

**NOVEMBER 2023 PROFESSIONAL EXAMINATIONS  
BUSINESS MANAGEMENT & INFORMATION SYSTEMS (PAPER 1.2)  
CHIEF EXAMINER'S REPORT, QUESTIONS AND MARKING SCHEME**

**EXAMINER'S GENERAL COMMENTS**

We observed that only a few of the candidates took time to prepare very well for the examinations and that majority of them did not concern themselves with some aspects of the syllabus. Therefore, their responses to the questions asked on the neglected parts of the syllabus were either very disappointing or they could not attempt some questions at all.

**STANDARD OF THE PAPER**

The Business Management and Information Systems paper, as always, was of standard quality. Question setters indicated how many points candidates were required to explain/outline for the marks allocated, leaving no doubts in the minds of candidates as to how they should tackle questions in the order in which they believed would inure to their advantage.

The amount of work required to be done by candidates to earn marks allocated to each question was commensurate with the needed effort. No question was either too loaded or sub-standard, neither were there any grammatical errors in the questions which were within and fairly spread across the syllabus.

**PERFORMANCE OF CANDIDATES**

We recorded a slight increase in the performance of candidates. We recorded a 70% pass rate compared to the 69% pass rate recorded in the July 2023 examinations. Of the one hundred and eighteen (118) candidates who wrote the Paper, eighty-three (83) of them passed indicating a seventy per cent (70%) pass rate.

We hold the view that the few candidates who performed well took their time to prepare for the examinations although the preparations were not adequate. Many of them however did not seem to have prepared for the examinations hence they could not attempt some questions at all or obtained very low marks with some scoring zero on some questions.

The above average performance was spread across all centres and not concentrated at any given centre or centres. We did not observe any significant strength as far as the performance of candidates was concerned.

Some candidates continued to spend too much time writing introductions which were not required of them and for which no marks were allocated or wasted time on portions

which would earn them fewer marks and therefore could not adequately answer the questions with higher marks, thus performing badly.

The handwriting of some candidates were so illegible that it made the marking of their scripts very difficult as examiners had to spend too much time on them. Also the pens used by some candidates were so light, making reading of their scripts a little bit worrying.

## QUESTION ONE

- a) Management philosophers are unanimous about the fact that the quality of objectives largely determines how useful they are thus improving their chances of being attained. Several guidelines have subsequently been established over time to help managers develop high-quality organisational objectives.

**Required:**

Explain **FIVE (5)** characteristics of an organisational objective. **(10 marks)**

- b) Despite the many advantages associated with the matrix organisational structure which has made its use almost universal, there are also some challenges that confront a firm which adopts it.

**Required:**

Explain **FIVE (5)** disadvantages of the matrix organisational structure. **(10 marks)**

**(Total: 20 marks)**

## QUESTION TWO

- a) It can be argued that the public sector must not directly engage in business but rather direct efforts and resources at securing an enabling environment in which the private sector which has been described as the engine of growth of the economy can flourish.

**Required:**

Explain **FIVE (5)** ways by which the Government of Ghana can improve the business environment in order that private enterprises can thrive. **(10 marks)**

- b) In measuring a country's *Gross Domestic Product (GDP)*, *economists use the expenditure approach, income approach and the value-added approach.*

**Required:**

Describe **TWO (2)** of these approaches. **(5 marks)**

- c) Business organisations consider *several factors* when setting prices for their products. This is to enable them remain competitive and also remain attractive to customers.

**Required:**

State **FIVE (5)** of these factors. **(5 marks)**

**(Total: 20 marks)**

### QUESTION THREE

A healthy conflict within an organisation can lead to the generation of new and improved methods of doing things and possibly increased productivity. However, if not properly handled, a conflict could become destructive and have negative consequences on the operations of the organisation.

**Required:**

- a) Explain *conflict* at the workplace. **(2 marks)**
- b) Explain **SIX (6)** characteristics of a workplace conflict. **(12 marks)**
- c) Suggest **THREE (3)** measures you would adopt as a Supervisor to manage a conflict. **(6 marks)**

**(Total: 20 marks)**

### QUESTION FOUR

- a) Organisations are investing large sums of money in systems and procedures in their attempt to ensure safe and healthy working environments for their employees. This is because a breach of any legal or other obligation in that regard can lead to severe consequences.

**Required:**

Explain **FIVE (5)** responsibilities of an employer as far as the health and safety of its employees are concerned. **(10 marks)**

- b) Just as every employee in Ghana is guaranteed certain rights under Section 10 of the Labour Act 2003, Act 651, his or her duties are also clearly specified under Section 11 of the Act.

**Required:**

Explain **FIVE (5)** duties of an employee. **(10 marks)**

**(Total: 20 marks)**

## QUESTION FIVE

- a) Computer systems are increasingly being exposed to security risks which threaten the security and integrity of the systems and data storage. The good news however is that these risks can greatly be minimised through a variety of controls which provide network and communication security.

**Required:**

Explain **FIVE (5)** controls which could be adopted by an organisation to provide security for its computer systems and data stored. **(10 marks)**

- b) The PEST Analysis is a strategic tool used for generating information about how the business environment operates and influences the operations of an organisation.

**Required:**

Describe how each element in the analysis influences an organisation's operations.

**(10 marks)**

**(Total: 20 marks)**

## SOLUTION TO QUESTIONS

### QUESTION ONE

#### a) Characteristics of Business Objectives

- **Specific** – Management must develop organizational objectives that are specific. A specific objective includes what is to be accomplished and within what time frame it is to be accomplished. Being specific ensures that all organizational members know and understand what is required of them.
- **Motivating** – Studies have shown that employees are most productive when objectives are set at a motivating level. The objective should be high enough to challenge but not so high as to frustrate or so low that it is easily attained.
- **Achievable** – Objectives should be achievable. All members of the organization should perceive the objectives as attainable. Employees who view objectives as impossible to attain may utterly ignore them as an indicator of how they should apply their efforts.
- **Flexible** – Managers should establish objectives that are flexible. Objectives should be established with the understanding that they might have to be modified. Objectives should be adaptable to the unforeseen or extra-ordinary changes in the firm's competitive environment.
- **Measurable** – Organizational objectives should be measurable. A measurable objective, sometimes called operational objective is one stated in such a way that an attempt to achieve it can be compared to the objective itself to determine whether it has actually been attained.
- **Consistent** - An objective should be consistent in the long-run and the short-run. An organizational objective should reflect a desired mix of time frames and also supportive of other objectives. A long-term objective must be consistent with the mission of the business and as a general rule, short-run objectives should be derived from, and lead to the attainment of long-run objectives.

(Any 5 points @ 2 marks each = 10 marks)

#### b) Disadvantages of Matrix Organization Structure

- i. A major criticism of the matrix organizational structure is that it violates the basic principle of management which is unity of command since subordinates will have to report to two superiors simultaneously and this may lead to organizational conflicts.

- ii. It is often more costly to operate the matrix structure since the workers who constitute the project team are drawn from different functional areas and the organization will have to spend much more resources on communication, etc.
- iii. Its implementation may lead to situations where departments will be unable to meet set targets because highly efficient employees would have been drafted into a project team.
- iv. Employees assigned to a project will still be evaluated by their traditional managers who may now have little chance of assessing their performance, leading to role conflict on the part of subordinates in the performance of their duties.
- v. The existence of many managers and a host of procedures may lead to inefficiency in the management of the organization, and possibly lower productivity.
- vi. The matrix structure may lead to the proliferation of information logjams due to the magnitude of work overload on employees.

**(Any 5 points @ 2 marks each = 10 marks)**

**(Total: 20 marks)**

### **EXAMINER'S COMMENTS**

Part (a) of this question was generally well answered by some candidates, although some of them explained the functions of management instead, thereby scoring very low marks.

Some candidates could not attempt part (b) of the question which meant they did not study that part of the syllabus. A few of them however did well.

## QUESTION TWO

### a) How the Government of Ghana can create an enabling business environment

- The government must ensure that adequate capital is accessible to existing businesses as well as prospective entrepreneurs. This can be done by making it possible for investors to obtain loans from financial institutions without being asked to provide collaterals.
- Not only must capital be accessible to investors but interest on loans should be such that it does not unnecessarily increase the costs of operations, thus leading to the collapse of many firms.
- Infrastructure – the government must extend social infrastructure like good roads, electricity, water, etc to all parts of the country to attract private investors to the locations they decide.
- The government should initiate and implement policies that protect local private businesses against external competition. This can be done by limiting the importation of goods which can be produced locally.
- Tax holidays could be granted to start-ups to enable them find their feet in their respective industries.
- By simplifying the process of registering and running companies, the government would be encouraging people to invest in the economy.
- The government can reduce the cost of production of local firms by reducing the taxes imposed on imports of machinery and raw materials.

(Any 5 points @ 2 marks each = 10 marks)

### b) Methods of measuring Gross Domestic Product (GDP)

#### **Expenditure approach**

The expenditure approach to measuring gross domestic product involves adding-up all the spending on final goods and services which have taken place within the year under review. The total expenditure can be established by adding together consumption, investments, government purchases and net exports in the country within a particular year.

#### **Income approach**

The income approach to measuring gross domestic product involves adding-up the income earned by everyone in the country. The total income can be obtained by adding up wages earned by workers, interests earned on capital investment, rents earned on land and property as well as profits earned by firms.



### **Value-added approach**

The value-added approach to measuring gross domestic product emphasises on value additions to the various stages of the production process of goods. The value-added approach is appropriately used when considering the services involved in the resale of existing goods.

**(Any 2 approaches @ 2.5 marks each = 5 marks)**

### **c) Factors to consider in setting prices**

- The objectives of the company can influence how it sets prices for products.
- The total costs of production and any activity involving the marketing mix elements will influence the price to be set for the product.
- The culture of the company will also affect the price to be set for the product.
- The life cycle stage in which the company's product is, will also determine the price set for the product.
- The price competitors are charging for similar products will influence the price set by the company for its products.
- The policies and regulations of the government should be considered when setting the price of certain products especially if they are public products.
- The demand for the product will also affect the setting of the price for that product.
- The economic situation in the country will also influence the company's price setting process.

**(Any 5 points @ 1 mark each = 5 marks)**

**(Total: 20 marks)**

### **EXAMINER'S COMMENTS**

Most candidates performed very well at part (a) of this question and scored very good marks. However, many could not attempt parts (b) and (c) of the question.

We have noted with concern that candidates refrain from reading the part of the syllabus relating to Economics so they do very badly there during examinations.

### QUESTION THREE

#### a) Explanation of Conflict

A conflict occurs when a person or group starts to think that another is preventing something which that person or group considers important and valuable. In the workplace, two groups may be in conflict when one group believes that the other is trying to prevent it from achieving its goals or aims. **(2 marks)**

#### b) Characteristics of a Workplace Conflict

- There may be unfriendly rivalries between groups, departments or individuals.
- Individuals or groups which are in conflict are not likely to communicate openly and honestly with each other.
- There will exist several disputes over rights and responsibilities of individuals and groups.
- Individuals and/or groups might be unwilling to listen to ideas from others with whom they are in conflict; refusal to co-operate.
- The rivals or opponents will often level accusations of wrongful treatment or improper behaviour.
- Individuals or groups which are unable to perform their tasks may feel frustrated and lay the blame on the 'enemy'.
- There may be inter-departmental disputes and arguments.

**(Any 6 points @ 2 marks each = 12 marks)**

#### c) Measures to Manage a Conflict

- A manager whose subordinates are in conflict may ignore the conflict and pretend it does not exist, especially if it is about an insignificant matter and is expected to last for only a while.
- The manager may impose a solution on the feuding parties after hearing from them.
- Another way to manage the conflict is for the manager to move a particular employee to a different position or department if the problem in dispute is seen to be the person.
- The manager may encourage the conflicting parties to talk through their differences and try to change their attitudes towards each other.

**(Any 3 points @ 2 marks each = 6 marks)**

**(Total: 20 marks)**

### EXAMINER'S COMMENTS

Only a few candidates could properly answer all parts of this question. Instead of explaining the characteristics of conflict and how a manager could manage one, many candidates rather wrote about causes of conflict and how to prevent it.

## QUESTION FOUR

### a) Duties of Employer in Ensuring Health and Safety of Employees

- i) Every employee is required by law to ensure that employees work under satisfactory, safe and healthy environment.
- ii) Employers are under obligation to provide and maintain at the workplace plants and systems of work that are safe and without risk to the health of employees and clients.
- iii) The employer is expected to ensure the safety and absence of risks to health in connection with the use, handling, storage and transport of articles and substances.
- iv) It is the duty of an employer to take steps to prevent contamination of the workplace by, and protect workers from, toxic gases, harmful substances, dust, fumes or materials that can cause risk to the safety and health of employees.
- v) The employer must supply and maintain adequate safety appliances, suitable fire-fighting equipment, personal protective equipment and educate employees in the use of appliances and equipment.
- vi) It is an obligation of every employer to provide adequate supply of clean drinking water at the workplace.
- vii) The employer is required by law to provide separate, sufficient and suitable toilet and washing facilities and adequate facilities for the storage, changing, drying and cleaning from contamination of clothing for male and female workers.

**(Any 5 points @ 2 marks each = 10 marks)**

### b) Duties of an Employee

- Every employee is required to report for work regularly and punctually.
- It is the duty of an employee to work conscientiously in his lawfully chosen occupation.
- The employee is required by law to protect the interest of his employer and the business.
- An employee must take proper care of the property of the employer entrusted to him or under his immediate control.
- The worker is under obligation to take all reasonable care not only for his own safety but also for the health and safety of his fellow employees.
- He is required to exercise due care in the performance of his assigned duties.
- The employee is expected to obey lawful instructions regarding the business and the execution of his work.

**(Any 5 points @ 2 marks each = 10 marks)**

**(Total: 20 marks)**

## EXAMINER'S COMMENTS

This question was generally well answered by most of the candidates who scored very good marks. However, a few of them could not properly answer part (a).

## QUESTION FIVE

- a) Controls to Minimize Risks to Computer Systems and Data
- i) **Authentication** - This is the process which enables the computer system to confirm that the person trying to gain access into the system has the authority to do so by requesting some specific information before the system opens up.
- ii) **Encryption** - Encryption is used to reduce the risk of data transmitted across communication links being intercepted or read by unauthorized persons. It involves scrambling the data at one end of the line, transmitting the scrambled data and unscrambling it at the receiver's end of the line so that a person who intercepts the scrambled data cannot make any meaning out of it.
- iii) **Regular audit** - The organization must conduct periodic information system audit on its database management system to ascertain if there is any attempted intrusion.
- iv) **Intrusion detection system** - This software monitors systems and network resources and promptly alerts the company's network security staff when it senses a possible intrusion so that preventive measures are put in place.
- v) **Anti-virus software** - It searches the system for viruses and removes them. Anti-virus programmes include an auto-update feature which downloads profiles of new viruses, enabling it to check for all existing or known viruses.
- vi) **A Firewall** - External email links can be protected by way of a firewall that may be configured to virus check all messages, and may also prevent files of a certain type being sent via email. A firewall disables part of the telecoms technology to prevent unauthorized entry.
- vii) **Restrictions** - The organization can also restrict physical access to its servers and mainframe computers by some persons in order to check crimes.

(Any 5 points @ 2 marks each = 10 marks)

- b) Influence of PEST factors on organisations' operations
- i) **Political factors:** The decisions made by the government can affect the operations of the organisation. Government's rules and regulations on health and safety for example are mostly restrictive and are aimed at protecting the employee. They tend to reduce the organisation's profits which will affect the rewards and performance of the organisation as well as on the organisation's ability to operate competitively and expand.
- ii) **Economic factors:** The various economic indicators can influence how the organisation operates. The underlying rate of economic growth and the phase of the economic cycle (recession, depression recovery and boom) can positively or negatively affect the operations of the organisation. The fluctuations in the national economy can have profound effects on business activities and on the fortunes of the firm and its operations.
- iii) **Socio-cultural factors:** The values, norms and expectations of particular regions or group of people will influence the operations, policies and practices of an organisation. Changing attitudes and values have influenced the way men perceive women in managerial positions and the accompanying demographic, religious, educational and ethnic conditioning.
- iv) **Technological factors:** Technological innovations may be a way to improve the firm's productivity and increase its competitiveness. On the other hand if the organisation fails to adopt new technologies, it can negatively affect its operations. Organisations must therefore stay current with technologies such as CAM and CAD as they evolve and must also be prepared to act quickly to embrace important new disruptive technologies shortly after they have been introduced to facilitate efficient and effective operations.

**(4 points @ 2.5 marks each = 10 marks)**

**(Total: 20 marks)**

### **EXAMINER'S COMMENTS**

The (a) part of the question was very well answered, with most of the candidates obtaining the maximum marks. However, the (b) part was very badly answered by many of the candidates who merely described the elements in the PEST Analysis without showing how they can impact the operations of a business organization.

### **CONCLUSION & RECOMMENDATION**

We can attribute the performance to the fact that some of the candidates prepared for the examinations whilst many did not appear to have prepared well, given the fact that the questions were straightforward.

We would urge the ICAG College and the Private Tuition Providers to encourage their students to only enter to sit the examinations when they have adequately prepared themselves by ensuring they have covered all aspects of the syllabus.

The candidates must also be encouraged to take advantage of the past questions and solutions as well as the Chief Examiners' Reports which are published on the Institute's website seriously during their preparations in order to learn from their previous mistakes or those of others.