the theories in practical situation.
Q.6   Generally satisfactory
Q.7   More than 50% of the candidates have shown good knowledge.
Q.8   Generally satisfactory.

Planning/ Building the answer

Q1   Most of the candidates have planned the answer well.
Q.2   Some candidates have built the answer clearly step by step.
Q.3   Generally satisfactory.
Q.4   Generally satisfactory.
Q.5   Generally satisfactory.
Q.6   Satisfactory.
Q.7   Quite good; built step by step.
Q.8   Satisfactory.

2.   **What was bad in answers?**
        (ex: understanding the question, position (quality) of the answer, answer relevant to the question, subject knowledge of the student, planning (building the answer etc.)

<u>Understanding the question:</u>

Q.1   Many candidates who have attempted, seem to have not correctly understood the question.
Q.2   Some of the candidates seemed to have not understood the cost and revenue functions.
Q.3   A few of the candidates seemed to have not understood the question.
Q.4   About 25% of the candidates seemed to have not understood the question.
Q.5   Most of the candidates seemed to have misunderstood the question.
Q.6   Rather poor.
Q.7   Some of the candidates seemed to have not understood the question.
Q.8   A few of the candidates seemed to have not understood the question.

<u>Position (Quality of Answer)</u>

Q.1   By rounding off the costs, some students have come up with erroneous answers.
Q.2   Some candidates have got average income per room per day, incorrect.
Q.3   The quality some of answers only were poor.
Q.4   Some of the answers shown errors in computations.
Q.5   Some candidates have used one decimal place in reading statistical tables and caused errors in computations.
Q.6   The quality of answers were generally poor: some candidates have even failed to write the Standard Error and understand the Type 1 Error and Type 1I Error.
Q.7   Some of the candidates have got the value 'n' incorrectly.

<u>Answer relevant to the question</u>

Q.1   Although the question asked to get the savings annually, some students have calculated an average value for savings and faced difficulty in calculating the present value.
Q.2   Answers of some of the candidates have not been quite relevant to the question.
Q.3   Answers of few candidates have not been quite relevant to the question.
Q.4   Some candidates seemed to have failed to understand co-efficient of variance.
Q.5   Answers of some of the candidates have not been quite relevant to the question.
Q.6   Some of the candidates seemed to have defined the null and alternative hypothesis, ignoring the question.
Q.7   Few of the answers seemed to have not been relevant.

<u>Subject Knowledge of the Student</u>

Q.1   About 10% of the candidates seemed to lack the subject knowledge.
Q.2   Few candidates seem to lack knowledge about cost and revenue function.
Q.3   Some candidates only seemed to lack subject knowledge.
Q.4   About 10% of the candidates seemed to have lack of knowledge in calculating the mean.
Q.5   No comments.
Q.6   No comments.
Q.7   About 25% of the candidates seemed to have no subject knowledge.
Q.8   No comments.

Planning/ Building the answer

Q.1 Some candidates had not shown the calculations step by step.
Q.2 Candidates who answered incorrectly for the part 'a' of the question have caused the answers for the other parts also to be incorrect.
Q.3 Planning of the answers were weak of the candidates who lacked subject knowledge.
Q.4 Planning of the answers were weak of the candidates who lacked subject knowledge.
Q.5 Some candidates have simply applied the formulae to calculate the z-value, not knowing what figures are relevant to a particular calculation.
Q.6 No comments.
Q.7 No comments.
Q.8 No comments.

3. Common difficulties faced by the students (weaknesses of the students in examiners' point of view)
Lack of knowledge to read statistical tables
Lack of accuracy in computations
Lack of skill in graphical presentations

4. Possible areas where majority made mistakes (in brief) (suggestions for students to improve their examinations)
As stated within the answers to section 1 above; students are advised to consult competent tutors.

5. (i) What was good in the question paper

- Standard of the questions - Good
- Within the syllabus - Yes

(ii) What was bad in the question paper - None

6. (i) Weaknesses identified in the model answers - None

7. Your comments for lecturers for their improvement

Suggest that the lecturers would address to the areas where the students have shown weakness in their answers

CAB I EXAMINATION – MARCH 2013

Management and Business Economics

Average performance of the students for Section B has been satisfactory. The common mistakes/loopholes are provided below question-part wise. 20 Multiple Choice Questions were included in the Section A and Question No 1,3 and10 were incorrectly answered by most of the students.

Question No. 01

(a)   I   **Comparative Advantage – Allocated Marks 01, Average Performance – 1**

        A.   Most of the students have given the correct meaning of the comparative advantage i.e. ability to produce a good/service at a lower opportunity cost over the other.

        B.   Some have had wrong view over comparative advantage, in that, "ability to produce at a lower cost" which earned no marks, since the students have not specified "the lower cost", whether it is opportunity cost or otherwise.

    II   **Absolute advantage– Allocated Marks 01, Average Performance – 1**

        A.   Some have correctly mentioned that country 'X' is efficient in manufacturing both products in absolute terms.

        B.   Some have given incorrect answers, in that 'X' is efficient in manufacturing, 'A' and 'Y' is efficient in manufacturing 'B'.

        C.   Some stated that country 'Y' is efficient in manufacturing both products which earned no marks.

    III   **Application of comparative advantage – Allocated Marks 02, Average Performance – 1**

        A.   Some stated correctly that country X can manufacture the product A at a lower opportunity cost.

        B.   Some were of the wrong view that it is the country Y which can produce product A at a lower opportunity cost which earned no marks.

        C.   Some stated the correct answer sans the reasons being provided.

    IV   **Application of comparative advantage – Allocated Marks 01, Average Performance – 1**

        A.   Some stated correctly that country 'Y' is able to produce the product 'B' at a lower opportunity cost.

        B.   Some incorrectly stated that the country 'X' is able to produce the product 'B' at a lower opportunity cost.

        C.   Some stated the correct answer without the reasons being given.

V **Comparison of Absolute advantage & Comparative advantage** – Allocated Marks 03, Average Performance – 1

A. Only a few students have shown as to how the global output in the two products could be maximized.

B. Some have just stated that country 'X' produces 20 nos of product 'A' only and the country 'Y' produces 2 nos of product 'B', producing 22 nos of global total output, which earned a few marks, since no comparison was made with the situation where production of the two products by each country.

(b) **Law of Equipment-marginal Utility** – Allocated Marks 04, Average Performance – 1

A. Only a few have answered correctly this part of the question.

B. Law of Equipment- Marginal Utility (EMU) explains that in order to maximize utility, the number of units in various commodities to be purchased by the consumer spending his limited income. Some students have provided acceptable definition. Nevertheless some stated incorrectly that Marginal Utility of each product consumed by the consumer should be equal under EMU. They should have mentioned that Marginal Utility (MU) of a rupee spent for each product should be equal to maximize the utility.

C. Only a few stated that MU of the product is to be divided by the price of the product in order to arrive at MU of a rupee spent.

Question No. 02

(a) (I) **Law of Diminishing Returns** – Allocated Marks 02, Average Performance – 1

A. Law of Diminishing Returns (DR) means that output per unit of a variable factor eventually diminish when adding more and more one factor of production while holding all other factors constant. Some students forgot to mention that the conditions under which law of DR operates Eg. They just mentioned the output diminishes once production process continues. Some were unable to state that only one factor of production is added on while holding others unchanged.

B. Some were of the wrong view that Law of DR operates with the passing of time which earned no marks.

(II) **Marginal Product** – Allocated Marks 01, Average Performance – 1

A. Some correctly stated that the marginal product is the additional output that can be produced by using one more input, while other factors remain unchanged.

B. Some stated that additional products other than main products are identified as marginal products which earned no marks.

(III) **Marginal Cost Curves** – Allocated Marks 02, Average Performance – 1

A. Law of Marginal Returns (MR) get reflected in the cost of production when AC & MC starts increasing which have been elaborated by some students with a graph being presented.

B. Some just stated law of MR reflected by the 'U' shape of the MC & AC curves which did not earn full marks.

(b)   **Monopoly & Perfect Competition**– Allocated Marks 03, Average Performance – 1

    A.   Some have forgotten to mention all the conditions under which equilibrium price of a firm in perfect competition. Most of them have mentioned only the condition MC=MR. They forgot to indicate "P=AC=MC=MR", all the conditions.

    B.   A few were of the wrong view that economic profits are earned by a firm in a perfect competitive market in the long run.

    C.   "Allocative Efficiency" (AE) has not been understood by most of the students. AE means when P=MC. Some mentioned that monopolist firm is more efficient in allocating resources.

(c)   I   **Income Elasticity**– Allocated Marks 02, Average Performance – 2

    A.   Most of the students have arrived at the correct answer, i.e. % change in quantity ÷% change in Income=12% ÷12% =1.

    B.   Some arrived at the answer incorrect way i.e. % change in the Income ÷% change in quantity, but ended up with correct answer of one (1).

    C.   Some displayed calculation errors and as a result wrong answers were arrived at.

    II   **Meaning of Income Elasticity**- Allocated Marks 02, Average Performance – 1

    A.   Only a few mentioned correctly that change in income will result in change in demand at the same percentage.

    B.   Under this condition, producer can earn abnormal profits according to some students.

Question No. 03

(a)   **Marginal Productivity of Labour -** Allocated Marks 02, Average Performance – 1

    A.   Some provided correct answers like new advanced technology, enhancing quality of labour (Training), proper working condition etc.

    B.   Some mentioned that salaries, allowances paid to employees will results in enhancing the marginal productivity of labour. Had they mentioned at least increase in salaries would result increase in M/Productivity, some marks would have been given.

    C.   Some just mentioned "education level", "health" as factors which enhance marginal productivity of labour for which no marks were conceded.

(b)   I   **Per-Capita Income -** Allocated Marks 01, Average Performance – 1

    A.   Most of the students provided correct answers i.e. Average income per person, in a population (Country in a given year). Some have gone to the extent of providing the formula in calculating the Per Capita Income under this part of the question.

    B.   Some have not mentioned as to what it measures. i.e. to measure a person's standard of living.

    II   **Calculation of Per-Capita Income -** Allocated Marks 01, Average Performance – 1

    A.   Most of the students mentioned that it is calculated by dividing Total National Income by total mid-year population.

B. Some ignored to mention mid-year population instead they indicated "Population" as the denominator.

III **Inflation-adjusted income - Allocated Marks 01, Average Performance – 1**

A. Some correctly stated that price changes in a given year in relation to a base year is to be removed for the purpose of comparison.
B. Some provided indirect answers like real per Capita-income needs to be calculated.

(c) I **Fiscal Policy(FP) - Allocated Marks 02, Average Performance – 1**

A. Some correctly mentioned that Fiscal Policy is government revenue and spending policies that influence Macro economic conditions.
B. Some kept on writing the purposes of Fiscal Policy rather than a definition being provided.

II **Instruments of FP - Allocated Marks 02, Average Performance – 1**

A. Taxation, government spending, borrowings are some instruments of fiscal policy which were stated by some students.
B. According to some students interest rates and money supply policies are Fiscal Policies which earned no marks.

III **Tax Incentives - Allocated Marks 03, Average Performance – 1**

A. Some of the tax incentives were,
   (a) 3 year tax holidays for new undertakings with investments exceeding Rs. 50 Million.
   (b) New depreciation allowances
   (c) Tax holidays of 5 years for investments in fishing, production of agricultural seeds which some students indicated correctly.
B. Some provided generalized answers like providing tax holidays, reduction of income tax rates, giving depreciation allowances etc.

Question No. 04

(a) I **Macroeconomic Indicators - Allocated Marks 02, Average Performance – 1**

A. Some correctly stated GDP, Consumer Price Index, Balance of payment position, interest rates etc. as macroeconomic indicators.
B. Some stated inflation, poverty etc. rather than their measures being indicated.

II **Macroeconomic Problems - Allocated Marks 03, Average Performance – 1**

A. Some correctly identified BOP problems, adverse exchange rate, high interest rate structure, heavy debt servicing rate etc. as macro economic problems.
B. Some mentioned that there is no sustainable development in every respect and poverty rate become dangerous etc. without any reference being given to the macroeconomic indicators.

(b) I **Financing methods of Budget Deficit** - **Allocated Marks 01, Average Performance – 1**

    A.   Some have provided better answers more than expected. Borrowings from local market and foreign sources, foreign grants, etc were given as answers.

    B.   Some indicated "tax" as a source of financing the budget deficit for which no marks were allocated.

    II **Expansionary Sources** - **Allocated Marks 02, Average Performance – 1**

    A.   Borrowings for example from the Commercial banking sector results in creation of money and increase in money supply according to some students who earned full marks allocated.

    B.   Some mentioned that country will have to face adverse consequences as a result of following expansionary sources sans being explained as to why it becomes expansionary.

    III **Non expansionary methods**- **Allocated Marks 02, Average Performance – 1**

    A.   Some answered that if a financing method does not result in increase in money supply, it becomes non-expansionary. That gives an advantage of non-inflationary effect for which allocated full marks for this part of the question was given.

    B.   Some further explained the question as the answer Eg. No expansionary effect due to the non-expansionary methods being followed.

(c) **VAT**- **Allocated Marks 02, Average Performance – 1**

    A.   VAT is levied on the value addition to the product value at each stage and ultimate tax payer is the consumer, as per some students who managed to earn full marks allocated.

    B.   Some have provided negative definition on VAT Eg; VAT is charged not on a person's income or wealth.

Question No. 05

(a) **Supply-side Economics** - **Allocated Marks 02, Average Performance – 1**

    A.   Some stated correctly that government policies intentionally stimulate the economy by creating incentives for businesses to produce more goods and services, under "Supply side Economics".

    B.   Some did not provide acceptable example i.e. Infrastructure development by the government, offering tax holidays to investors.

    C.   Some misunderstood the question and explain what the supply theory is for "Supply side Economics".

(b) **Economic Development & growth** - **Allocated Marks 02, Average Performance – 1**

    A.   "Qualitative and Quantitative increase in the economy" has been identified as Economic Development by some students correctly. Economic growth is rise in GDP.

    B.   Some stated incorrectly that economic development is structural changes made in an economy.

(c)   **Determinants of economic growth -Allocated Marks 02, Average Performance – 1**

A.   Investments in physical and social capital, technological advancements, increase in availability of labour etc. are some determinants of economic growth which have been identified by some students correctly.

B.   Some provided general points like "Economic Structure", "Real GDP" etc. as determinants sans elaborating as to how they relate to economic growth.

(d)   **Progressive Taxes -Allocated Marks 03, Average Performance – 1**

A.   Reduction of absolute income inequality, redistribution of such revenue among the poor, less inflationary effect etc. are some objectives achieved in progressive taxes. Some students cited acceptable "objectives".

B.   Some incorrectly stated that price stability, economic growth are some objectives of progressive taxes.

(e)   I   **Government debt -Allocated Marks 02, Average Performance – 1**

A.   Govt. Debt Sustainability (GDS) means keeping stock of public debt at a manageable level at their maturity according to some students who earned full marks.

B.   Some have provided indirect explanations over debt sustainability in that GDS means reduction of debt burden of next generation, which earns only a few marks.

C.   GDS means that govt. obtains loans at a lesser interest rates according to some students, which earned no marks.

II   **Government debt to GDP- Allocated Marks 02, Average Performance – 1**

A.   Government debt to GDP ratio is a relative measure of govt. debt in terms of GDP. Comparison of the ratio of a given year over that of the previous year gives an indication of an economy's debt burden, as per some students who earned full marks.

B.   Some stated that when govt. debt increases, GDP goes down.

Question No. 06

(a)   **Environment Analysis - Allocated Marks 03, Average Performance – 1**

A.   Most of the students stated that Environment Analysis (EA) is the study of both internal and external environmental factors that can significantly influence organizational operations.

B.   Some stated that EA is identification of SWOT factors which earned some marks.

(b)   **Strategic Planning- Allocated Marks 03, Average Performance – 2**

A.   Most of the students stated main advantages of strategic planning like clear direction, rational allocation of resources, performance evaluation etc.

B.   Some mentioned remotely related advantages of strategic planning like cost reduction, motivation of employees etc. which earned only a few marks.

(c)   **Span of Control- Allocated Marks 03, Average Performance – 2**

      A.   Most of the students have given acceptable definition for Narrow Span of Control (NSC) i.e. one Manager/Supervisor oversees a fewer subordinates. They have stated benefits of NSC like, close supervision, better coordination, faster information flow etc.

      B.   Some identified Narrow Span of Control as "wide span of control".

      C.   Some misunderstood NSC as delegation of authority.

(d)   **Efficiency and Effectiveness- Allocated Marks 03, Average Performance – 1**

      A.   Some have provided acceptable definitions for both efficiency and effectiveness and explained the terms providing examples.

      B.   Some have misunderstood efficiency as effectiveness and vice-versa.

Question No. 07

(a)   **Ethical Behaviour - Allocated Marks 03, Average Performance – 1**

      A.   Some stated correctly that ethical behavior can have a positive effect on the Organization.

      B.   Some kept on writing benefits of ethics being followed, increase in sales, reputation, profit maximization, market share etc. which were not expected by the Examiner.

(b)   **Organizational Structures - Allocated Marks 03, Average Performance – 2**

      A.   Some stated correctly "Simple form Structure, Divisional Structure, Matrix Structure, Functional Structure etc. as types of Organizational Structures.

      B.   Some stated production structure as one type which earned no marks.

(c)   **Line functions and staff functions   - Allocated Marks 03, Average Performance – 1**

      A.   Some stated correctly what the line function and staff function are. Main functions of the Bank i.e. accepting deposits, giving loans and credit facilities are live functions. Staff functions are other supporting functions Eg: financial and accounting services, IT services etc.

      B.   Some were of the wrong view in that, staff functions are Executive functions and line functions are carried out by lower grades.

(d)   **Theory Y   - Allocated Marks 03, Average Performance – 2**

      A.   Some stated correctly the assumption that has been made in the building up the Theory Y i.e. most people do not inherently dislike work. People exercise self direction and self control to reach goals etc.

      B.   Some misunderstood Theory Y as Theory X.

      C.   Some stated the assumptions of both theory Y and Theory X and confused themselves.

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Business English I

The question paper on the whole was within the syllabus and the standard and difficulty level of the paper was quite appropriate. Clear instructions, proper terms and wordings were used. No weaknesses were noted.

Question No. 01 to 35 :   (Vocabulary and Grammar)
The multiple choice questions given were quite good but the performance of the candidates was not satisfactory. Many failed to select the correct option for even the easiest questions.

There was confusion over the following words; revealed, released, relation accordance, protect and prevent.

In the grammar section candidates displayed a weakness in the use of the following sentence connectors : since, in addition, in spite of.

Question Nos. 36 to 40:   (Dialogue)
Very interesting, good test. Performance was satisfactory. Only the very weak candidates failed to score marks.

Question Nos. 41 to 55:   (Business letter)
A letter of complaint about customer service at a hotel. Majority seemed to be familiar with this type of letter and had performed satisfactorily.

Question Nos. 56 to 65   (Memo writing)
Another very good question based on 'flexible work hours' – a new trend in the world of work. Candidates were familiar with the memo format. Performance was average.

Question No. 66 to 75   (Comprehension)
This was the most difficult question for most of the candidates. The passage was within the syllabus but the candidates could not understand the complex sentences. However it was possible to get at the correct answer by eliminating the distracting wrong options and through guessing, e.g. items 71 and 72.

Question No. 76 to 85   (Tabulated information – the graph)
         Easiest question for the majority of candidates. Performance was very satisfactory. Even the weakest candidates scored good marks.

Suggestions for improvement (for candidates)

Candidates need to be exposed to a wide variety of business texts. They should seek to develop their 'business vocabulary' may be by keeping a note book for new words, since testing of vocabulary is an important part in Business English question paper. It is the same for grammar too. More attention should be paid to parts of speech and different sentence patterns.

Candidates need to develop reading skills such as skimming and scanning, detailed reading, interpretation and inferring etc.

Candidates should follow instructions given in the paper – 'The letter (a, b, c or d) of the most suitable answer should be entered. Writing 1, 2, 3 or 4 instead of a, b, c, or d must be avoided.