

DP05

Business Communication

14 MAY 1999

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| 1. Time allowed | : Three (3) hours |
| 2. Total number of questions | : Six (6) questions on 3 pages |
| 3. Number of questions to be answered | : All six (6) questions |
| 4. Begin each answer to a new question on a fresh page. | |

ANSWER ALL SIX (6) QUESTIONS

1. Read the following passage and answer the questions below:

A few years before the recent 1997 economic crisis hit East Asia, there were already warnings of an over-heating economy. The term “economic bubble” had cropped up again and again.

Remarkably, the majority of otherwise “**wise**” leaders chose to ignore the warnings. Why was the warning that the “economic bubble” would burst at any time not taken in good faith?

To say that the circumstances were unprecedented reflects an ignorance of what had previously happened in the history of economic development. For there was the Great Depression of the 1930s. In between then and now, there have been several cycles of recessions and booms.

Why are we unable to learn from the past to predict and prepare for the “inevitable” downturns? One possible reason could be that the curricula learnt by leaders may not have included teachings about the characteristics of cyclic phenomena.

According to an economic expert, one clear sign that the downturn is on the way is when there is an over-emphasis on the non-productive sector. An illustration of an expanding balloon is given to show the sequential flow of events of an over-heating economy. The extent to which the balloon can expand depends on the intrinsic strength of the material forming the skin of the balloon. At a certain limit of expansion the balloon cannot but burst.

The balloon’s material represents the productive sector, which is the sector producing the real wealth. The “hot air” which expands the balloon is the unproductive sector. As the “hot air” is pumped in, the balloon develops beautiful shapes. Impressive, colourful slogans appear on the skin of the balloon too. To the leaders, the concept the bigger, the better rules. Growth rates project successful leadership.

It is an economic maxim that the extent of the non-productive sector, especially the service component depends on the productive sector. In short, there is a definite non-productive-productive ratio which cannot be exceeded without serious consequences.

According to the expert, another factor the non-productive sector is susceptible to is, subjective, speculative criteria of estimations. Think of an art piece offered for sale at an auction. The value of this art piece is highly speculative. Whether one sen or RM1 billion is offered, depends on the whims and fancies of the bidders. Needless to say, prices will be wildly fluctuating.

The productive sector has a fundamental base often missing in the non-productive sector. Its longer term nature allows attention to long term technicalities and it takes a long time before profits can be seen. The short term nature of the non-productive sector often forces rush decisions which most executives have problems handling because of insufficient training and exposure.

Under the expanding non-productive sector, the opportunities seem boundless. People become mesmerised by the limitless opportunities and greed steps in, pushing logic, reason and consideration for others aside. Caution is thrown to the winds as people begin to take greater and greater risks thus abusing the non-productive-productive ratio and bringing more harm to themselves and their regional economies.

Adapted from “The Star” 8 January 1999.

Answer the following questions in full sentences.

- (a) In paragraph 2, the writer mentions that the “**wise**” leaders chose to ignore the warnings. Why is the word “**wise**” in inverted commas? [1]
- (b) State similar economic happenings that the leaders could have learnt from, in the history of world economic development. [2]
- (c) What attributed to the inability of the East Asian leaders to handle the recent 1997 economic crisis? [1]

- (d) How do economists know that an economic downturn is imminent? [1]
- (e) Following the illustration of the balloon, what determines the extent of expansion of the non-productive sector in an economy? [1]
- (f) Give an example of a practice of “subjective, speculative criteria of estimations” in the economic market place to show your understanding of the phrase. [1]
- (g) In the last paragraph, what are the **three** human weaknesses which cause people to abuse the non-productive-productive ratio? [3]
- (h) In 125 words, explain how the flow of economic events, if left unmonitored, can cause over-heating to happen in an economy. [10]
- (Total:20 marks)

2. Read the letter below and answer the questions that follow:

Francine Tai
13, Jalan Setia Adil
Taman Kewajipan
78900 Kuala Lumpur

23 January 1999

The Branch Manager
Accounts Section
Damansara Bank
88200 Kuala Lumpur

Subject: Inefficient Services and Rude Staff

Last week, I had the misfortune of dealing with your insipid staff at the Damansara branch.

By the time you receive this letter, I would have closed my account with your bank. I don't need to save money with a bank which does not value its customers.

Recently when I needed to enclose a copy of my passbook with a credit card application, the photocopy was rejected as the passbook details were either illegible or incomplete. Your fantastic staff were so patronising when they knew I wanted a hard copy statement. After demanding to see a senior officer, I was assured by Mr S. Ling that a copy would be ready by the next day. I turned up at the branch at 11 a.m., and was told Mr S. Ling was out to lunch. Lunch hour starts at 11 a.m.? He had informed no one of the situation and no other staff was even willing to help me. Instead I was told to call back in the afternoon. Call this excellence in customer services! Do something before you lose all your clients!

Francine Tai

Required:

- (a) Analyse the letter above by listing and describing **four** different aspects of poor communication. [10]
- (b) Rewrite the letter using effective communication principles. [10]
- (c) (i) In business letters, the tone of the communication is very important. State **one** advantage of using a positive tone. [2]
- (ii) What effect does a negative tone have on the reader? [2]
- (iii) Give an example of a positive phrase. [1]
- (Total:25 marks)

3. (a) One of the **four** main listening skills is encouraging listening.
- Briefly explain the **five** strategies that you would use to provide feedback that will encourage a speaker to continue talking. [5]
- (b) An oral presentation incorporates **three** main parts, one of which is the introduction.
- (i) What function does the introduction serve? [1]
- (ii) State **four** strategies you could use in your introduction. [4]
- (c) Your uncle who has made business contacts overseas asks you to teach him to use the Internet. He has the e-mail addresses of his business contacts and wants to e-mail brochures and price quotations to them.
- In **five** sequenced steps, state your instructions to your uncle. [5]
(Total:15 marks)
4. (a) Describe the rationale underlying the structure of a bad news letter. [2]
- (b) You receive a letter from your tenant requesting you to reduce the rental for your property on 101, Jalan Sultan Iskandar by another 10% in view of the economic slowdown. Nine months ago, you had reduced the rental by 10%. You feel the request for a reduction is not justified.
- Write an adjustment refusal letter (incorporating the standard parts of a letter) giving a positive explanation of the reasons for your decision. [10]
- (c) (i) Briefly explain the purposes of writing a justification report. [2]
- (ii) State clearly the order of information in a justification report. [5]
- (iii) Give an example of a situation, which calls for the writing of a justification report. [1]
(Total:20 marks)
5. (a) To be an effective meeting leader, the chairperson needs a combination of technical and human relation skills.
- Identify any **six** of these functional skills that the chairperson needs to carry out at a meeting. [6]
- (b) A meeting participant has duties to perform at a meeting too.
- State **four** characteristic duties that are common to both the chairperson and the meeting participant. (Do not use the same points as in (a) above.) [4]
(Total:10 marks)
6. (a) A customer calls to enquire about the new product that was advertised by your organisation in the media recently.
- Identify **five** guidelines to follow in answering the inquiry. [5]
- (b) The customer puts forward a few questions for which you did not have the answers.
- State sequentially, the steps you would take to keep communication channels open and to ensure that you project a professional image of your organisation. [5]
(Total:10 marks)

OUTLINE ANSWERS**Question 1**

Though there appeared to be an understanding of the example given, candidates showed scant ability in application of the concept or principle. For example, they didn't see that the skin of the balloon represented the strength of the productive sector.

Another area of weakness in this question was the summary writing. Many of the candidates did not answer the question how "unmonitored economic events could cause over-heating". Instead, they wrote a summary of the whole passage.

- (a) The word "wise" is used in a sarcastic manner or to show that the leaders are unwise.
- (b) The economic happenings are:
(i) the Great Depression of the 1930s; and
(ii) several cycles of recessions and booms between 1930 and now.
- (c) The curricula taught to leaders may not have included teachings about the characteristics of cyclic phenomena.
- (d) An economic downturn is imminent when there is an over-emphasis on the non-productive sector.
- (e) The strength of the productive sector determines the extent of expansion of the non-productive sector in an economy.
- (f) Examples that show forms of speculation for profit on short-term are acceptable, such as:
- Speculation on:
- the stock market;
 - commodities and futures;
 - forex; and
 - the property market.
- (g) Any of three the following human weaknesses:
- greed / avarice
 - inconsideration
 - self centredness
 - recklessness
- (h) Leaders in any country should be aware that an over-emphasis on the non-productive sector of their economy signals that a downturn is imminent. The extent to which the economy can expand depends on the strength of the productive sector, not on the service sector. There is a definite ratio between these two which cannot be exceeded. Left unmonitored, there will be dire consequences.

The non-productive sector is susceptible to subjective speculations which result in high prices and great price fluctuations. This sector's short-term nature forces risk-taking and rush decisions. People are mesmerised by boundless opportunities for quick riches and greed takes over. Consequently, excessive risk ventures taken thus abuse the productive-non-productive ratio, bringing about over-heating of the economy. (119 words)

Question 2

In part (a) of the question, many candidates gave one-word answers for listing aspects of poor communication e.g. “tone”, “closure” and “disorganised” without further elaboration. The description of the aspects fetch more marks than the listing.

In rewriting the letter in part (b), many candidates rewrote the letter with a nastier tone than the example given. The writing strategy and tone were inappropriate. Candidates must remember that they cannot direct or advise Bank Damansara what to do with their staff. The subject line is important too as it dictates the tone and the content of the letter.

- (a) Candidates could list any four of the following aspects of poor communication but these have to be accompanied by descriptions.
- (i) letter format lacks salutation
 - (ii) letter lacks closure
 - (iii) letter opens in a negative manner
 - (iv) the tone throughout the letter is rude and very sarcastic
 - (v) writer directs reader what to do
 - (vi) ideas / paragraphs are not organised in sequence

(b)

Francine Tai
13, Jalan Setia Adil
Taman Kewajipan
78900 Kuala Lumpur

23 January 1999

The Branch Manager
Accounts Section
Damansara Bank
88200 Kuala Lumpur

Dear Sir / Madam

Feedback on Bank Services

Recently when I applied for a credit card, the photostated copy of my passbook entries was rejected. The reason given was that the entry prints were illegible or incomplete. So, last week I went to your Damansara Branch bank to get a hard copy statement. Two front line staff were not very helpful but a Mr S. Ling, after speaking with me assured me that a copy would be ready for me the next day.

I was at the bank at 11 a.m. the next day but was informed that Mr. S. Ling had to attend a sudden urgent lunch appointment. Apparently in his hurry he could have overlooked my appointment, as no other staff knew where he had placed the copy. So I was told to come back after lunch.

May I suggest that for the image and improvement of the services, officers check through their appointment book first? Then make arrangements for other bank staff to attend to less pressing matters before they leave. Alternatively, they could call the client and postpone the appointment so that clients are not unduly inconvenienced. I hope you can use these suggestions to improve customer needs.

Yours faithfully

Francine Tai

- (c) (i) It creates a positive and courteous atmosphere. A courteous and tactful tone will create a positive impression to produce results. It establishes a positive relationship between the writer and the reader. It makes the writing more personal.
- (ii) It creates a poor image of the writer and the organisation. It is likely to irritate the reader. It can project uncertainty, confusion or disinterest on the writer's part.
- (iii) We are happy to inform you that we are able to...
It is possible to meet your request for
We will be able to start

Question 3

This was a knowledge question but it was unfortunate that many candidates could not differentiate between strategies for encouraging listening and the other three listening skills.

- (a) (i) **Conversation openers** encourage the speaker to talk. Topics mentioned are geared to the speaker's area of interest.
- (ii) **Invitation to disclose** gives the speaker the choice to disclose feelings or state of their thoughts.
- (iii) **Minimal and brief responses** by the listener allow the speaker to know that you are more interested to listen and that you are encouraging the speaker to continue.
- (iv) **Nonverbal cues** like nodding the head, facial expressions or hand movements also help to convey your interest. Short responses used are like "mm", "yes", "hmm", "oh, I see", etc.
- (v) **Use questions sparingly.** Ask open-ended questions giving the speaker every opportunity to speak. Try not to interrupt the speaker's train of thought by asking too many questions.
- (vi) A **pause** gives the speaker the time to consider, reflect or decide whether to continue the conversation. The pause also gives the listener time to watch the nonverbal language of the speaker and to get clues on both content and feelings towards the topic under discussion.
- (b) (i)
 - To catch the audience's attention
 - To identify the aim
 - To identify the main theme or topic of the talk
- (ii)
 - Pose a question
 - Use humour appropriate to the audience and relevant to the topic
 - Give a short anecdote
 - Present an interesting fact
 - State a startling fact, figure or data
- (c) (i) Scan brochure or price quotation and save file / document within the directory.
- (ii) List recipients and their e-mail addresses in the "To" section.
- (iii) Give subject heading and compose any messages, or additional instructions.
- (iv) Attach file by invoking the file or document within the directory.
- (v) Hit the "Send" button and follow up to ensure that there is no returned mail later in the day.

Question 4

Though the candidates were aware that this was a bad news letter, yet in their answers, many did not employ the appropriate bad news writing strategy. The refusal has to be stated in paragraph 3 and not paragraphs 1 or 2 as many had done. It is important to incorporate the standard parts of a letter because 2 marks are awarded for correct format and layout.

- (a) A bad news letter gives the reader unwelcome news. In a bad news letter you guide the reader gradually through the reasons and explanations for the refusal first before they reach the bad news. If the refusal is stated in the opening paragraph, the reader may simply stop reading there.

- (b) R & J Sdn Bhd
22 Jalan Harta
55500 Kuala Lumpur

20 January 1999

Mr Santokh Singh
AJ Retailers Sdn Bhd
101 Jalan Iskandar
50490 Kuala Lumpur

Dear Mr Santokh Singh

RENTAL OF PROPERTY AT 101 JALAN ISKANDAR

Thank you for your letter which we received last week and have given much thought to the contents.

We think you will agree with us that the property above is in a prime shopping area and serviced by an efficient transport system. Added to this, there is hardly any shortage of clients willing to rent properties in this area. Nine months ago when you requested a 10% reduction in the rental because of poor business we acceded to your request.

This week after we had received your letter requesting a further 10% reduction in the rental, we made a survey of the rental values along Jalan Iskandar. The survey revealed that the current market rent is RM3,800.00 and we are renting our property to you at only RM3,400.00. After much consideration we find that we are unable to meet your request for another 10% reduction this year.

We are enclosing a copy of the findings of the rental survey of this area. Please contact us if you have any questions. In the meantime we wish you all the best and hope that your business will gather momentum and make good profits again.

Yours sincerely
R & J Sdn Bhd

Fania Teh
Fania Teh
Senior Manager

- (c) (i) A justification report seeks approval for a change, explaining why this change is necessary. It normally states the cost factor and the advantages and disadvantages of the change.
- (ii) Open the report with the purpose statement for the suggested change
- Describe the current situation
 - Describe the change, the cost factors, the advantages and the disadvantages
 - Draw or make the conclusions
 - Close with the recommendations.

- (iii)
 - a change in procedures;
 - a change in operating times;
 - an increase in the budget;
 - a drop in sales;
 - a need for upgrading of office machines; and
 - a need for training; etc.

Question 5

A well-attempted question.

- (a)
 - (i) prepare the agenda in consultation with the secretary
 - (ii) give priority to the most important items
 - (iii) control impartially, putting all motions and amendments, and making rulings about points of order
 - (iv) brief members
 - (v) give feedback
 - (vi) create a sense of belonging
 - (vii) delegate when there is a need
 - (viii) manage the paperwork.
- (b)
 - knowing the issues to be raised within the meeting
 - listen empathically
 - be prepared to speak out, even if it is against majority opinion
 - keep an open mind about a topic
 - consider other member's views without negating them
 - actively take part in decision making and problem solving
 - create a positive atmosphere, reduce tensions and reconcile conflicts.

Question 6

This question was well-answered.

- (a)
 - (i) open the call with a greeting, the organisation's name and your name
 - (ii) listen to the inquiry
 - (iii) provide the relevant information
 - (v) sound interested in the customer's needs, write down customer's inquiry
 - (vi) write relevant details such as name, address and contact number
 - (vii) explain how the organisation can help to satisfy the customer's need
 - (viii) suggest the actions that the customer can take to have their need satisfied
 - (x) close courteously.
- (b)
 - (i) inform the caller that you have to move away from the telephone to find the information in your filing system
 - (ii) ask if they would prefer to wait or have you ring them back later
 - (iii) explain that you may have to ask another person for the information
 - (v) ask if they would prefer to be transferred to the person concerned
 - (vi) give them the name of that person and number of the direct line in case of disconnection
 - (vii) conclude pleasantly and courteously.