

THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD

A Committee of the Council of ICPAU

ATC(U) EXAMINATIONS

LEVEL THREE

BUSINESS MANAGEMENT– PAPER 11

WEDNESDAY, 12 DECEMBER 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

Question 1

Brama & Co. Ltd.

Dan Turo, the Chief Executive Officer (CEO) of Brama & Co Ltd, has received a report from the consultants on the health state of the company. He went through it and did not like what he read. The summary stated: 'Sales down, costs increased, profits decreased, customer complaints up and labour turnover high'. 'What a mess?' he gasped.

Worried and confused about the state of affairs, he decided to invite the senior staff members to the boardroom to discuss the report and suggest solutions to the problems. He directed his secretary to convene the meeting immediately.

"Ladies and Gentlemen, I have just received this report on key performance indicators and I attribute this poor performance to your lack of leadership," he said. Everybody was surprised by the outburst of the CEO. It was only him and two other confidants who could not see this. Most employees were frustrated and de-motivated by the CEO's methods of work. For sometime, teamwork had eluded the organisation. The CEO concentrated on office work only. It was not easy to consult him like it was before. He hardly supervised the staff and was irritable when addressing meetings. He was in and out of office most of the time. Timely decisions were not being taken. All these angered the staff but none could dare tell him. "Surely, the situation got out of his hands a long time ago," whispered one staff member.

The CEO added, "I have observed for sometime that most of you are not committed to your work. You just come here to earn money. You want to do as little as possible, and earn a lot. I am reminding you to double your efforts. Supervise your subordinates. If anyone is found not working to the satisfaction of the company, he/she will be fired."

Timidly, the executive staff attending the meeting nodded in approval. Only Jack Sebi, a staff assistant raised his arm to make some remarks. "Mr. Chairman, I suggest that for us to do a good job, we need to be listened to. A lot of our potential is untapped. I should think that we could also be part of the decision making process. Unless we get involved in seeking for solutions to the company's problems, good performance and increased productivity targets will continue to elude us."

Everybody was shocked by the frank nature of Mr. Jack Sebi. But they were happy that he had opened his heart on their behalf.

Required:

- (a) What is decision making?
(4 marks)
 - (b) Identify the problems faced by the employees at Brama & Co. Ltd.
(8 marks)
 - (c) Suggest solutions that can be employed to improve performance in the company.
(8 marks)
 - (d) Discuss the possible ways in which employees can participate in decision making at the workplace.
(10 marks)
- (Total 30 marks)**

SECTION B

Question 2

- (a) What is strategic planning?
(6 marks)
 - (b) What are the major strategies employed to determine the success of any business enterprise?
(14 marks)
- (Total 20 marks)**

Question 3

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

Question 4

- (a) List any **five** administrative tasks in the purchasing function.
(10 marks)
 - (b) Briefly describe the tasks involved in production planning.
(10 marks)
- (Total 20 marks)**

Question 5

Identify and discuss the factors that determine the structure of the organization?
(20 marks)

Question 6

- (a) Define the term “goal setting”.
(5 marks)
 - (b) Using examples, explain why goal setting is important to an organisation?
(15 marks)
- (Total 20 marks)

SECTION C

Question 7

Why are control processes necessary in an organisation?
(10 marks)

Question 8

Write short notes on the role of any **ONE** of the following:

- (a) Board Chairperson.
(10 marks)
- (b) Company Secretary.
(10 marks)
- (c) Chief Executive Officer.
(10 marks)