

THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD

A Committee of the Council of ICPAU

ATC(U) EXAMINATIONS

LEVEL THREE

BUSINESS MANAGEMENT– PAPER 11

TUESDAY, 18 JUNE 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.

SECTION A

Question 1

MOTO MOTO ENTREPRISES

Moto Moto Enterprises has been the leading supplier of cosmetics in most urban centres in Uganda. It has been in this business for the last 15 years and everything was going on smoothly.

However, at its joint meeting of the Board and Management recently, it was discovered that company's sales and profits had drastically declined in one business year. It was later discovered that this was due to unethical behaviour of management and staff.

A close scrutiny of the circumstances revealed that ever since Mr. Kati was hired as the Executive Director, there was laxity among employees in executing their duties, decision making was centralised, there was lack of team work, regular meetings were not being held and staff appraisals were not being carried out.

Consequently, there was loss of revenue through embezzlement, lack of customer care by the marketing department, staff turnover was at its peak, and relatives of staff were being hired to offer services to the company at exorbitant costs.

"We must find a solution to this unethical behaviour or else we wind up the business", said the Chairman Board of Directors.

After long hours of deliberation, it was decided that the Executive Director, the Chief Accountant and the Sales Manager be sent on forced leave pending the production of audited financial statements and conduct investigations into the company's affairs.

Required:

- (a) What is meant by business ethics? **(4 marks)**
 - (b) Why do ethical problems occur in business? **(8 marks)**
 - (c) Identify methods by which managers may deal with ethical problems **(8 marks)**
 - (d) What are the common factors that undermine ethical conduct in business in Uganda? **(10 marks)**
- (Total 30 marks)**

SECTION B

Question 2

- (a) What is leadership? (2 marks)
 - (b) Why is leadership very important in managing organizations? (18 marks)
- (Total 20 marks)**

Question 3

“Motivation of subordinates is an important aspect of a managers job”.

- (a) What is meant by motivation? (2 marks)
 - (b) Describe Maslow's theory of human needs. (18 marks)
- (Total 20 marks)**

Question 4

- (a) What is communication? (2 marks)
 - (b) What is the importance of communication in an organization? (8 marks)
 - (c) Identify and discuss the most common barriers to communication. (10 marks)
- (Total 20 marks)**

Question 5

- (a) What is advertising? (4 marks)
 - (b) Why do companies carry out advertisement campaigns? (8 marks)
 - (c) With relevant examples, describe the channels of advertisement that exist on the Ugandan market. (8 marks)
- (Total 20 marks)**

Question 6

Why is performance appraisal very important in managing both human and non-human resources in an organization? “

(20 marks)

SECTION C

Question 7

- (a) What is delegation? (2 marks)
 - (b) Describe the necessary steps taken to ensure meaningful delegation (8 marks)
- (Total 10 marks)**

Question 8

Write short notes on **one** of the following:

- (a) Just-in-time (JIT) system of management. (10 marks)
- (b) Product life cycles. (10 marks)
- (c) Functions of a supervisor in an organization. (10 marks)