

# THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD

*A Committee of the Council of ICPAU*

## ATC(U) EXAMINATIONS

### LEVEL THREE

#### BUSINESS MANAGEMENT– PAPER 11

**TUESDAY, 8 DECEMBER 2009**

#### **INSTRUCTIONS TO CANDIDATES:**

1. Time allowed: **3 hours 15 minutes**.  
The first 15 minutes of this examination have been designated for reading time. You may not start to write your answer during this time.
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

#### BULUNGIBWANSI DISTRICT

Joka Consultants have carried out an evaluation of the appraisal system in the district of Bulungibwansi. They noted that the annual performance appraisal system should be revised to become more scientific and pragmatic in conformity with best practice and, the current global trends.

Presenting a report of findings to the Chief Administrative Officer and the District Service Commission officials at a workshop, Dick Joka, the Managing Partner of Joka Consultants, said the current system was limited in scope and did not necessarily show the strengths and weaknesses of the person being appraised.

The system, according to the consultants, lacked a feedback mechanism. This was mainly because most district officials did not take the appraisal system seriously. Some departments did not bother to have an annual appraisal exercise for their employees and one wonders whether the district did not retain people who should have left the service because of poor performance.

Because of lack of performance appraisal reports, hardworking, honest and deserving officers are not always recognised and rewarded accordingly. Dick Joka said one of the reasons for laxity and lack of seriousness in the present system was the failure to distinguish the super performers from the mediocre in recognition and reward management. "When someone who does not deserve to be rewarded is rewarded at the expense of those who genuinely deserve to be rewarded, the consequences are quite obvious; loss of morale and faith in the system", read part of the consultants' report.

The current system allowed files to be forwarded to the District Service Commission without being scrutinised. This showed that the district had no formal system to disseminate reports appropriately. The consultants recommended appraisal measures based on job description, work targets and objectivity.

#### Required

- (a) What is wrong with the appraisal system of Bulungibwansi District?  
(8 marks)
- (b) Describe the steps that should be taken to rectify the situation.  
(8 marks)



- (c) Suggest reasons why performance appraisal is important to any organisation.

(14 marks)

(Total 30 marks)

## SECTION B

### Question 2

- (a) Explain the internal and external factors that trigger changes in organisations.

(12 marks)

- (b) Suggest reasons why people resist change in organisations?

(8 marks)

(Total 20 marks)

### Question 3

- (a) Explain why companies advertise their products?

(8 marks)

- (b) Using relevant examples, describe the methods available for advertising in Uganda.

(12 marks)

(Total 20 marks)

### Question 4

ACD Ltd is a company registered in Uganda, manufacturing malaria drugs. Identify the stakeholders of ACD and explain their respective interests in the company.

(20 marks)

### Question 5

- (a) What is reward management?

(5 marks)

- (b) Explain why reward management is important to an organisation?

(15 marks)

(Total 20 marks)

### Question 6

Explain the importance of keeping records by the Human Resource Department in any organisation?

(20 marks)



**SECTION C**

**Question 7**

- (a) Define the term 'delegation'. (2 marks)
- (b) Explain the guidelines to effective delegation. (8 marks)

**(Total 10 marks)**

**Question 8**

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

- (a) SWOT Analysis (5 marks)
- (b) Contingency approach to leadership. (5 marks)
- (c) Just in Time (JIT) management style. (5 marks)

**(Total 10 marks)**