

DP05

Business Communication

15 OCTOBER 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 recent study on the impact of currency control on sustainable development has found that it is the single most effective mechanism that has checked Malaysia's economic crisis and is contributing towards strengthening the national economy.

Firstly, currency control is a natural check and balance on the speculative tendency of the foreign exchange market. A recent workshop held in Kuala Lumpur found that one of the causes of the economic crisis of Asia was the transmigration of the function of money.

The new liberal globalisation of the economy has transformed money from its fundamental function as a medium of exchange to a commodity of profit. This change has motivated and fuelled speculation creating, a global casino out of currency trading. Malaysia's currency control acted as the brake in the speculative tendency of the foreign exchange operations and prevented the continued erosion of the value of the Ringgit that was the subject of such massive speculation.

This finding validates the belief that, if not for currency control, the Ringgit would have become a worthless piece of paper. Secondly, it is becoming evident from Malaysia's action in controlling currency that speculation in foreign exchange trading does not reflect the true value of currencies and the strength of the economy. It is becoming clearer that "the free market" is actually "a manipulative market" of the strong over the weak. No matter how hard the small countries work and build their economy, "the manipulative market" can deprive them of their wealth and success. This manipulative approach to managing the economy destroys the sustainability of our development approach. It destroys real capital for financial capital. Whether it be in the form of functional and healthy economies, it is extracted and converted to financial capital at an accelerated rate.

Thirdly, it is also becoming evident from the experience of Malaysia's action that the economic instability is caused by "finance capital". This works to the detriment and hard work of entrepreneurs, industrialists, businessmen, workers and communities. We are experiencing these negative impacts from the current economic crisis of the region. Finance capital displaces investors, and industrialists who launched the era, eclipsing the power of governments to manage the course of economic events. Return on capital is rising faster than the productive output that we must pay them, and the process imposes greater and greater burdens on commerce and societies.

There is a real need to reform and restructure both the global economic approach as well as the financial structure for greater economic justice, equity and share. This is not going to be easy. We are all wired up in a flawed economic system and have developed a conspiracy against ourselves. For those of us who grew up believing that capitalism is the foundation of democracy and freedom, it has been a rude awakening to realise that under capitalism, democracy is for sale to the highest bidder and the market is centrally planned by global mega-corporations larger than most states.

The crisis of the global financial system has reached its outer limits and is ready to self-destruct. Therefore, Malaysia's currency control and the initiative for global reform of the financial structure is a step in the right direction. It may help avert future disasters and build a people-centred sustainable development option for Malaysians and others. It has the potential to ensure greater certainty and stability for genuine investments, commerce and trade. Currency control does not only give us control over our economy but also our development priorities and needs. Malaysia's daring act has somewhat checked speculation and has won support from other nations and organisations.

Adapted from "The Star" 20 May 1999

Answer the following questions **in full sentences**:

- (a) Before the economies of many countries became global, what was the function of money? [1]
- (b) When the Malaysian government instituted currency control measures, what were the **two** effects on the foreign exchange operations? [2]

- (c) What **two** important facts about the value of currencies were revealed by the currency control measures? [2]
- (d) Give **two** reasons why the writer says it is so difficult for developing nations to sustain development and growth. [2]
- (e) What happens to the hard work put in by entrepreneurs, industrialists and business people when money is used as “finance capital”? [1]
- (f) According to the writer, why is reform and restructuring of the global economic system not an easy one? [2]
- (g) Currency controls carried out by Malaysia have revealed the causes for the region’s economic problems. Summarise these causes in **130 words**. [10]

(Total:20 marks)

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

To : Mr T. Raman, Technical Support Manager

From : Elaine Lim, Executive Secretary

Date : 23 June 1999

Please take note that the fax machines in our department are still not functioning as they should be.

Your boys took them for repairs last week and brought them back three days later. They assured me that the machines had been repaired and should function well. My boss is very unhappy because our department has lost out on a number of big deals from a few important clients. Without the fax machines we could not fax in quotations or make any deals. What is really happening with your technical support department?

To reiterate, the machines must be repaired and returned to the department within the next two days. We cannot afford this slipshod, sub-standard quality work if we want to maintain our competitive edge in the market place.

- (a) Analyse the above memo by listing and describing **four** different aspects of poor communication. [10]
- (b) Rewrite the memo using effective communication principles. [10]
- (c) An announcement memo provides information. The announcement is made first, followed by secondary details and then the action to be taken.

List the other **four** types of memos that are used in the work place and briefly describe the function and writing order of **one** of them. [5]

(Total:25 marks)

3. In the communication process, there are many variables that both the sender and receiver have to contend with when encoding or decoding messages.

- (a) (i) Name any **four** of these variables. [2]
- (ii) Briefly describe how any **two** of the above variables can influence communication. [5]
- (b) Why is it important that the verbal and non-verbal parts of a message match? [3]
- (c) Making a presentation can be very difficult because of anxiety or stage fright.

Outline **five** strategies to handle anxiety or stage fright.

[5]

(Total:15 marks)

4. (a) In writing sales letters, persuasive appeals are used to influence prospective customers. **One** of these appeals is “emotional appeal”.
State **two** other persuasive appeals used in sales letters. [2]
- (b) Describe **two** characteristics for each of the appeals you have stated in (a) above. [4]
- (c) You have been asked to write a persuasive letter to your clients.
State your **four**-point writing strategy following the AIDA formula. [4]
- (d) Your financial institution has just launched a new product. Using the AIDA formula, write a sales letter incorporating layout and format together with some characteristics of persuasive appeals described above. [10]
(Total:20 marks)
5. Many people view meetings as an activity that wastes a lot of their time. They are of the opinion that meetings foster a lot of misunderstandings too.
- (a) What can you, as a participant do before, during and after the meeting, to ensure that meetings in your workplace are effective and fruitful? [5]
- (b) **One** of the items on the agenda is to solve a problem that has brought about misunderstandings among the staff.
List the **five** stages the members will employ using Dewey’s problem-solving process. [5]
(Total:10 marks)
6. (a) State **six** strategies that any customer-oriented organisation could use to achieve a customer focus. [6]
- (b) Name **two** barriers to effective customer service and specify the techniques you can use to overcome them. [4]
(Total:10 marks)

OUTLINE ANSWERS

Question 1

Unlike the past sitting, candidates performed the best in the question on the comprehension passage. Most of the candidates managed to pass this particular question. However, some candidates did face difficulty in the summary writing. The summary required them to highlight the currency speculations and the resultant effect that brought problems to the region. Instead, these candidates failed to trace the sequence of events and erroneously focused on the effectiveness of currency controls.

- (a) Money functioned as a medium of exchange.
- (b)
 - (i) It acted as a brake in the speculative tendency of foreign exchange operations; and
 - (ii) It prevented further erosion of the value of the ringgit.
- (c) It revealed that speculation in foreign exchange trading neither
 - (i) reflected the true value of currencies; nor
 - (ii) the strength of the economy.
- (d) Developing nations have difficulty sustaining development and growth because:
 - (i) the “free market” manipulates economies, supporting the strong to destroy the weaker nation’s sustainability of any development approach.
 - (ii) this “free market” destroys real capital for financial capital.
- (e) Their hard work becomes nothing because finance capital displaces investors and industrialists as returns on capital rises faster than the productive output.
- (f) It is not an easy one because we are wired to a flawed economic system whose market is centrally planned by global mega-corporations which can swallow up smaller corporations.
- (g) The region’s economic troubles started when money transformed its function from a medium of exchange to become a commodity of profit. Foreign exchange trading and speculation became rife and the strengths of economies and the true values of currencies appeared deceptive. The “free market” became a “manipulative market” with global mega-corporations displacing and depriving weaker developing nations of their hard-earned wealth, because real capital was destroyed for financial capital. Return on financial capital out-raced productive capital and governments of developing nations had neither power to manage their economic courses nor the ability to sustain growth. Reforming and restructuring economic and financial structures were seen as extremely difficult as the world economic system was flawed, being controlled by a few mega-corporations which called the shots.

Question 2

The question on memo writing, was the most poorly attempted question. Only a few candidates managed to pass this question. Although candidates knew there was rudeness in the tone of the sample letter, they could not identify the words that showed rudeness. Strangely, when they re-wrote the memo to show effective communication principles, the tone in their memo was much worse than that of the sample letter.

- (a) Candidates could list any **four** of the following aspects of poor communication but these have to be accompanied by descriptions.
 - (i) memo format lacks appropriate subject line
 - (ii) date written does not adhere to business letter norm

- (iii) ideas and paragraphs are not ordered/arranged in sequence
- (iv) writer shows disrespect for addressee's position, capabilities and competency of the department staff
- (v) tone is patronising and authoritative
- (vi) language is directive and blame for setbacks is heaped on the addressee.

(b) Rewriting the memo using effective communication principles:

To: T. Raman, Technical Support Manager

From: Elaine Lim, Executive Secretary

Date: 23 June 1999

Subject: Fax Machines Requiring More Thorough Servicing

On receiving word that our department's fax machines had broken down, your technical support personnel came promptly to help rectify the problem. Since servicing had to be done, they took the machines back, promising to bring them back within three days.

I was very happy when the machines came back after two days and was assured that they would function well again. Unfortunately, they only did so for one day and have broken down again. Without the fax machines, we have been unable to fax quotations to clients or receive offers from vendors. Being a business department, this situation has caused us to feel very frustrated and helpless as we need to maintain our competitive edge in the market.

To help overcome this problem, could you please ensure that more thorough servicing is done. Old or worn-out parts which may give trouble later, could be replaced. Please tell me whether the machines can be repaired within two days.

- (c) The other four types of memos are:
- (i) instruction memo
 - (ii) request memo
 - (iii) transmittal memo
 - (iv) authorisation memo

Request memo – asks for the receiver to provide certain information or to take certain action. Its objective is to initiate action and the co-operation of the receiver.

The request memo is ordered in the following way:

- the main point;
- followed by the secondary details or ideas; and
- the action to be taken.

Question 3

Though candidates showed understanding of verbal and non-verbal language, the majority had problems explaining why these two had to match. Many candidates expressed the strategies to overcome anxiety or stage fright in three to five words. They failed to understand that points presented have to be elaborated upon.

- (a) (i) The variables are: channel, context or setting, noise or interference, feedback, message and perception of sender or receiver.

- (ii) Context is the situation, setting or circumstance within which the communication takes place. Communication at a meeting or over a pleasant lunch takes place in different settings. It may use different language or relationships to achieve the communication purpose. People at a lunch meeting are more likely to talk openly and arrive at an understanding better than in a work environment with interruptions of people and/or telephones. In a relaxed situation, perception of the message is likely to be more accurate and communication more effective.
- (b) Checking out the match between the verbal and non-verbal parts of a message reduces the chance of communication barriers due to incorrect interpretation of the non-verbal message. Although the verbal message conveys agreement sometimes, a range of non-verbal signals indicates lack of agreement or maybe ridicule through the pitch of voice, facial expressions or even gestures.
- (c)
 - (i) Thorough preparation, research and practice reduce anxiety and stage fright. Preparation helps you respond to any questions and challenges from the floor.
 - (ii) Breathing deeply and breath control together with good deportment helps ease muscle tension and assists breathing.
 - (iii) Relaxation can help overcome anxiety, but the method used should make you feel comfortable. Some people focus on their positive and competency aspects.
 - (iv) Move around during the presentation, this can take away some nervousness.
 - (v) Smile at the audience and they will smile back at you. This increases confidence and gives a feeling of empathy between you and the audience.
 - (vi) Check all electronic equipment to ensure that they work. Familiarise yourself with how they work. Check seating arrangements and ensure that visual aids are arranged according to sequence.

Question 4

Some candidates were confused with the AIDA formula. The AIDA formula is not a writing strategy. Candidates have to explain what the four steps entail. Similarly, many candidates attempted the question on persuasive letter writing incompetently. They failed to understand that the reader's self-interest is crucial. Most of them started the letter by talking about the financial institution's product instead of building-up the reader's interest. Surprisingly, there were a few candidates who used detergents and microwave ovens as their financial institution's product.

- (a) The other two types of appeal are:
 - (i) objective appeal; and
 - (ii) appeal to authority.
- (b) Objective appeal
 - direct rewards outweigh indirect rewards
 - advantages and disadvantages are presented
 - comparisons are made between two like events
 - statistics and facts are presented
 - logic is used and appealed to
 - appeal is made to the conscious mind

Appeal to authority

 - suggests security and safety
 - suggests trust in the authority figure
 - offers prestige
 - invites the customer to enjoy the product too
 - implies that the buyer will become the personality they would like to be
- (c)
 - (i) Catch the reader's attention in the subject line or introductory paragraph.
 - (ii) Use the introductory paragraph to focus on the reader's self-interest or the benefit to them.
 - (iii) In the middle paragraph, emphasise the central selling point, create a desire and give the price.
 - (iv) Close with the actions to be taken by the reader.

(d) Sample text for a sales letter

Rich & Easy Banking Berhad
238 Jalan Merdeka
55800 Kuala Lumpur
Tel: 25258800 – 10 lines
Fax: 25258899
<http://www.rich.com.my>

27 June 1999

Mr Lionel Wong
222, Lorong Mutiara
78780 Petaling Jaya

Dear Mr Wong

Subject: Convenience and Rewards in a Card

Are you stressed out each month when you have to line up behind long queues at Post Offices, brave traffic jams and fight for limited parking lots, just to pay your monthly utility bills? Haven't you wished there was a better and easier way out of this unpleasant task?

Search no more, because today we, at Rich & Easy Banking have come out with that wonderful alternative you have been dreaming about all these years. We are proud to introduce to you Visa and MasterCard credit cards that will offer you unparalleled convenience, exciting rewards, international recognition and security. Yes, as a card member with us, you can pay all your bills and much more without even having to get out of your home. You will enjoy the following:

- Automatic bill payment
- Multiple choice of payments
- The largest network of banking branches and ATMs worldwide
- Electronic Travel Ticketing
- Frequent Flyer Programme
- Attractive Credit Limit

Our introductory offer is free for the first one thousand members and subsequent annual membership is only at RM50.00. Apply now and take advantage of this offer at your nearest Rich & Easy Banking Berhad branches. Should you require any further information, please go to our homepage or write to us using the reply-paid envelope, or telephone us at 03-25258800 (10 lines). We look forward to serving you.

Yours sincerely

MartinAllen

Martin Allen
(Director, Credit Card Division)

Question 5

Majority of the candidates scored full marks on the question on “What can you, as a participant, do before, during and after the meeting, to ensure that meetings are effective and fruitful?” However, many candidates lost marks on the second part of the question when they failed to elaborate on the 5 stages of Dewey’s problem-solving process.

- (a) Duties before the Meeting:
- prepare by reading minutes of last meeting and agenda for the day
 - prepare in writing any proposal or motion and forward to chairperson
 - prepare any oral presentation

Duties during the Meeting:

- offer views that support others in discussion
- encourage contributions of other members
- create a positive meeting environment
- reconcile disagreements
- participate in problem-solving and decision-making

Duties after the Meeting

- research any background information for the next meeting
- carry out action plans delegated to you before the next meeting

- (b)
- (i) Define the problem – understand the problem and issues to be addressed.
 - (ii) List all the possible alternatives to solve the problem – brainstorming.
 - (iii) Discuss and analyse the possible solutions – narrow down to a few possible alternatives.
 - (iv) Choose a solution – limits need to be set, and acceptable and unacceptable results identified.
 - (v) Plan the course of action – planning is to be directed at a particular task of implementing the action decided on by the group.

Question 6

Most candidates failed to answer this question on strategies an organisation can use to achieve customer focus because they assumed that they had to talk about their role in customer services. They emphasised mainly on the frontliner's strategies and not on the organisation's strategies.

- (a)
- (i) Survey to gather information on customer needs and expectations of service.
 - (ii) Give information to customers about the organisation's activities.
 - (iii) Develop an attitude and awareness towards good customer service.
 - (iv) Plan to meet customer needs and expectations.
 - (v) Create a set of customer service performance standards.
 - (vi) Review customer service results/feedback and be willing to improve the service.

(b) Barriers

- (i) Insufficient staff to handle customers' needs.
- (ii) Staff and clients uninformed.
- (iii) Customers not treated with respect.
- (iv) Insensitivity to cultural differences.
- (v) Staff gossiping.

Techniques

- (i) Have sufficient staff to handle needs.
- (ii) Keep staff and clients informed.
- (iii) Treat clients with respect and sincerity.
- (iv) Be sensitive to cultural differences.
- (v) Avoid gossip.