

THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD

A Committee of the Council of ICPAU

ATC(U) EXAMINATIONS

LEVEL THREE

BUSINESS MANAGEMENT– PAPER 11

WEDNESDAY, 20 JUNE 2007

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.

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SECTION A

Cedi and Deda Co. Ltd. is a reputable organisation dealing in women garments. Its rich history spans over 20 years. Its reputation is known worldwide. Several universities send textile technology students to the company for training to tap from its vast experience in research and development.

In the past 3 years, however, the Workers' Union is in conflict with the management. This is because the Union is not happy with the trend of events obtaining at textile factory. The Union complains, among other things, of the new automated production lines. These have led to the lay off of several Union members. Further, the Union feels that those members who were laid off were not adequately compensated to enable them settle and integrate in their communities. The Union members feel the company pays low salaries despite the increased profits made by the company. The shop floor workers are not entitled to overtime allowances. Some staff are complaining of chronic chest infections which, they claim, are due to the dust from the factory.

Early this year, management purchased five new vehicles. They also refurbished the offices of senior staff, and are planning to buy shares in one of the most successful courier companies to diversify the company business. This has infuriated the Union members because none of their grievances have been handled. A meeting has been arranged between the Union leaders and the management to negotiate the working conditions at the factory. As a student of management, the Union has approached you to seek your advice regarding their grievances.

Required:

- (a) Define the term "collective bargaining".
(2 marks)
 - (b) What is the importance of collective bargaining?
(10 marks)
 - (c) Suggest measures to solve the problems at Cedi and Deda.
(6 marks)
 - (d) Explain the advantages and disadvantages of trade unions.
(12 marks)
- (Total 30 marks)**

SECTION B

Question 2

"Planning is a major function of management in any given organisation."

Required:

- (a) Define the term 'planning'. (4 marks)
 - (b) Describe the steps in the planning process. (16 marks)
- (Total 20 marks)**

Question 3

- (a) Define the term 'leadership'. (2 marks)
 - (b) Describe the qualities an effective leader in an organisation should possess. (18 marks)
- (Total 20 marks)**

Question 4

- (a) Explain the concept and importance of training in an organisation. (8 marks)
 - (b) What methods are available to the organisation to train its employees at the workplace? (12 marks)
- (Total 20 marks)**

Question 5

Jaki Fruti Co. Ltd. is planning to start the production of a range of fruit juices, including mango, guava, passion, pineapple and pawpaw. They have asked you to design a strategy to market their products.

Required:

Using the marketing mix strategy, explain how you would market the products of Jaki Fruti Co. Ltd.

(20 marks)

Question 6

- (a) Define the term 'power'. (5 marks)
 - (b) Identify the sources of power in any organisation. (15 marks)
- (Total 20 marks)**

SECTION C

Question 7

Identify the factors that should be considered when analysing an organisation's performance.

(10 marks)

Question 8

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

- (a) Forms of communication. **(10 marks)**
- (b) The appraisal cycle. **(10 marks)**
- (c) Role of a chairperson of a Board of Directors. **(10 marks)**