

EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT
FINAL YEAR/ FIRST SEMESTER EXAMINATION IN BUSINESS ADMINISTRATION
COMMERCE/ ECONOMICS (PROPER/ REPEAT)
2003/ 2004 (NOV./ DEC. 2004)
COM 4035 RESEARCH METHODOLOGY



Answer all Questions.

Time : 02 Hours

PART - I

01. Explain the meaning of the following terms.

- i. Corporate Social Responsibility
- ii. Bench marking
- iii. Proactive approach
- iv. Modus-operandi
- v. The Bourse

(05 marks)

02. Copy the following table and fill in the blank spaces appropriately.

Country	Capital city	Currency
China		
Australia		
Thailand		
Singapore		
Bangladesh		

(05 marks)

03. Expand the following acronyms and describe each of them.

- i. ISGA
- ii. AIDS
- iii. TOEFL

(03 marks)

04. Name and give the prices of five weekend newspapers in Sri Lanka?

(03 marks)

05. Give the expansion of the following abbreviations

- i. MFA
- ii. GSM
- iii. STF
- iv. SLT

(04 marks)

06. Copy the following table and fill in the blank spaces appropriately.

Abbreviation for the party	Name of Party	Party Symbol	President of the Party	No. of MP's in the current parliament
CWC				
JHU				
UPFA				
EPDP				
JVP				

(05 marks)

(Total 25 marks)

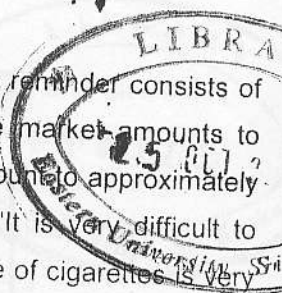
PART – II

01. PENALIZED FOR PLAYING BY THE RULES

The tobacco industry is no stranger to controversy. The age-old argument between civil liberties and state intervention has yet to be resolved – and today, tobacco companies are eager to illustrate a picture of good will as paragons, perhaps, of Corporate Social Responsibility (CSR), in order to counter the negative image the industry suffers from at the hands of an increasingly health-conscious public and numerous lobby groups.

For an industry subject to such public perceptions, positive image – building is vital for survival – be it via CSR or through positive PR exercises. "The tobacco industry is very controversial; so any activity we engage in, or any step we take, must be seen as responsible," opines the Managing Director and CEO of Ceylon Tobacco Company (CTC).

Currently, CTC has an 86 per cent share of the cigarette market; the remainder consists of counterfeits and illegal tobacco products. For cigarettes alone, the market amounts to around five billion sticks per annum; this excludes *beedis* – which amount to approximately four billion – and all illegal tobacco products sold in the market. "It is very difficult to compare tobacco markets. The key issue in Sri Lanka is that the price of cigarettes is very high and, as a result, the Sri Lankan market is attractive to illegal manufacturers," the CEO. This is illustrated in million sticks in the table given below.



Total Tobacco market	Beedi	Unauthorized products	CTC
1999	3000	1000	5000
2000	3300	1300	4600
2001	3000	2000	4300
2002	3300	1000	4600
2003	3750	600	4800

The difficulty, it seems, lies in curbing the illicit tobacco trade. "If you enforce a law, established companies will be inclined to follow the law; but the illegal manufacturers, by their existence and the way they conduct their business, illustrate that they do not have any respect for the law," laments the CEO. Thankfully, Sri Lanka is not the worst when it comes to the illegal tobacco market. "Some 25 per cent of Pakistan's tobacco market is counterfeit and Malaysia comes in a close second, with 20 per cent. And the European tobacco market faces the same problem: in the United Kingdom alone, approximately five billion pounds a year by way of state revenue is lost to the illicit tobacco trade.

The biggest factor that affects the Sri Lankan market is the level of excise. As soon as cigarettes are made expensive, the more you will find dubious forces trying to circumvent the law by getting cheap products in," the CEO charges. The growth of unauthorized product in Sri Lanka for the year 2003 is depicted in Table 02 below.

Growth of Unauthorized Products – 2003 (Million stick)	
January	1.3
February	1.9
March	4.4
April	4.1
May	3.8
June	8.1
July	11.9
August	13.1
September	15.0
October	17.5
November	16.3
December	12.5

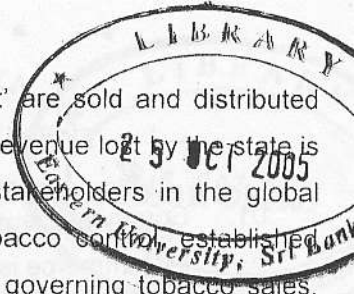
Sri Lanka's tobacco market caters to four main unauthorized tobacco products. The white *beedis* – low-priced real tobacco, hand-rolled into cigarettes – peaked the market at three billion sticks, but declined to its current volume of 1.5 billion due to excise restructuring in early 2002. Counterfeits – cigarettes produced mainly in China – are look-alikes of the more established brands. Thirdly, there is the duty – free tobacco that enters the market in immeasurable volumes. "However, it is the fourth type of illicit product that is the biggest threat to CTC," explains the CEO of CTC.

According to him, these are cigarettes with no trademark, illegally imported into Sri Lanka and distributed and sold at a price, which is competitive to that offered by CTC. An example of such a product is the widely available "Gold Seal", which is produced in Asia and comes into Sri Lanka through Dubai and Pakistan. "There is an extremely good network for distributing this product and it made a significant impact in the Sri Lankan market at the end of 2002. By the end of 2003, the product had a market share of three per cent – the most successful launch in recent times. And this, of course, came at a cost to CTC's turnover and state revenue – for 80 per cent of the sale price of a single cigarette is excise," the CEO discloses.

He adds that, at the end of the day, the biggest loser in the illegal or counterfeit tobacco market is the government. A parallel can be drawn with the local liquor industry.

For example, 65 per cent of products in the 'hard-liquor market' are sold and distributed illegally, which makes only 35 per cent of the market legal! "The revenue lost by the state is substantial," the CEO surmises. So, if Sri Lanka – or even stateholders in the global tobacco industry – were to introduce a regulatory body for tobacco control, established players such as CTC would be forced to comply with the rules governing tobacco sales, distribution and export – but the illegal segment would not face such a constraint.

"We will fall out of the market: the biggest losers are those who play by the rules. What then, is the point of it all?" the CEO queries. Thankfully, the government has realized that if it does not enforce stringent laws to curb the import of illicit tobacco products, the negative repercussions could be tremendous. The sole tobacco company in Sri Lanka is a vital contributor to the national exchequer: approximately Rs. 25 billion – over 10 per cent of the country's total tax revenue and 1.7 per cent of GDP – was paid out to the state in 2003, as illustrated in the Table below.



Year	Govt Revenue Rs. Billion	Govt. tax Rs. Billion	% of CTC's share	
			Revenue	Tax
1999	190	160	10	12
2000	210	190	11	13
2001	225	200	09	11
2002	275	225	09	10
2003	290	240	8.5	10

Questions :

- i. Identify the main problem in the above situation?
- ii. If you are to commence a research on the problem in the Tobacco industry, what would be the objectives of the research?
- iii. List the concepts related to the problem/s?
- iv. Identify the variables and formulate a hypothesis for your research?
- v. Conceptualize your hypothesis?
- vi. What are the methods you would choose to collect data for your research? Describe your sample?
- vii. What are the limitations for your research?

(30 marks)

PART – III

01. Commerce is, quit simply, the exchange of goods and services, usually for money. E-Gommerce is, to trade goods via the Internet.

i. Compare and contrast Commerce and E - Commerce. (10 marks)

ii. What are the three (03) general ways to implement the E – Commerce? (05 marks)

(Total 15 marks)

02. i. Discuss the importance of Ethics in Business: (08 marks)

ii. Do the present advertisements that are screening in TV morally acceptable. Examine. (07 marks)

(Total 15 marks)

03. i. Give four names of traditional tabs to retrieve the information. (04 marks)

ii. List out five functions of Library catalogues? (04 marks)

iii. Describe the meaning of information and briefly describe the important tools available in the Libraries' information centers to retrieve the information. (07 marks)

(Total 15 marks)