

THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD

A Committee of the Council of ICPAU

ATC(U) EXAMINATIONS

LEVEL THREE

BUSINESS MANAGEMENT– PAPER 11

FRIDAY, 13 DECEMBER 2002

INSTRUCTIONS TO CANDIDATES:

1. Time allowed: **3 hours**.
2. Attempt all questions in Section **A**, any three questions from Section **B** and one question in Section **C**.
3. Section **A** has one compulsory case study question carrying 30 marks.
4. Section **B** has five questions and only three are to be attempted. Each question carries 20 marks.
5. Section **C** has two questions and only one is to be attempted. Each question carries 10 marks.
6. Please, read further instructions on the answer book.

© 2002 *Public Accountants Examinations Board*

SECTION A

Question 1.

PEARL INSTITUTE OF MANAGEMENT (PIM)

Pearl Institute of Management has been one of the best training institutions in Business Management in Kampala. Two years ago, Mrs Allen Kuti was appointed as the Director with a mandate of steering PIM through the challenges of the new millennium.

Recently, when the Board of Directors put Mrs Kuti to task over the deteriorating academic standards, she attributed the decline to the staff. She submitted that the staff are very difficult to manage.

On the other hand, the staff accuse her of poor leadership, autocratic rule and not listening to their contributions. They are also critical of her managerial abilities. For instance, the weekly staff meetings have a routine agenda with little focus on the Institute's strategic objectives. As a result, the staff are now divided, motivation is at its lowest ever and no performance appraisals have been carried out during the two years of her tenure.

In a management meeting convened to analyse the status quo of PIM, Mrs Kuti is reported to have said, "I cannot do what my predecessors failed to implement". One of the staff members replied, "Ah, she cannot listen to any of our proposals".

At the end of the meeting, it was confirmed that Mrs Kuti makes decisions without consulting subordinates, gets advice from junior employees whom she confides in and rarely delegates. Some of her decisions are based on issues raised in the students' suggestion box and the grapevine.

Required:

- (a) What is leadership?
(4 marks)
 - (b) Identify the leadership inconsistencies at PIM and suggest solutions.
(16 marks)
 - (c) Suggest guidelines to Mrs Kuti using the path-goal approach to leadership effectiveness.
(10 marks)
- (Total 30 marks)**

SECTION B

Question 2

Uganda Breweries Ltd plans to launch a new brand of beer on the market called “Bell Love”.

Required:

Explain the different forms of sales promotion Uganda Breweries Ltd. should use to stimulate sales.

(20 marks)

Question 3

Identify and discuss the coordinating mechanisms/aspects available to a manager in an organisation.

(20 marks)

Question 4

(a) What is corporate social responsibility?

(4 marks)

(b) With relevant examples from your country’s business environment, explain why it is important for organisations to be socially responsible?

(16 marks)

(Total 20 marks)

Question 5

Identify the factors that determine the structure of an organisation.

(20 marks)

Question 6

Identify and discuss the functions of Human Resource department in an organisation.

(20 marks)

SECTION C.

Question 7.

- (a) What is performance appraisal? **(2 marks)**
 - (b) What are the benefits of performance appraisal to both the employees and the organisation? **(8 marks)**
- (Total 10 marks)**

Question 8.

Write short notes on one of the following:

- (a) Decision making process. **(10 marks)**
- (b) Herzberg's theory of motivation. **(10 marks)**
- (c) Differentiation strategy. **(10 marks)**