



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma in Business
Standard Level

EFFECTIVE BUSINESS COMMUNICATION

5162/01

Core Module

May 2011

2 hours plus 15 minutes' reading time

Additional Materials: Answer Booklet/Paper

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

You may use a soft pencil for any diagrams, graphs or rough working.

Do not use staples, paper clips, highlighters, glue or correction fluid.

Attempt **all** tasks.

Start each task on a new piece of paper.

Please leave a margin on the right and left hand side of each new page.

At the end of the examination, fasten all your work securely together, in the correct order.

The number of marks is given in brackets [] at the end of each question or part question.

This document consists of **4** printed pages.



You must read the case study below and attempt ALL the tasks which follow.

(This case study is fictitious.)

The DIMA Company

The DIMA Company is an international firm of chartered accountants. The company currently has offices in over 100 countries including Barbados, India and South Africa and is still looking to expand even further, into Europe.

The Board of Directors are aware that expanding into other countries can achieve company growth. In particular, expanding into other areas of the European Union (EU) provides many opportunities for a business. The EU currently has 27 member countries. It is a huge potential market. Any business in the European Union has over 500 million customers on its doorstep. 5

Goods and services can flow freely in the single European market. This means it is much easier to do business in the EU. Trade within this area has risen by 30% since 1992. The development of fast transport links, for example the Channel Tunnel, high-speed trains and cheaper air links, means people can travel to and across Europe more easily. The Internet and email enable companies to communicate instantly. 10

Firms locating factories and offices in the EU are able to benefit from a skilled labour force. Within Europe, most member countries use a common currency – the Euro. This makes it easy to trade within this market place. 15

When a business decides to expand overseas, there are a number of factors which may present barriers that it needs to consider.

- Language differences can lead to confusion. However, English is the main global business language spoken by many people within the EU. 20
- Cultural differences. Ways of behaving and doing things vary between countries and even within countries. In business, some behaviours such as buying decisions may be the same. In other cases it is important to respect local differences, for example, how you greet someone new for the first time.
- Skill levels may vary between countries. In setting up a business that needs particular skills, it makes sense to focus activities in countries where those skills exist. 25

The DIMA Company is currently in negotiations to takeover, S & S, a company operating in Denmark, Sweden, Norway, Austria, the Netherlands, Poland and Germany. S & S is an ideal acquisition because, like the DIMA Company, it is the market leader in providing accounting services in its geographical area. It was better for the DIMA Company to takeover S & S rather than set up a new rival company in Europe. Building on S & S's local experience and local market contacts, the DIMA Company can buy into established networks and customer relationships. 30

The Managing Director of DIMA, Shilpa Davidson and the Managing Director of S & S, Antoine Dubois, have been in negotiations about the takeover and have agreed that it would benefit all the stakeholders. The next step is to inform the shareholders and employees of both companies. Both Managing Directors are in agreement that a Project Manager needs to be appointed to oversee the takeover. 35

You must attempt ALL of the following tasks.

Where appropriate use information from the case study to support your answer.

- 1 Shilpa Davidson is keen to use as much two-way communication as possible. The takeover will involve all staff in both companies and she realises that they will have many questions.
- (a) Describe the following methods of communication which DIMA could use when communicating with S & S with information about the takeover. Give **one** benefit of **each**.
- Video conferencing
 - Telephone conferencing
 - Seminars
 - Team meetings
- [4 x 3 = 12]**
- (b) Identify **four** factors that Antoine Dubois should consider when selecting the most appropriate form of internal communication to inform his staff of the takeover from the DIMA Company. Give a reason for **each** factor.
- [4 x 2 = 8]**
[Total: 20]
- 2 Antoine has decided that a meeting of the S & S shareholders should take place to explain the takeover by DIMA. The meeting will be in Berlin on 12 June.
- (a) Write a letter to all the shareholders requesting them to attend the meeting to discuss the takeover of the S & S Company by DIMA. Use the case study to assist with this letter and invent content regarding time and venue. Antoine will need to know the number of shareholders attending the meeting.
- [12]**
- (b) DIMA will have to extend its intranet to include all S & S employees.
- (i) Explain what is meant by an intranet.
- [4]**
- (ii) Identify **two** benefits to DIMA of using the intranet to communicate information about the takeover of S & S.
- [2 x 2 = 4]**
[Total: 20]
- 3 Antoine is preparing a presentation for the Shareholders' Meeting.
- (a) When planning the presentation for the Shareholders' Meeting, **list** what Antoine will need to consider in terms of:
- (i) **verbal** communication
- [4 x 1 = 4]**
- (ii) **non-verbal** communication
- [4 x 1 = 4]**
- (b) Both Shilpa and Antoine realise that team work will be essential for the takeover to be a success.
- Explain how **each** of the following affects working relationships:
- (i) Relationships within the group;
- [4]**
- (ii) Size of the group;
- [4]**
- (iii) Group culture.
- [4]**
[Total: 20]

4 Shilpa and Antoine have met and agreed that they will need to recruit a Project Manager to oversee the takeover. It is important that the right person is appointed to ensure the successful transition of the S & S Company.

- (a) Explain what is needed in order to plan for this type of recruitment/selection interview. [12]
- (b) There are a number of different types of question which could be used in a business interview.

Define the following and include an example question for each.

(i) Open [2 x 2 = 4]

(ii) Closed [2 x 2 = 4]

[Total: 20]

5 Antoine needs to prepare a financial report for Shilpa.

- (a) Describe **three** types of visual aid which Antoine could use. Give **one** reason why each would be useful for presenting financial information. [3 x 4 = 12]
- (b) Give **two** examples of how technology could help Antoine improve visual communications for this presentation to the shareholders. [2 x 2 = 4]
- (c) Shilpa realises that the current organisational chart will need amending when the takeover of S & S is complete.

Explain why an organisational chart is used in a business.

[4]
[Total: 20]