General Comments

The overall performance in this diet was generally poorer than that of the previous one. Candidates appeared to have prepared less thoroughly for this paper than for that set in May 2005. There were general weaknesses both in terms of theoretical knowledge and of its application. Particularly noticeable was a lack of knowledge of each of the following:

- The nature of strategic objectives in Q2.
- The concept of a project methodology/approach in Q3.
- "Style” theories of leadership in Q5 (a).
- The differences between the ‘positioning approach’ and the ‘resource-based approach’ to strategy in Q6 (b).
- The differences between project closure, the post completion review and the audit of a project in Q7 (b).

Candidates who had studied the syllabus material conscientiously did particularly well with one candidate gaining a mark of 91% and many others with scores in excess of 80%.

Too many candidates, however, did not do themselves justice. They came to the examination without adequate preparation.

We look forward to a better performance from them in the May 2006 diet.
Question 1.1
Identify which ONE of the following strategies should be used to deal with stakeholders who have high power but low interest.

A. Keep informed  
B. Minimal effort  
C. Keep satisfied  
D. Key player

(2 marks)

The answer is C

Question 1.2
The cultural dimension that describes a cultural value where individuals are expected to take care of themselves is referred to by Hofstede as:

A. Individualism  
B. Collectivism  
C. Power distance  
D. Masculinity

(2 marks)

The answer is A

Question 1.3
According to transaction cost theory, the mechanisms that organisations have to choose between to control their resources and carry out their operations are?

A. Markets or structures  
B. Hierarchies or markets  
C. Structures or culture  
D. Hierarchies or culture

(2 marks)

The answer is B
**Question 1.4**
Which One of the following is part of the ‘identification of need’ phase of the project lifecycle:

A. The Completion Report  
B. The Milestone Review  
C. Project scheduling  
D. The project initiation document  

(2 marks)

The answer is D

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**Question 1.5**
List three benefits of mentoring

(3 marks)

The answer could include:

1. Improves motivation among employees  
2. Faster career progress  
3. Fewer and more quickly resolved disputes

Acceptable alternatives include accelerates learning on the job, helps reinforce organisational culture
Question 1.6

Identify the missing words needed to complete the rational model of strategic management. Record your answers by making reference to the corresponding letters A, B, C and D.

The answer is:

A. Environmental analysis
B. Corporate appraisal (SWOT)
C. Strategy evaluation and choice
D. Review and control

(4 marks)
**Question 1.7**

Complete the gaps to determine the four stages in the project lifecycle

(1) Identification of a need; (2) ____________; (3) Implementation; (4) ____________  

(2 marks)

The answer is:

Develop a proposed solution/planning  
Completion/project closure

**Question 1.8**

Briefly explain the interests of a ‘project owner’.

(3 marks)

The answer is:
A project owner is the person for whom the project is being carried out and as such he/she is interested in the end result being achieved and his/her needs being met.

**Common Errors**

Question 1.3 was the question most frequently incorrectly answered in Section A
SECTION B – 30 MARKS

ANSWER ALL THREE QUESTIONS

<table>
<thead>
<tr>
<th>Question 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Distinguish between the concepts of mission and objectives. (4 marks)</td>
</tr>
<tr>
<td>(b) Using examples illustrate how the mission for N Airline could be translated into strategic objectives. (6 marks)</td>
</tr>
</tbody>
</table>

**Rationale**
The question examines candidates’ understanding of the key strategic management concepts of mission and objectives. It also requires candidates to apply their knowledge by using the information in the mini scenario to translate the mission into strategic objectives.

**Suggested Approach**
Part (a) of the question requires candidates to first distinguish between the concepts of mission and objectives by defining the term mission and then explaining how strategic objectives are different. Part (b) should be developed from the material in the mini scenario which provides details of the mission. The different components of the mission should be translated into **strategic** objectives.

**Marking Guide**

<table>
<thead>
<tr>
<th>Part (a)</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explanation of mission</td>
<td>2</td>
</tr>
<tr>
<td>Explanation of how strategic objectives are different</td>
<td>2</td>
</tr>
<tr>
<td>Maximum marks for part (a)</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part (b)</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives relating to growth (e.g. numbers of passengers or market share or number of destinations)</td>
<td>up to 3</td>
</tr>
<tr>
<td>Objectives relating to quality (e.g. customer satisfaction or percentage of repeat customer bookings or reduction in complaints)</td>
<td>up to 3</td>
</tr>
<tr>
<td>Maximum marks for part (b)</td>
<td>6</td>
</tr>
<tr>
<td>Maximum marks awarded</td>
<td>10</td>
</tr>
</tbody>
</table>

**Examiner’s Comments**
Most candidates answered Part (a) of the question quite well but a significant number confused mission with strategy. Part (b) was generally less well answered.
Common Errors
In Part (a) a number of candidates confused mission with strategy.

In Part (b) many candidates described objectives but did not make clear how the attainment of these objectives could be measured. Some candidates developed their answers based on strategies and actions rather than strategic objectives.
>**Question 3**

Recommend to R Company a project management methodology/approach, explaining how it could have helped to prevent the failures of the warehousing, stock control and logistics project.

*(Total for Question Three = 10 marks)*

**Rationale**

This question requires candidates to be familiar with a project methodology/approach. Their ability to apply the methodology to the failures identified in the scenario is assessed.

**Suggested Approach**

Answers should first recommend a project management methodology/approach for R Company such as PRINCE2. Answers should then develop to discuss the key features of the methodology explaining how they could have helped to prevent the specific failures of the warehousing, stock control and logistics project.

**Marking Guide**

<table>
<thead>
<tr>
<th>Marking Guide</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification of methodology(e.g. PRINCE2)</td>
<td>1</td>
</tr>
<tr>
<td>Brief explanation of key features of methodology</td>
<td>3</td>
</tr>
<tr>
<td>Features of how PRINCE2 could have helped to prevent failures for R Company e.g.</td>
<td></td>
</tr>
<tr>
<td>Control achieved through work packages</td>
<td>up to 6</td>
</tr>
<tr>
<td>Includes ‘management products’</td>
<td></td>
</tr>
<tr>
<td>Exception plan concept</td>
<td></td>
</tr>
</tbody>
</table>

*Marks will be awarded to candidates who develop answers using other appropriate project management methodologies/approaches*

| Maximum marks awarded | 10 |

**Examiner’s Comments**

In general this question was not well answered.

*Common Errors*

Many candidates confused the idea of a project methodology/approach with the specific tools of project management, while many others neglected to explain how a chosen methodology could have been used by R Company to prevent the failures of warehousing and stock control.
### Question 4

Explain to S the stages involved in taking disciplinary action against C.

*(Total for Question Four = 10 marks)*

---

**Rationale**

The question is designed to assess candidates’ understanding of the stages involved in taking disciplinary action.

**Suggested Approach**

A straightforward approach would be to work through the different stages involved in taking disciplinary action.

**Marking Guide**

<table>
<thead>
<tr>
<th>Procedures clear and transparent etc</th>
<th>Up to 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigation</td>
<td>Up to 2</td>
</tr>
<tr>
<td>Inform H what actions will lead to disciplinary action</td>
<td>Up to 2</td>
</tr>
<tr>
<td>Informal verbal warning</td>
<td>Up to 2</td>
</tr>
<tr>
<td>Implement formal disciplinary proceedings involving HR</td>
<td>Up to 2</td>
</tr>
<tr>
<td>Formal verbal warning</td>
<td>Up to 2</td>
</tr>
<tr>
<td>Written warnings</td>
<td>Up to 2</td>
</tr>
<tr>
<td>Demotion/transfer</td>
<td>Up to 2</td>
</tr>
</tbody>
</table>

**Maximum marks awarded**

10

**Examiner’s Comments**

Most candidates were able to provide the key stages involved in taking disciplinary action

*Common Errors*

Errors tended to be those of omission rather than mistakes in explanation. Some candidates also lost marks because they did not take into account the specific circumstances set out in the case scenario.
SECTION C – 50 MARKS

ANSWER TWO QUESTIONS FROM THIS SECTION

Question 5(a)

Explain to Y how an understanding of leadership style theories could help him to be more effective as a project manager

(10 marks)

Rationale

This question examines candidates’ understanding of leadership style theories, specifically in the context of helping a project manager to be more effective.

Suggested Approach

Candidates need to explain leadership theories such as Tannenbaum and Schmidt, Blake and Mouton or Ashridge Studies. Answers should develop to explain how an understanding of the theories could help a project manager to be more effective. Candidates could use the project lifecycle to explain how different styles might be needed at different stages of a project.

There must be application of how leadership style theories could help Y, not just a description of theories.

Marking Guide

| Explanation of leadership style approach & identification of ‘theory’ (e.g. Tannenbaum & Schmidt*) | up to 4 max |
| Application of how these could help Y: |
| Tells | up to 2 |
| Sells | up to 2 |
| Consults | up to 2 |
| Joins | up to 2 |

*Marks will be awarded for alternative relevant leadership style theories used as the basis for the answer.

Maximum marks awarded 10

Examiner’s Comments

There were few competent answers to Part (a) of the question.

Common errors

In Part (a) it was evident that few candidates had a knowledge or understanding of any leadership style theories. Of those possessing specific knowledge too many simply explained the theory without applying it to say how it could assist the project manager in the effective management of a project.
**Question 5(b)**

Describe the other project manager skills, besides leadership skills, that Y should include in his presentation, explaining why they are important.

(15 marks)

**Rationale**

This question tests candidates’ appreciation of the skills a project manager needs, with an explanation of why they are important.

**Suggested Approach**

The answer should describe different project manager skills but must develop to provide an explanation of why each skill is important in the context of project management.

To gain a pass each skill should be elaborated on rather than producing a general list of skills.

<table>
<thead>
<tr>
<th>Marking Guide</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication*</td>
<td>up to 3</td>
</tr>
<tr>
<td>Negotiation*</td>
<td>up to 3</td>
</tr>
<tr>
<td>Delegation*</td>
<td>up to 3</td>
</tr>
<tr>
<td>Problem solving*</td>
<td>up to 3</td>
</tr>
<tr>
<td>Managing change*</td>
<td>up to 3</td>
</tr>
</tbody>
</table>

* to gain full marks requires elaboration of skill identified in context of project management

**Maximum marks awarded**

15

Marks will be awarded for identification of other relevant skills identified if appropriate to project management up to 3 marks for each

**Examiner’s Comments**

Generally well answered

Common Errors

No general problems
**Question 6(a)**

Explain the benefits and drawbacks associated with F Company adopting a top down approach to the formulation of business strategy.

*(12 marks)*

**Rationale**

The question is designed to examine candidates’ understanding of the benefits and drawbacks of a top down approach to the formulation of business strategy.

**Suggested Approach**

The answer should develop to firstly explain the benefits for F Company in adopting a top down approach to business strategy and then go on to discuss the drawbacks associated with such an approach. Good answers will develop to relate the benefits and drawbacks to the specific context of F Company.

<table>
<thead>
<tr>
<th>Marking Guide</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits of top down approach (e.g. avoids short termism, helps to identify key strategic issues, goal congruence, control, direction)</td>
<td>2 marks for each point up to a maximum of 6 marks*</td>
</tr>
<tr>
<td>Drawbacks of top down approach (e.g. too infrequent, changing business environment, loss of entrepreneurial spirit)</td>
<td>2 marks for each point up to a maximum of 6 marks*</td>
</tr>
</tbody>
</table>

* to gain full marks elaboration of point is needed in the context of F Company

**Examiner’s Comments**

This question was not well answered.

*Common Errors*

Many candidates spent too much time explaining what a ‘top down approach’ involved rather than concentrating on the benefits and drawbacks of such an approach. That said, a fair number of candidates were able to spell out the key benefits and drawbacks as required.
**Question 6(b)**

Compare and contrast the different views held by G and P on how F Company can gain competitive advantage.

(13 marks)

**Rationale**

This examines candidates’ ability to compare and contrast between the different approaches to the development of business strategy to gain competitive advantage, specifically the positioning approach and the resource based view.

**Suggested Approach**

The answer should start by firstly identifying the different views held by G (the positioning view) and P (the resource based view) to achieve competitive advantage. Candidates should then go on to explore the key features of the positioning view and the resource based view explaining how they differ. Good answers will examine the appropriateness of the different views for F Company.

**Marking Guide**

| Identification of different perspectives to achieve competitive advantage i.e. positioning or resource based view | 1 |
| Key points on positioning approach: environment and external scanning need to fit strategy, structure, culture etc with environment Appropriateness to F company to gain CA given nature of environment | 6 max |
| Differences in RBV: Inside out, emphasis on exploiting resources Assumptions about resources Appropriateness to F company to gain CA Reference to emergent approach to cope with dynamic environment | 6 max |
| Maximum marks awarded | 13 |

**Examiner’s Comments**

This question was not well answered

*Common Errors*

Too many candidates, either did not read the question or chose to ignore its requirements. Instead of comparing and contrasting as required they tended to simply repeat aspects of the scenario. This suggested a lack of adequate preparation.
Question 7(a)
Discuss the problems that may be associated with project meetings. Make recommendations on the methods T could use to ensure the meetings he arranges as project manager, are effective. (15 marks)

Rationale
This question examines candidates’ ability to discuss problems associated with project meetings and to assess their ability to recommend the appropriate methods that could be used to ensure meetings are effective.

Suggested Approach
The suggested approach would be to identify specific problems and then for each problem recommend what T could do in order to ensure the effectiveness of project meetings.

Marking Guide

<table>
<thead>
<tr>
<th>Problems e.g.:</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor preparation</td>
<td>1 mark for each problem up to a maximum of 6</td>
</tr>
<tr>
<td>Unclear aims/objectives</td>
<td></td>
</tr>
<tr>
<td>Inappropriate membership</td>
<td></td>
</tr>
<tr>
<td>Ineffective chairperson</td>
<td></td>
</tr>
<tr>
<td>Too long</td>
<td></td>
</tr>
<tr>
<td>Actions not carried out</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recommendations e.g.:</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set up schedule of meetings</td>
<td>1 mark for each recommendation up to a maximum of 9</td>
</tr>
<tr>
<td>Explain purpose/aims of various meetings</td>
<td></td>
</tr>
<tr>
<td>Identify who should attend</td>
<td></td>
</tr>
<tr>
<td>Draw up and circulate an agenda prior to the meeting</td>
<td></td>
</tr>
<tr>
<td>Factors relating to effective chairperson in managing meetings</td>
<td></td>
</tr>
<tr>
<td>Summarise responsibilities and action points agreed</td>
<td></td>
</tr>
<tr>
<td>Distribute minutes</td>
<td></td>
</tr>
</tbody>
</table>

Maximum marks awarded 15

Examiner’s Comments
In general this part of the question was well answered.

Common errors
No general problems
### Question 7(b)

Evaluate the contribution of the various activities that should be carried out as part of project closure, the post completion review and audit of the project.

(10 marks)

### Rationale

This question requires candidates to evidence their appreciation of the contribution of activities involved in the project closure phase of project management, the post completion review and audit of the project.

### Suggested Approach

The answer should start with an explanation of the purpose of project closure and the contribution of the various activities involved at this stage. Candidates should then explore the contribution of the post completion review and post completion audit.

<table>
<thead>
<tr>
<th>Marking Guide</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose of project closure</td>
<td>2</td>
</tr>
<tr>
<td>Project closure activities e.g. Filing project documentation, disbanding project team etc</td>
<td>2</td>
</tr>
<tr>
<td>Post completion review, evaluate learning from project. Feedback from staff and client on successes, concerns</td>
<td>3</td>
</tr>
<tr>
<td>Post completion audit, formal audit of project against checklist</td>
<td>3</td>
</tr>
<tr>
<td><strong>Maximum marks awarded</strong></td>
<td><strong>10</strong></td>
</tr>
</tbody>
</table>

### Examiner's Comments

Generally not well answered

### Common Errors

Too many candidates simply repeated the same activities for each part of the question. This suggests that they had some general knowledge of the kind of activities that are required in the final stages of a project but that they were unable to distinguish between activities carried out as part of the Project closure from the Post Completion review or the Post Completion audit.