

PRACTICAL CORPORATE TRAINING MODULES EXAMINATIONS (PCTME)

< Day, the dd mm yyyy >

Extra Reading Time: 15 Minutes
Time Allowed: 01 Hour 45 Minutes

Maximum Marks: 70

Roll No.:

INSTRUCTIONS TO THE EXAMINEES:

- (i) Attempt all questions.
- (ii) Write your Roll No. in the space provided above.
- (iii) **Multiple Choice Questions (MCQs) must be ticked/ submitted in online CBE Application and Short Cases and Report Writing Questions must be typed in provided solution file(s) on the allocated PC.**
- (iv) Use of non-programmable scientific calculators is allowed.
- (v) Read the instructions printed on the Top Cover Sheet CAREFULLY before attempting the paper.
- (vi) Answers should be relevant and brief. In marking the question paper, the examiners will take into account clarity of exposition, logic of arguments, effective presentation, language and use of diagram/ chart, where appropriate.
- (vii) DO NOT write your Name, Reg. No. or Roll No., or any irrelevant information inside the answers/ solutions.
- (viii) **Working Sheets solely serve the purpose of doing rough calculations/ illustrations. Anything contained therein would not be eligible for scoring actual marks.**
- (ix) **Question Paper, along with Working Sheet(s), must be attached with the provided Top Cover Sheet before leaving the examination hall.**

DURING EXTRA READING TIME, WRITING/ TYPING IS STRICTLY PROHIBITED**SECTION-A – MULTIPLE CHOICE QUESTIONS (MCQs)**

[Hint: Examinees are supposed to attempt the given MCQs, using online CBE Application through Exam Supervisor's Password and submit the answers before quitting exam session.]

Question No. 1

Suggested Time : 10 Min. | Total Marks : 20

Multiple Choice Questions [MCQs]

Attempt all MCQs, choosing most appropriate answers as appear on computer screen [illustrated below for understanding]:

1. Mr. Noman is working in a multinational company. Owing to his poor attendance, the Director of the company has asked his Secretary to send him a final warning notice. Which type of approach for writing such a letter must be used by the management?
 - ☐ Indirect approach
 - ☐ Direct approach
 - ☐ Neutral approach
 - ☐ General approach
2. A document that instructed you to produce a report is called a _____.
 - ☐ letter of transmittal
 - ☐ letter of acceptance
 - ☐ letter of authorization
 - ☐ cover letter

3.

4.

5.

15. _____ approach is the art of convincing people to adopt your point of view.

- ☐ Positive
- ☐ Persuasive
- ☐ I-attitude
- ☐ You-attitude

SECTION-B – SHORT CASES

[Hint: Examinees are supposed to attempt the given cases, using MS Word and/ or Excel Template(s) through the given Password <*****> and attach the printouts of solutions with provided Top Cover Sheet, duly signed by the Invigilator, before leaving the exam lab.]

Question No. 2

Suggested Time : 10 Min. | Total Marks : 10

You have received a letter from your bank, asking you to acknowledge receipt of a new bank card. However, the card was missing from the envelope. Write a letter to the bank's head office. Your letter should cover the following:

- Explain why you are writing
- Express concern about the missing card
- Ask them what they intend to do

Question No. 3

Suggested Time : 10 Min. | Total Marks : 10

Assume that you are an HR Manager in a large company. You have long felt that employees' services are suffering from lack of commitment. Now you want to create new department in the HR Division devoted entirely to employee services such as counselling, recreation, and training. Write a memo to your boss requesting permission to take this step.

SECTION-C – REPORT WRITING

[Hint: Examinees are supposed to attempt the given cases, using MS Word and/ or Excel Template(s) through the given Password <*****> and attach the printouts of solutions with provided Top Cover Sheet, duly signed by the Invigilator, before leaving the exam lab.]

Question No. 4

Suggested Time : 75 Min. | Total Marks : 30

The Beginning:

Haider Confectionery (HC) is a privately owned company based in Country 'X'. It produces a wide range of sweets and chocolates. The company is owned and controlled by the Khan family that established the business 25 years ago. Although HC is still a profitable business, sales have not increased for the past two years and profits have fallen [Table-1]. Lack of sales growth has led to declining market share and this is a real worry for the directors of the company.

Chocolate Products:

The company has a reputation for high quality chocolates. These are produced in small batches to meet seasonal demand patterns. Chocolates are mainly purchased in Country 'X' during the three main festival periods each year as gifts. HC sells 50% of their total chocolate output during these three festival periods.

The most expensive chocolate products are hand finished – this means that skilled workers use old fashioned methods to decorate and shape the chocolate gifts. Sometimes, customers order unusual shapes and sizes and these goods are then produced individually.

Other Sweet Products:

Other sweets made by HC do not contain chocolate. These sweets are demanded regularly throughout the year. They are relatively cheap and usually consumed by children. There are four main ranges of sweets. Each range is produced in 25 different flavours using semi-automatic equipment. Each sweet range and flavour is produced in a large batch before the machinery is switched to making another range or flavour. This system of production results in a substantial build-up of stocks.

Market Trends for Sweets in Country 'X':

Total sales of sweets and other confectionery products in Country 'X' have increased by 5% a year for the last three years. This sales growth is mainly due to the following two factors:

- A high birth rate in recent years has increased the population under 10-year old.
- The great success of the foreign confectionery company 'Sweets4All' in promoting their new range of sweets in the country has led to this company increasing its sales greatly. It is now market leader.

The growth in sales of sweets in Country 'X' has been widely reported. It has also led to the National Dentists Association (NDA) asking the government to put taxes on sweets to prevent a tooth decay crisis resulting from increased sweet consumption. A pressure group known as Action Against Advertising to Children (AAAC) has also organised protests outside the main offices of both HC and Sweets4 All to try to force both companies to stop advertising sweets to children. A member of AAAC told a leading newspaper that "It is unethical for sweet manufacturers to advertise, directly to children, products that can damage their health".

The Future for Haider Confectionery:

The Board of Directors is determined to make the company more competitive and profitable. The directors are divided on how these aims should be achieved. Following are the views of three of the directors, expressed at the last board meeting:

- **Director Marketing:**

Our objective should be sales growth. The 2024 and 2025 sales forecasts for two of our four main product ranges are disappointing [Table-2]. These sweets should be discontinued and production staff be switched to other products, if there are vacancies. I believe that we need innovative products to make us more competitive. As you know, our Research & Development team have created a new style of chocolate bar that contains both rich chocolate and juicy fruit pieces. When extra sugar was added to the first trial batch, the market research results with a focus group of children seemed very positive. I am certain that, if we invest heavily in promoting this product, we can achieve high annual sales. However, if there is an economic recession, and economists forecast a 60% chance of this, a loss might be made. I have estimated annual cost and revenue figures for this product, which would be called 'Chocolate Cheers' [Table-3].

- **Manager Operations:**

We should focus on reducing our revenue expenditure to become more competitive and to increase profit margins. One option would be to sub-contract production to another country which has no laws to protect the rights of workers. This would reduce our costs considerably. We would need to keep this decision secret until the last minute to avoid industrial action from our existing workers. Alternatively, if we invest in the latest automatic and computer controlled manufacturing machines, we could lower stock holding and labour costs as well as reduce the time taken to switch production from one product to another. These machines are much more flexible than our existing ones. They can even make chocolate products that look just like handmade ones. The company must become fitter even though there will be a capital cost.

- **Chief Executive Officer (CEO):**

In response to increased competition, our objective should be to survive as a private limited company and satisfy the needs of all our stakeholders. Whatever decisions we take, we must agree on our objectives for the company. However, one thing is clear, if we do nothing, we will continue to lose market share and profits will continue to fall.

Table-1

Sales, Costs and Profit Summary

	Rs. in million	
	2022	2023
Sales revenue	65	65
Cost of sales	41	43
Promotion costs	1	3
Management expenses	3	4
Other expenses/ overheads	10	10
	55	60
Net profit	10	5
Accounting Ratios:		
Gross profit margin	36.9%	33.8%
Net profit margin	15.4%	7.70%

Table-2

Forecasted Market Position of the Products

Sweet Ranges	Market Share Percentage (%)		Market Share	Market Size
	2024	2025		
Fruit chews	5	5	Small	Shrinking
Mints	52	55	Large	Stable
Fruit bars	40	40	Large	Growing
Candy bars	8	5	Small	Growing

Table-3

Expected Annual Costs and Revenues from Chocolate Cheers

	Rs. in million	
	With Economic Recession	Without Economic Recession
Annual revenue	6	18
Annual costs including promotion	9	7

Economists predict that the chance of an economic recession in any one year is 60%.

The Board of Directors are keen to assess the usefulness of the market research method and product portfolio techniques such as Boston Matrix that could be used to decide the feasibility for launching new product 'Chocolate Cheers' and the market standing for sweet range. On the other hand, Director Finance is concerned about the declining profitability and sales of the business, therefore, wants to ascertain the likely reasons for such change over the period 2022-23 by utilizing the data present in the form of the ratios.

The Board of HC is of the opinion that stakeholders' management plays a crucial role in the management of the affairs of business and the interests of all stakeholders groups especially when taking major decisions and among all of the stakeholders the involvement of employees and their cooperation could play an important role to solve the problems faced by the company.

Required:

Considering yourself as a Corporate Advisor of Haider Confectionary (HC), you are required to prepare a formal report to the Board addressing the issues, covering the following:

- Executive Summary
- Table of contents
- Introduction
- Findings and discussion
- Conclusions

THE END