



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

EFFECTIVE BUSINESS COMMUNICATION

5172/01

Core Module

May 2012

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 of the tasks which follow.

(This case study is fictitious.)

The TORI Company

The external environment in which businesses operate is continually changing. Businesses must respond to these changes in order to remain competitive and continue to meet the needs of their customers. They need the commitment and support of key stakeholder groups, such as employees, in order to ensure changes are in place to support the organisation for the long term.

Steel is used in markets such as vehicle manufacture, construction, electrical appliances, tubes and packaging. The TORI Company aims to be a leader in the steel industry by providing better products, higher quality customer service and better value for money than its rivals. 5

In 2011 TORI introduced a cultural plan for change. The company wanted to address a wide range of business challenges, but the common theme was the way that people at all levels went about their work. This was not limited to employees, but it included contractors, suppliers and other stakeholders. This community of people together redefined the company's core values. 10

External drivers (pressures for change outside the business) came from:

- New competitors in Eastern Europe and South East Asia which have taken business from TORI as they are able to produce goods at a lower cost.
- Changing customer requirements – for example, the fall in demand for steel for the motor car industry meant that TORI needed to find different types of customers or develop different products. 15
- New technology meant customers expected higher specifications.
- Perceptions of the steelmaking industry within the community tended to be negative – for example, the industry was seen as having a poor record on environmental issues. 20

Examples of internal drivers for change (inefficiencies within the business) at TORI included:

- Poor delivery - rather than delivering steel to customers on time, there were delays which led to loss of business.
- Uncompetitiveness - steel produced could be more expensive than from some other countries.
- High wastage - failing to make products right the first time meant that they had to be reworked or scrapped. 25
- Low staff morale - employees were committed but were not motivated by the environment in which they were carrying out their jobs.

Peter Chan, the Managing Director, has to organise the Annual General Meeting (AGM) for 30 June. The meeting can also be a good opportunity to communicate with shareholders. The most appropriate venue will be at the Hilton Hotel in Hong Kong. The meeting will last from 10am to 3pm and a buffet lunch will be included. It is the custom for the Directors to meet the day before the AGM to discuss the agenda items which will have been sent to all shareholders with their letter of invitation. 30

You must attempt ALL of the following tasks.

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

- 1 With the pressure from external drivers, Peter Chan is very concerned that communication will be a vital factor in bringing about the changes required.
- (a) Give **three** reasons why effective internal communication is important when making the planned improvements within the organisation. **[3 x 2 = 6]**
- (b) Peter Chan wishes to communicate to all the company stakeholders about the changes within the company. Suggest **four** appropriate methods of communication that he could use. **[4 x 2 = 8]**
- (c) It is important for Peter Chan to use good verbal and non-verbal communication skills in the presentations he will be giving to staff. Explain, giving an example in **each** case, what is meant by:
- (i) verbal communication **[3]**
- (ii) non-verbal communication **[3]**
- [Total: 20]**
- 2 The aim of the AGM is to present the Annual Report which gives an update on the company's activities, including the previous year's finances.
- (a) Write a letter of invitation to the shareholders, using information in the case study. You may add any other details which may be required. **[12]**
- (b) Write an email to the Hilton Hotel booking the venue for both the AGM **and** for the 20 Directors who will be staying at the hotel the day before the AGM to prepare for the meeting. **[8]**
- [Total: 20]**
- 3 Peter Chan recognises the importance of the AGM for the company and those attending.
- (a) Explain **five** characteristics of a successful meeting. **[5 x 2 = 10]**
- (b) The Board of Directors are meeting the day before the AGM. Describe **five** factors which may affect the success of their meeting. **[5 x 2 = 10]**
- [Total: 20]**
- 4 Peter Chan wishes to improve the Performance Appraisal Reviews for all employees.
- (a) Give a definition of a Performance Appraisal Review. **[4]**
- (b) Explain why it is necessary for the appraiser to prepare for the Performance Appraisal Review. **[10]**
- (c) During the Performance Appraisal Review, a variety of questions will be asked. Describe, with examples, **two** types of question that may be asked during the review. **[2 x 3 = 6]**
- [Total: 20]**

- 5 Peter Chan will be giving a presentation at the AGM which will include the financial information for the previous year.
- (a) Identify **two** visual charts which Peter Chan could use during the presentation and explain **two** advantages and **two** disadvantages of each. **[6 x 2 = 12]**
- (b) Peter Chan has to give a number of presentations within the organisation. Explain **two** ways in which multimedia could improve the quality of presentations. **[2 x 2 = 4]**
- (c) At the AGM a report will be presented by Peter Chan. List **four** headings in a formal business report. **[4 x 1 = 4]**
- [Total: 20]**

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