

DP05

Business Communication

10 OCTOBER 2003

1. Time allowed : Three (3) hours
2. Total number of questions : Six (6) questions
3. Number of questions to be answered : All six (6) questions
4. Begin each answer to a new question on a fresh page.
5. A blank page is provided at the end of the question paper for rough work.

ANSWER ALL SIX (6) QUESTIONS

1. Read the passage and answer the questions that follow:

Over the years, executives at India's major banks have come up with creative means to recover problem loans. They have put up notices naming defaulters in the newspapers and published their photographs. They have sent employees carrying signs to their homes or offices. Some even considered using drummers, the old-fashioned local method of embarrassing thieves.

Now public humiliation won't be the only weapon at the banks' disposal. Thanks to tough new laws aimed at defaulters, Indian banks are flexing their muscles against wayward borrowers who for years have taken shelter in the glacial pace of the country's legal system. However, legislation passed in late November 2002 allows banks to bypass the legal system and issue notices to defaulters that threaten to seize their assets if they don't pay up or work out a deal with the banks.

This is a huge shift for India and a small victory for economic reforms. Much like elsewhere in Asia, India has a serious bad-loan problem. Before legislation was passed, banks were unable to foreclose as court approval took too many years. As such, many defaulters kept their property and continued to live a life of luxury even as their companies wallowed in debt.

Officially, bad loans make up 8% of the advances made by the Indian banking system but experts say that the real figure could be more than double that number. This poses a significant drag on the financial sector and the economy in general. Hidden in the mountain of bad loans is the wreckage of troubled industries like steel and textiles that were given priority under India's socialist-inspired economic policies prior to 1991.

Since the law was passed, banks have issued a slew of notices and they are seeing an impact. At a major bank, more than half of the defaulters in value terms that have received notices have stepped forward to open a dialogue on settling their debts. According to many banks, the new legislation has had a tremendous psychological effect on borrowers, as these people were not only negotiating, but seemed scared.

Bankers say that the goal of issuing notices isn't necessarily to seize assets, but to force those borrowers with the ability to pay to cough up the cash. If this doesn't work, the next step is to actually begin seizing and disposing assets, a process that involves a set of skills that banks here haven't had the chance to practise.

India is "absolutely ripe" for foreign firms with distress debt skills to come in. Banks are eager to see the advent of foreign capital, pricing expertise and recovery skills, all of which will hasten the process of getting bad debts off their books. The banks have banded together and are in the process of forming an asset-reconstruction company as soon as final guidelines are given by the central bank for such firms.

The law has triggered howls of protest from defaulters and some have accused the banks of extending restructuring plans for some customers but using strong-arm tactics on others.

Of course, the law is no **panacea** for India's bad loans and no substitute for sound judgement on the part of lenders. It is noted that about 40% of the country's non-performing loans are unsecured – in other words, there is nothing to seize. Still, for India's banks, it is a new ball game. Many say that if the notices don't work, they will resort to Plan B – using the drummers. This, they believe, will be very effective in a conservative society like theirs.

Adapted from "Far East Economic Review", February 2003

Answer the following questions in full sentences:

- (a) List **two** ways adopted by bank executives in India to recover problem loans from defaulters over the years. [1]
- (b) Why were the banks unable to recover the bad loans from defaulters prior to the end of 2002? [1]
- (c) What action did the lawmakers approve to assist the banks to collect on bad debts? [2]
- (d) How can foreign firms with distress debt skills bring about economic reforms in India's banking system? [2]
- (e) How did some defaulters react to the action taken by the banks and what did they claim? [2]

- (f) Forty percent of India's non-performing loans are unsecured. Bankers say that if notices do not work, they will resort to using drummers, which they believe will be very effective.
Why do they believe that the above will bring the defaulters to negotiate? [1]
- (g) Give a word or phrase that best replaces the word "panacea" in the last paragraph. [1]
- (h) Summarise the above passage in **130 words**. [10]
(Total:20 marks)

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

Ms Jenny Lam
47 Kinabalu Drive
92520 Kuala Lumpur

9 September 2003

The Bankers' Club
Level 5, Sunshine Building
Jalan Permai
52500 Kuala Lumpur

Dear Ms Jenny

Termination of Membership No: 025007

We are disappointed that you have not replied to our repeated correspondence. According to membership bye-law 3.2.2, we have every right to terminate your membership. Kindly return the two library books "Communications at the Workplace" and "Auditing Made Easy" which you borrowed in December 2002.

We regret to inform you that as of the above-mentioned date your membership with our club has lapsed for 8 months. Our accounts also show that you have not settled outstanding amounts of RM575.80 for meals taken at our club restaurant.

We are, however, willing to reinstate your membership on the condition that you settle the amount of RM1,375.80 (which includes RM800 for the monthly membership fee for January to August 2003) and return the two library books by 30 September 2003.

Awaiting your most valued reply.

Yours sincerely
Bryan Wong
Accounts Manager

- (i) Analyse the above letter by listing and describing **four** different aspects of poor communication. [10]
- (ii) Rewrite the letter using effective communication principles. [10]
- (b) (i) State **two** objectives of a memo. [2]
- (ii) List **three** advantages that a memo has over the spoken word. [3]
(Total:25 marks)

3. James and Melvin work in the same firm but in different subsidiaries located in different parts of the city. Below is an e-mail James wrote to Melvin after a meeting:

From	: james@thrx.com.my
To	: melvin@thrx.com.my
Date	: Wednesday, August 23, 2003
Subject	:

Botak,

I'm just sooo mad about what happened during the mtg today. That idiot, Lee, just shred our proposal 2 bits without giving any explanations. Two long excruciating weeks of work, down the drain! U R gonna lose more hair at this rate!

I'm pissed off with u too. Why didn't u stand up 2 speak?

He needs another proposal asap. I'm so frust man!

- (a) (i) Identify **three** errors shown in this e-mail. [3]
- (ii) Edit the above e-mail to make it more readable, following the e-mail etiquette. [3]
- (b) (i) List the **five** steps you would take in planning an oral presentation. [5]
- (ii) Explain **four** functions of visuals and graphics in an oral presentation. [4]
- (Total:15 marks)
4. (a) Identify **three** types of persuasive letters. [3]
- (b) List **three** reasons why a persuasive letter is written. [3]
- (c) State and briefly explain the four-point writing strategy for a persuasive letter based on the AIDA formula. [4]
- (d) Your financial institution has decided to reward loyal customers who have stayed with your organisation for more than ten years. They will each receive an ABC credit card and they are entitled to participate in a contest for an all-expense paid, seven-day holiday for two, to New Zealand.
- Based on the writing strategy above, write a persuasive letter to one of your loyal customers using a full block layout. [10]
- (Total:20 marks)
5. A marketing manager reminded his six team members that there would be a meeting about marketing plans on their return after the week-long holidays. When they returned on Monday, the secretary had gone on maternity leave and despite that, the manager insisted on holding the meeting. Each member was told to contribute ideas on how to create more business or to look for new clients.
- During the meeting, two persons talked about what they had done the previous quarter, but there were no new ideas. Others were more interested in talking about the world political situation or the new virus threatening the population. After two hours, the manager realised that nothing was achieved so he adjourned the meeting.
- (a) If you were the manager, name **three** procedures you would do differently before or during the meeting. [3]
- (b) Identify **two** elements of a formal meeting that were missing during the meeting. Briefly discuss why these elements are crucial to ensure an effective meeting. [4]

- (c) After the first half hour when you saw that the meeting was going nowhere, what would you do as an involved and responsible participant? State the words you would use to help the chairperson move the meeting in the right direction. [3]
(Total:10 marks)

6. Mr Li, an elderly Chinese gentleman, goes into a bank and approaches Ms Goh, who at that moment has started a telephone conversation with another client. Mr Li insists that he wants to buy a bankers' cheque. Ms Goh points at the direction of the counters and says, "**Three**". The elderly gentleman promptly goes to counter **seven** and queues up for about fifteen minutes. On reaching the counter, he is told that he is at the wrong counter and cannot be served. In frustration, Mr Li asks for the supervisor and makes a complaint in Mandarin that Ms Goh directed him to counter "qi" ("seven" in the Mandarin language).

Write out the words you would use in the dialogue to handle Mr Li's complaint following the steps in the PAIR approval strategy. (*List the steps and below each step, write the words you would say to Mr Li.*)
(Total:10 marks)

OUTLINE ANSWERS

Question 1

- Most candidates were able to understand and answer most parts of the questions. Some, however, could not answer the cause-effect and vocabulary types of questions, and also faced difficulty in summarising the passage.
- To answer the cause-effect type of questions, candidates should first read the paragraph which talks about the situation in the question, and then, go back to the preceding paragraphs and the answers will be found in one of these paragraph.
- For summary writing, candidates have to practice picking up the topical points. Candidates may also use the answers to the comprehension questions as a guide to pick out the important points, but should be careful in doing this as the summary may not cover the whole passage.

1. (a)
 - They published names and photographs of defaulters in the newspapers.
 - They sent employees carrying signs to their home or offices.

- (b)
 - They took shelter in the glacial pace of the legal system.
 - Banks were unable to foreclose because court approval took too many years.

- (c) Legislation passed in late November 2002 allowed banks to:
 - Bypass the legal system.
 - Issue notices that threaten to seize assets of defaulters if they:
 - do not pay up; or
 - negotiate.

- (d) With the foreign firms will come foreign capital, pricing expertise and recovery skills, which help to hasten the process of wiping bad debts off the bankers' books.

- (e) There were protests from defaulters.
They claimed that banks were extending restructuring plans to some customers but resorting to strong-arm tactics in handling others.
or Banks were partial to some but biased against others.

- (f) India has a conservative society and drumming is the old-fashioned, local method for embarrassing thieves.

- (g) Answer, cure, solution.

- (h) India has had serious non-performing loan problems despite creative means employed to shame defaulters publicly. Banks were unable to seize assets because court approval took too many years. Consequently, defaulters continued living luxuriously as their companies went bankrupt. However, legislation passed in November 2002, helped banks bypass the legal system to issue notices threatening to seize defaulters' assets if they did not pay up or negotiate. The impact was tremendous as defaulters started negotiations although some protested unfairness. India was ready for the advent of foreign firms with distress debt skills, bringing in processes that would hasten debt recovery and asset reconstruction. The law, however, could not solve all India's non-performing loan problems as 40% were unsecured loans. But bankers believe that using drummers, the ultimate shame, could prove effective.

(130 words)

Question 2

- Many candidates listed aspects of poor communication without describing them, or just quoted the words used in the letter. Candidates also used the term “veiled threat” without understanding it.
- When rewriting the letter, some candidates used words that were harsher than those in the original letter, while some used the wrong letter format.
- A number of candidates could not differentiate between the “objectives” and “advantages” of using a memo.
- The salutation in the letter should be “Dear Ms Lam”, and **not** “Dear Ms Jenny”.
- Candidates must remember to use a neutral buffer in paragraph 1 of the letter. It is also better not to have a subject line for bad-news letter.
- Candidates should learn how to “soften the blow” of a bad-news letter, e.g. “Perhaps you have been very busy and have overlooked...” or “Perhaps you have moved and haven’t had the time to give us your new address...”
- Candidates should also “empathise” with the reader of the bad-news letter, and therefore, should use words that show consideration of the reader’s feelings, emotions and state of mind on receiving the letter.

2. (a) (i) Candidates should list and describe any **four** of the following aspects of poor communication but they have to describe them too.
- Letter format is wrong.
 - Salutation is wrongly written.
 - Subject line should not be there as this is a bad news letter.
 - Tone is very patronising.
 - Closing paragraph used antiquated English.
 - Wrong paragraph order.

- (ii) The Bankers’ Club
Level 5 Sunshine Building
Jalan Permai
52500 Kuala Lumpur

9 September 2003

Ms Jenny Lam
47 Kinabalu Drive
92520 Seremban
Negeri Sembilan

Dear Ms Lam

We note with concern that your membership with the club has lapsed for eight months. We are also concerned that you have not replied to our repeated correspondence to the above address. Perhaps you may have moved and have not received our letters so we are sending a copy of this letter to your workplace.

The monthly subscription for the last eight months (from January to August 2003) is RM800. Our accounts also record that you have an outstanding amount of RM575.80 for meals taken at the club restaurant on three occasions in October, November and December 2002. Our library records also show that you borrowed two books, “Communications at the Workplace” and “Auditing Made Easy” in December 2002 and have yet to return them.

You have been a very active member of our club since 1985 and we would be very sad if we have to terminate your membership. We hope you can settle the outstanding amount of RM1,375.80 latest by 30 September 2003 and return the books as soon as possible as there is a request to borrow them.

We hope everything is all right with you and we look forward to hearing from you soon.

Yours sincerely
Bryan Wong
Accounts Manager

- (b) (i) A memo sets out to achieve the following objectives:
- communicate information.
 - explain new procedures.
 - announce changes.
 - make requests.
 - confirm results.
 - offer advice.
- (ii)
- It reaches a larger number of people.
 - It provides a written record for filing and reference.
 - It allows the writer to convey different information logically and accurately.
 - It can indicate by a letterhead that its information is part of the organisation's procedures.

Question 3

- In rewriting the e-mail, many candidates forgot to include in their answers the reason why the e-mail was written in the first place. Candidates should remember that when a letter is written, the writer must have a reason to do so.
- The steps in writing the e-mail also had to be written in sequence but it seemed that candidates wrote down the points as they came to their minds.

3. (a) (i)
- Discourteous and over-familiar tone used with Melvin.
 - "Flaming" – rude and hostile comments written under pressure/ stress.
 - Purpose of writing the email is not stated.
 - James did not write his name at the end of the mail.
- (ii)

From : james@thrx.com.my
To : melvin@thrx.com.my
Date : Wednesday, August 23, 2003
Subject :

Dear Melvin

I was so angry during the meeting today. Mr Lee had no right to shred our proposal to bits without giving us any explanations. Two long excruciating weeks of work has gone down the drain!

I was very disappointed with you too. Why didn't you stand up to speak?

He needs another proposal written as soon as possible. Let's meet up and see him. We'll ask him what to improve on and what he wants us to emphasise in the proposal.

Will you be free to meet at 10 a.m. tomorrow morning at my office? Mr Lee will be around and is free tomorrow.

James

- (b) (i) Steps to follow in planning an oral presentation:
- define the purpose/goal.
 - analyse the audience.

- consider the content and setting.
 - identify the main ideas and supporting materials for the message.
 - plan and organise the presentation.
- (ii) Functions visuals/graphics play in an oral presentation:
- gain listeners' attention.
 - increase interest.
 - support your points.
 - emphasise relationships.
 - clarify explanations.
 - aid listeners' memory.
 - remove the focus from the presenter.
 - help presenter arrange content in an orderly manner.

Question 4

- Many candidates only stated what AIDA stood for but did not explain the terms. While many could tell what AIDA meant, they did not apply it to the writing of their sales letter.
- In writing the letter, although there were some Attention and Interest observed, most of the candidates missed out writing on Desire and Action.
- It is not enough to just write on the advantage of getting to participate in a contest for a free trip to New Zealand. Candidates should remember that they were not promoting the trip, but the credit card. They should mention about how the credit card will serve the users, bring esteem to the person, the benefits of using the card, etc. The trip will constitute the Desire part of the letter, and as for Action, candidates have to push the reader to pick up the telephone and dial a number, or reply to a postage-paid card.

4. (a) The three types are:
- sales letters.
 - collection letters.
 - job application letters.
- (b) Reasons for writing a persuasive letter:
- To persuade the reader to buy the product.
 - To prompt the reader to take action to pay a bill.
 - To persuade the reader to offer the job applied for.
- (c)
- Open with a sentence or paragraph that catches the reader's *attention*.
 - In the next paragraph, develop an idea that might *interest* the reader, to show how it could benefit them.
 - Use the middle paragraphs to encourage the reader's *desire* for the product or service, or to respond to your letter
 - State in the concluding paragraph what *action* is to be taken.
- (c) 10 September 2003

En Razak Yakob
376, Jalan Air Jernih
54790 Kuala Lumpur

Dear En Razak

Congratulations! You have been chosen to receive our ABC Credit Card, which is recognised worldwide. This card establishes your ability to pay as well as your reliability as a desirable client in any store you choose to patronise in any part of the world. This card is our show of appreciation for your loyalty to our organisation for the last ten years.

Having this card means that you will not have any worries carrying too much money around when you travel, or having insufficient cash to buy any presents for your loved ones. Should

you be stranded overseas or outstation, our nearest office will give you a cash advance of RM2500 immediately.

There are no hidden costs for using this card except a small interest charge for late payments. When you sign up, you are entitled to participate in an all-expense paid holiday for seven days for two people to New Zealand. There are no slogans to write and no quizzes to answer. Our city mayor will select the contest winner during a lucky draw on 15 December 2003.

Do not hesitate now! Just fill your particulars in the enclosed form and mail it to us in the postage-paid envelope. You will soon enjoy the privilege and freedom of belonging to a prestigious class of clients from our organisation.

Yours sincerely

Colleen Cheong
(Marketing Manager)

Question 5

- Part (a) of the question required candidates to refer to the situation in the question, but most of them wrote about the general procedures in a meeting.
- For part (b), although candidates were able to identify the elements of a formal meeting that were missing in the situation, they did not explain the importance of these elements, as required by the question.
- Candidates should note that when the question asks them to state the words they would say, they have to write out a dialogue.
- They should also know that when a member addresses the Chairperson, the member is asking for permission to speak. Many candidates addressed the meeting without giving due regards to the Chairperson. In most instances, it is better to make suggestions to the Chairperson, rather than taking over the meeting.

5. (a) - Ensure that members are prepared for the meeting and are ready to discuss their ideas.
- Write out on the white board the purpose and order of the meeting.
- Have a brainstorming session so that new ideas can be generated.
- (b) • An agenda
- lists the order of the meeting.
- gives direction and purpose of the meeting for the day.
• No minutes taken
- no record of decisions taken or actions decided.
- no record of who would be responsible to carry them out.
- (c) “Mr Chairperson, excuse me. Perhaps you could put the purpose of this meeting on the board for all to see. Then we could have a brainstorming session to create more ideas of how to get more business and new customers.”

Question 6

- In this question relating to a situation where a customer service officer was attending to a complainant, candidates were required to state the right words or the dialogue to match each of the elements in the strategy, but not many could do so.
- Candidates should not write “Please calm down, I understand your situation” as their opening remark. This is because they have not listened the complainant and letting him rid himself of his frustration.

6. (a) • **Placate**, listen, empathise, respond with concern
Mr Li, would you like to tell me what really happened just now? (Allow him to talk without interrupting him)
- **Attend** to the complaint

You said you lined up for fifteen minutes in front of counter seven and you were told that you were at the wrong counter...is that true? Could you tell me who directed you to counter seven?

- **I**nvestigate details of the incident
Is this the lady who directed you? Her name is Ms Goh. She is Chinese but does not speak Mandarin. She only speaks English and Bahasa Malaysia. She could have said "three" instead of "qi". Perhaps you thought that she was speaking Mandarin.
- **R**esolve and decide on the action to take
Mr Li, I'm so sorry that this incident happened. It was the wrong perception that caused it. Can I help you to get your banker's cheque attended to? Just wait here and when it is ready the lady here will call for you.