

# THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD

*A Committee of the Council of ICPAU*

## ATC(U) EXAMINATIONS

### LEVEL THREE

#### BUSINESS MANAGEMENT– PAPER 11

WEDNESDAY, 13 DECEMBER 2006

#### 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

#### SOBER UGANDA

Sober Uganda is a government project responsible for helping alcoholics recover from their alcoholism, increasing family incomes of alcoholics, providing education to their children, and rehabilitating them to live a meaningful and productive life.

The project has its headquarters in Nakulabye, with branches in Ntinda, Gizagiza, Kabalagala, Stella-Namasuba, Makindye and suburbs of other upcountry towns. It is funded both nationally and internationally.

An audit of its operations for the year 2005 found out lots of anomalies and a commission of inquiry was instituted. Among its findings was that the Project Manager was hired irregularly as he did not have the qualifications to manage such a huge and sensitive project. He was supported by a powerful person who influenced those who conducted the interviews.

Upon assumption of office, he recruited a skeleton staff of, mainly, friends, acquaintances and relatives of some Board members. They paid themselves hefty salaries, gave themselves abnormal allowances, refurbished offices expensively, purchased posh cars, built very expensive houses, and travelled regularly in and out of the country to attend conferences. Similarly, companies affiliated to Sober Uganda were run by friends and acquaintances who wrote proposals that attracted big funding that was unjustified and unaccounted for. It was discovered by the commission of inquiry that some of the companies that received the funding were just created and registered for the sake of getting the funds and did not follow the proper procedures in disbursing the funds they received. Some diverted the funds to personal businesses disregarding normal accounting procedures.

Meanwhile the beneficiaries of the project were frustrated and took to heavier drinking. Their children did not go to school and their incomes did not improve. They only stopped at seeing project vehicles zoom past with some fat people enjoying the comfort. At night, the beneficiaries would see these project vehicles parked at drinking places like Rock Catalina while the managers of the project enjoyed pork and alcohol with their girlfriends and boyfriends. They would curse and swear as they consumed crude waragi in makeshift joints and drink more to forget their problems as their children sold *njugu*, small artifacts, maize and simsim to the same people who were fattening at their expense.

**Required:**

- (a) Define ethics in management. (4 marks)
  - (b) Identify the unethical behaviour practised at Sober Uganda. (8 marks)
  - (c) Suggest solutions to the unethical practices identified above. (8 marks)
  - (d) What are the common factors that encourage unethical conduct of business in Uganda? (10 marks)
- (Total 30 marks)**

**SECTION B**

**Question 2**

- (a) What is management? (4 marks)
  - (b) What are the principal activities of the management process? (16 marks)
- (Total 20 marks)**

**Question 3**

- (a) Define motivation. (4 marks)
  - (b) Using an illustration, explain what Maslow's theory of human needs is all about. (16 marks)
- (Total 20 marks)**

**Question 4**

- (a) Explain the dominant factors that trigger change in organisations. (10 marks)
  - (b) Why are changes feared in most organisations? (10 marks)
- (Total 20 marks)**

**Question 5**

- (a) Define social responsibility (4 marks)
  - (b) Using examples, explain why companies engage in social responsibility (16 marks)
- (Total 20 marks)**

**Question 6**

"Advertising is a necessary tool in managing a business." said the CEO of Buy & Take.

- (a) Justify the need for advertising in any organization. **(8 marks)**
- (b) Using relevant examples, identify and discuss the media choices available for advertising in Uganda today.

**(12 marks)**  
**(Total 20 marks)**

**SECTION C**

**Question 7**

What are the most prevalent disciplinary problems within a workplace in Uganda?

**(10 marks)**

**Question 8**

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

- (a) Decision making process. **(10 marks)**
- (b) Advantages of consultations in an organisation. **(10 marks)**
- (c) Tuckman's **four** stages of team development. **(10 marks)**