

DP05

Business Communication

10 MAY 2002

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 following passage and answer the questions below:

Was the financial collapse that had rocked Argentina brewed in Washington or homemade? The debate is already raging in the United States and it threatens to spread. The future of the global economy could hinge upon which answer is most widely believed, especially by people in emerging economies such as Argentina's.

If they reject free markets and try to protect their economies from the sometimes harsh winds of globalisation, the US-led world order of trade and investment could be **shackled**, reducing prosperity everywhere.

Not long ago, Argentina enjoyed the highest living standards and the largest middle class in South America. Throughout most of the 1990s, the country was cited by the US Treasury department and the International Monetary Fund (IMF), as a model of free-market reforms for developing nations everywhere.

But after violent street protests last month over harsh economic conditions, Argentina's new president declared that the country was broke and could not pay its pensioners. Last Thursday, Argentina formally announced that it could not make payments on more than US\$132 billion in foreign debt.

Argentina had been a regional pioneer in adopting free-market reforms such as the sale of inefficient state companies, reduction of trade duties and the opening of its domestic markets to foreign competition. Now, the president has signalled that things are likely to change. He has long criticised free-market policies, calling for government partnerships with private firms and the protection of Argentine business from foreign competition.

Many analysts worry that Argentina's turn away from free-markets could become a new model for other strained economies. People in Washington are **starting to get nervous about this contagion**. Protests by the middle class may be learned in a country like Brazil, which is socially much worse off than Argentina. Many Argentineans blamed Washington for their fate claiming that the US didn't calculate the dangerous state they were in. A US economist warned of a backlash against US free-market policies in a news column distributed widely in Latin America this week. He said that the IMF had failed to pressure Argentina into abandoning its flawed exchange-rate regime, under which each Argentine peso was redeemable for one US dollar. As the dollar value soared in the 1990s, Argentina's economy was unable to earn enough money to finance the peso-for-dollar policy. He said that the IMF had told Argentina to cut social spending instead.

But many economists blame Argentina, not the IMF or Washington, for failing to act years ago. Pegging the peso to the dollar has made Argentina's exports too expensive, driving multinational businesses to neighbouring Brazil and Chile where doing business is much cheaper. Then, with investment and tax revenues dropping, Argentina kept borrowing until creditors would lend no more. Another economist said that Argentina repeatedly ignored advice from the IMF and other experts to change its exchange-rate regime.

Adapted from *South China Morning Post*, 6 January 2002

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

- (a) What was the state of Argentina's economy during the month of December 2001 to the beginning of 2002? [1]
- (b) What **four** factors brought about this financial crisis? [2]
- (c) In paragraph 6, line 2, why are people in Washington "starting to get nervous about the contagion"? [2]
- (d) In the 1990s the IMF touted Argentina as a model for free-market reforms for developing nations everywhere.
How is it that the reforms that seemed to work then, failed in 2001? Give **two** reasons. [4]
- (e) Give a word or phrase that can best replace the word "**shackled**" in paragraph 2, line 3. [1]
- (f) In 130 words, write a summary of the causes and effects that brought about Argentina's financial collapse. [10]

(Total:20 marks)

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

Specialist Inks Bhd
2-4 Jalan Cerdik
95800 Johor Baru
Johor

8 May 2002

Asia Incorporated Sdn Bhd
43 Jalan Impian
46500 Kuala Lumpur

Dear Sir

We ordered two dozen black cartridges and one dozen coloured cartridges. Your latest consignment of printing inks leaves much to be desired.

We not only received them late, but instead of two dozen black, you gave us one dozen black and two dozen coloured. As though that wasn't bad enough, the ink dried up after a few days of use.

As a result of this, the office work has been delayed and our customers have been hounding us for replies to their queries and deliveries. We have had enough of your excuses because this is the second time it has happened this year. Unless this recurrent problem is rectified and your quality control improved, you may find your company's name deleted from our list of vendors.

We have kept the cartridges to return to you.

Yours truly,
Jaime Lee

- (i) Analyse the letter above by listing and describing **four** different aspects of poor communication. [10]
- (ii) Rewrite the letter using effective communication principles. [10]
- (b) (i) What are the **two** aims of the introduction when making a presentation? [2]
- (ii) List **three** strategies you can use to make the introduction in a presentation more effective. [3]
- (Total:25 marks)

3. As communicators, we have to realise that communication is a two-way skill. The words and tone we use will often affect the listeners' response. Below are examples of words showing poor sending skills that bring about communication barriers:

A. At a department meeting

"Why are the results from your section always late? Your team members must be plain lazy, not bothered about others, or simply irresponsible!"

B. Supervisor telling the subordinate

"You must do the task as I have instructed you to. Don't think. Just do as I say."

C. Boss to employee

"Someone claims that he's been to college ... you've done this three times and still can't get it right! What half-baked college did you attend?"

For A, B and C:

- (a) (i) Identify the perception each listener has of the sender in terms of the tone used in the **three** communication examples above. [3]
- (ii) State what kinds of emotional response the words would evoke in each listener. [3]
- (iii) Rewrite all **three**, using the appropriate words so that it encourages communication between the two parties. [3]
- (b) (i) What is negotiation? [1]
- (ii) State and briefly explain the **five** stages in the negotiation process. [5]
- (Total:15 marks)
4. (a) You are the chairperson of the Social Committee of your club. Recently your Social Committee was nominated to take charge of the Men's Soccer and Ladies' Netball for the Annual Inter-Club Sports Meet at your venue. Not having much experience in this area, you decide to call a meeting to get ideas on how to get this event organised. You decide to use the brainstorming process at the meeting.
- State and briefly discuss the **five** steps and processes involved in a brainstorming process. [5]
- (b) Identify **five** discussion items you would include for the next meeting under this agenda item "Annual Inter-Club Sports Meet". [5]
- (Total:10 marks)
5. (a) Identify **three** differences between a "progress report" and a "periodic report". [3]
- (b) What is an incident/accident report and what is the purpose of writing it? [2]
- (c) State and briefly describe the order of information for an incident/accident report. [5]
- (d) You are the secretary of your organisation's Health, Safety and Environment Committee. Yesterday, a fire started in the staff lounge and destroyed the coffee-making machine, a table and two chairs. The curtains were completely burnt. The fire was discovered and extinguished by the quick thinking of the tea-lady. On inspection, it was found that burning cigarettes in the trash can near the window had ignited the tea towels and in turn set the curtains on fire.
- Based on the order of information in (c) above, write an incident/accident report to your senior manager concerning the situation. [10]
- (Total:20 marks)
6. (a) Every organisation that provides a service today would possess a service strategy system and people whose focus is on customers' needs and expectations.
- As a front-liner, name **five** qualities needed of you to fulfil this service strategy. [5]
- (b) The concept "Service CASTE" describes the **five** elements of service.
- State, in full, what the underlined acronym stands for. [5]
- (Total:10 marks)

OUTLINE ANSWERS

Question 1

- Candidates could not identify the “root” causes of the financial crisis discussed in the passage and gave inaccurate answers.
- Many candidates summarised the whole passage when asked to describe causes and effects that brought about Argentina’s financial collapse.

1. (a) Argentina was in financial ruin and it could not make payments on more than US\$132 billion in foreign debt.
- (b) It adopted free-market reforms like the sale of inefficient state companies, reduction of trade duties and the opening of domestic markets to foreign competition. It also had an exchange-rate regime in which each Argentina peso could be exchanged for one US dollar.
- (c)
 - Argentina’s turn away from free-markets could become a model for other strained economies and thus affect US free-market policies.
 - Brazil, a trading partner, could follow Argentina too because socially it is in a worse situation than Argentina.
- (d)
 - The US dollar value soared in the 1990s but Argentina’s economy was unable to earn enough money to finance the peso-for-dollar policy.
 - Argentina’s exports became too expensive pegged to the US dollar, driving multinational companies to do business with the neighbours Brazil and Chile which offered cheaper goods.
- (e) Shackled means “in chains” or “prevented from functioning freely”.
- (f) Ignore content beyond 140 words. No marks to be awarded after 140 words.

In the early 1990s, Argentina was cited as the world’s model for free-market reforms for developing nations. It sold off inefficient state companies, reduced trade duties and opened up its domestic markets to foreign competition besides pegging its peso on par with the US dollar.

Through the 1990s, America’s economy flourished and the dollar’s value soared but Argentina was unable to earn enough money to finance the peso-for-dollar policy. Its economy deteriorated because this exchange rate regime had made its exports too expensive. Multinational companies began buying cheaper goods from Brazil and Chile. Although investment and tax revenues kept dropping, Argentina kept on borrowing without rectifying the root of its economic problem. Its foreign debt rose to US\$132 billion and creditors stopped lending, thus resulting in Argentina’s financial collapse.

(128 words)

Question 2

- Candidates were too brief in their identification and description of the four aspects of poor communication in a given letter. They should have also described examples found in the passage that supported their identification, and not their understanding of the aspect.
- Only a few candidates were aware that the letter format was incorrect.

2. (a) (i) Candidates to list any **four** of the following aspects of poor communication and describe them.
- Letter format is in incorrect order
 - No subject line or purpose statement
 - Ideas are disorganised and not arranged in proper logical sequence
 - The tone is very discourteous and patronising
 - There is a veiled threat in the last paragraph
 - The complaints lack specific details
 - Closure of the letter is incorrect

- (ii) Asia Incorporated Sdn Bhd
43 Jalan Impian
46500 Kuala Lumpur

May 8, 2002

The Marketing Manager
Specialist Inks Berhad
2-4, Jalan Cerdik
95800 Johor Baru
Johor

Dear Sir

Defective Ink Cartridges and Incorrect Consignment (Order No.2289)

I write to draw your attention to our order above made on April 12, 2002 in which we ordered two dozen black and a dozen coloured cartridges. We were informed that we would receive the goods within three days.

They came only on 30 April, a delay of more than two weeks and what we received was one dozen black and two dozen coloured instead of what was ordered. We had to start using the cartridges immediately and were very disappointed with the quality because the ink dried up, on average within a week. So far we have used six of the black and two of the coloured cartridges and all of them have given us the same problem. I would like to record that this is the second time it has happened this year. We have retained the cartridges for your reference and investigation.

As a result of the delay and defective cartridges, our office work and deliveries have been seriously affected and our customers are unhappy with our services. You have been a reliable vendor for the last five years and I don't understand why this is happening. Perhaps, your quality control department needs to make a study and investigate why this incident has happened and inconvenienced your customers.

I would appreciate it if you treat this feedback as urgent, and your service personnel could rectify this problem soonest and also ensure that this does not ever happen again.

Yours faithfully
Jaime Lee

- (b) (i)
 - to catch audience's attention
 - to indicate the topic
 - to give a preview of the presentation
- (ii)
 - pose a question
 - use humour relevant to the topic/appropriate to the audience
 - relate a short anecdote
 - present an interesting/shocking fact

Question 3

- Generally, candidates had problem identifying feelings in a communication process, i.e. identifying the listener's perception of the sender's tone.
- Candidates also had problems stating the feelings/emotional responses experienced by the listeners of the given words.

3. (a) (i) A. name-calling, blaming
 B. ordering, directing, commanding
 C. using ridicule, sarcasm
- (ii) A. defensiveness, anger
 B. resentment
 C. hurt, rejection, humiliation
- (iii) Your team members have a problem keeping the deadline. Perhaps they don't know how to go about getting the results. Maybe we could sit together and show them how to work it out.
- A. This task needs to be done following specific steps. Apparently if you don't follow the procedure, you will go wrong.
- B. You seem to have a problem attempting this project. I remember you telling me about learning this at college. Perhaps you need to refer to the manual and revise the steps again.
- (b) (i) It is a process in which two or more people (parties) with common or conflicting interests discuss ways of resolving an issue to reach an agreement.
- (ii)
 - *Plan* – create a clear set of objectives to steer you in the right direction, assess other party's objectives; identify common linkages and areas.
 - *Discuss* – establish common ground before moving into areas of differences, create a tension-free atmosphere, iron out differences based on facts.
 - *Propose* – define issues, specify in detail what needs to be resolved, link issues with other party's objectives, focus on interests rather than position.
 - *Negotiate* – accept that goals may have to be modified to produce a solution satisfactory to both parties, summarise points to confirm understanding.
 - *Check* – confirm that each party is committed to the agreement.

Question 4

- Although most of the candidates could state and discuss the 5-step brainstorming process, many had problems writing agenda items for the next meeting.
- Candidates also went out of point by including details that were not asked in the question.

4. (a)

Steps	Process
1. Define the problem or issue to be considered	Clarify the issues to be raised, namely organising the Men's Soccer and the Ladies' Netball for the sports meet.
2. Brief the meeting	Brief everyone by stating that for two minutes everyone is to suggest and create a list of ways how to run the events. Everyone will be given a chance to speak and there would be no comment, interruption or evaluation.
3. Encourage all members to participate	Urge everyone to participate and contribute ideas. Every idea will be written on flip chart or the whiteboard. Someone will keep time.
4. Evaluate the ideas	Everyone will evaluate the list to determine what are possibilities and which to discard
5. Choose the action	The possible ideas are considered further until a decision is made on which ones to implement. Thus, ends the brainstorming process.

- (b)
- *Budget* – how much will be needed for running and how much will be the allocation given
 - *Secretariat* – to co-ordinate sub-committees' needs and communicate with various teams
 - *Sub-committees*
 - to make draws for teams to compete and to select referees
 - to ensure results are posted
 - to provide refreshments
 - *Venues* – all to be played at one venue or at various venues
 - *Equipment* – to be provided by teams or to be bought? (balls, nets, stop watches, lining the fields)

Question 5

- Candidates did not compare the differences between a “progress report” and a “periodic report”. Instead, they just wrote about each report individually.
- Candidates thought that the purpose for an incident/accident report is for claims from insurance only, when it can be used to deal with any non-routine incidents such as monthly staff absenteeism or to present the weekly sales figure.

In the writing of the report in their answers, candidates failed to follow the order of information required for an accident/incident report. Most of the answers lacked headings, chronology of events, preventive measures, and even the format of a report.

5. (a)

Progress Reports	Periodic Reports
<ul style="list-style-type: none"> • written on request from time to time 	<ul style="list-style-type: none"> • written at regular intervals
<ul style="list-style-type: none"> • keeps management informed about progress of projects in relation to time schedules, costs, problems, etc. 	<ul style="list-style-type: none"> • helps management to make easy comparisons based on information from one period to the next
<ul style="list-style-type: none"> • compares actual results against the anticipated or intended results of projects 	<ul style="list-style-type: none"> • provides objective information on aspects of operations over a specific period of time

- (b) It is a short report about an incident and its results. The purpose is to give the receiver objective, factual details of the event.
- (c)
- A short general statement about the incident/accident and its results
 - A description of the circumstances that led to the incident/accident
 - An outline of what happened in chronological detail
 - An indication of the outcome: the effects of the incident/accident
 - Remedial/preventive steps to ensure that this does not occur again.
- (d) **To:** Kevin Daniel (Senior Manager)
From: Elsie Leong (Secretary HSE Committee)
Date: 10 May 2001

Subject: Report on the fire in the staff lounge on 9 May 2002

1.0 Statement of the Incident

A fire occurred in the staff lounge of our organisation's premises yesterday morning at 11.00 a.m. There were no casualties.

2.0 Circumstances that led to the incident

- 2.1 At 10.45 a.m., teatime was over and all the employees prepared to go for their departmental meetings. No one noticed a burning cigarette in the trash bin.
- 2.2 At 11.00 a.m., the tea-lady spotted the fire in the staff lounge and shouted for help. No one heard her. She tried using the fire extinguisher, but found she did not know how to operate it. She then rushed to the fire alarm and broke the glass casing. Everyone rushed out and went to help put out the fire.

3.0 Chronology of events

- 3.1 10.45 a.m. Teatime was over but no one noticed a burning cigarette in the trash bin.
- 3.2 10.48 to 10.57 a.m. Discarded tea towels ignited and started burning. Curtains hanging near the trash bin caught fire. The coffee machine and the table began burning and spread to the two chairs.
- 3.3 10.59 a.m. The tea-lady smelt something burning and went to investigate.
- 3.4 11.00 a.m. She shouted for help and then ran and broke the fire alarm.
- 3.5 11.05 a.m. Employees using fire extinguishers helped put the fire out.

4.0 Effects of the incident

- 4.1 The tea-lady sustained a few superficial cuts on her fingers while breaking the fire alarm. She was taken to the staff clinic for treatment.
- 4.2 No one else was hurt but we suffered losses amounting to RM2,500.00 due to replacement of the table and chairs and curtains. The coffee machine is still under warranty.

5.0 Preventive steps to be taken

To ensure that this incident does not occur again the following are the steps to be implemented:

- 5.1 With immediate effect, smoking is not allowed in the staff lounge. A smokers' corner, however, will be partitioned off outside the lounge and it will not have any furniture except for elevated ashtrays in the centre.
- 5.2 Fire extinguishers will have to be regularly serviced and a contract taken with the supplier for this service.
- 5.3 Every employee will be trained how to use the fire extinguisher and fire drills will be held once in two months.

Question 6

This question was poorly answered.

6. (a) The qualities needed to fulfil the service strategy are:
- A knowledge of the organisation's goals and strategies
 - A knowledge of the products and market demand
 - An understanding of customers' needs and expectations
 - A willingness to let customers know about improved customer service and products
 - A willingness to improve self in response to customer care especially in attitude and language used
 - A willingness to change and do things differently in line with organisation's goals and strategies
 - A capacity to review and improve client service
- (b) C = Completeness in providing what the customer needs and expects
- A = Access by all customers to the service
- S = Style of service delivery that recognises clients as central to the organisation
- T = Timeliness in providing the service when it is needed
- E = Equity of access to service by all potential customers.