

THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD
A Committee of the Council of ICPAU

BUSINESS MANAGEMENT – PAPER 11

ATC(U) EXAMINATIONS

LEVEL III MODEL EXAMINATION PAPER

MAY 2002

INSTRUCTIONS TO CANDIDATES

1. Time allowed: 3 hours
2. Attempt **all** Questions in Section **A**, any **three** questions in 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** questions are to be attempted. Each question carries 20 marks.
5. Section **C** has **two** questions and only **one** question is to be attempted. Each question carries 10 marks.

SECTION A

Question 1

Magic Consultants

Magic Consultants is a consultancy firm in Uganda that provides consultancy services in the areas of Finance, Management and Training. This company has been in existence for the last two decades.

The proprietor, Mr. Rocky Magic has been doing extremely well in this field with a lean staff of 15 well-trained consultants. Recently, Mr. Magic secured a management consultancy contract that requires the firm to cover 52 districts of Uganda from the Uganda Local Authorities Association (ULAA) for a period of ten years.

To meet the requirements of the new assignment, Mr. Magic called a staff meeting to discuss different issues relating to this development. In the meeting, one of the staff members Mr. Babo in charge of human resources suggested that, the staff requires to be increased from the current 15 people to 45 people. The Organisation should be redesigned and a Matrix structure adopted. A comprehensive motivation scheme for staff should be developed to ensure effective motivation.

Mr. Babo further suggested that the following documents should be prepared to help in the recruitment of the 30 new staff to meet the assignment needs:

- Job description.
- Personnel Specification.

Required:

As a person trained in business management, you have been approached by Mr. Magic to help in the following:

- (a) Describe the steps that are likely to be involved in the recruitment of the 30 new staff members. **(10 marks)**
- (b) Outline the contents of:
 - (i) Job description **(5 marks)**
 - (ii) Personnel specification **(5 marks)**

- (c) Identify different steps that Mr. Babo may take to motivate the staff of Magic Consultants. **(10 marks)**

(Total 30 marks)

SECTION B

Question 2

- a) What do you understand by the term "bureaucracy"? **(3 marks)**
b) Outline the features of a bureaucratic organization. **(10 marks)**
c) Give two advantages and five disadvantages of bureaucracy. **(7 marks)**
(Total 20 marks)

Question 3

- a) Define the term culture. **(4 marks)**
b) Handy in his book, Understanding Organisations identified four culture types as:-
i) Power Culture
ii) Role Culture
iii) Task Culture
iv) Person Culture

Required:

Describe the characteristics for each of the above culture types. **(16 marks)**
(Total 20 marks)

Question 4

- a) Why do managers delegate? **(10 marks)**
b) Describe the principles of good delegation. **(10 marks)**
(Total 20 marks)

Question 5

Many employees are getting stressed at their places of work. This has become a concern for every manager as it leads to loss of time, poor quality output, high staff turnover and high costs.

- a) What is meant by stress? **(4 marks)**
b) Identify the different factors that may cause stress to individuals. **(10 marks)**
c) Describe three ways in which you may control stress. **(6 marks)**
(Total 20 marks)

Question 6

Define communication and explain the barriers to effective communication in an organization.

(20 marks)

SECTION C

Question 7

a) What is an organizational goal?

(3 marks)

b) Why is goal setting important in an organization?

(7 marks)

(Total 10 marks)

Question 8

What are the benefits of the Scientific Management Theory in Management?

(10 marks)