

THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD

A Committee of the Council of ICPAU

ATC(U) EXAMINATIONS

LEVEL THREE

BUSINESS MANAGEMENT– PAPER 11

WEDNESDAY, 28 NOVEMBER 2012

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. 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. Write your answer to each question in a fresh page in your answer booklet.
7. Please, read further instructions on the answer booklet, before attempting any question.

SECTION A

This section has one compulsory question to be attempted.

Question 1

Jomaru Ltd deals in the manufacture and distribution of domestic products. Most of its products are laundry type goods including, but not limited to washing powder, toothpaste, mouthwash, toilet soap, detergents and disinfectants.

The company employs over 15,000 people in its various functional areas of production, transportation and marketing, administration, finance and research. For a long time since its establishment, Jomaru Ltd enjoyed a monopoly in production of many of these products since it was government policy to protect and grow its infant industries. Because of that, the name Jomaru Ltd became synonymous with such products as toothpaste, washing powder and toilet soap.

In the recent past though, the effects of globalization forced the government to liberalise trade which saw an influx of various imported products. Some of these products compete favourably with those of Jomaru Ltd because some are packaged in very attractive ways. This has forced the company to devise means of retaining their customers. Information from sales department indicated that the market was tilting in the favour of imported products.

In view of the new challenges, the management of Jomaru Ltd decided to re-brand and promote their products with a new face and image. They designed persuasive information about their products, their quality and their benefits. The company used various media options especially newspapers, television, radios and phones (sms) to advertise aggressively. They designed attractive slogans that many people, young and old could easily recite thereby endearing themselves to the products.

The promotion was rolled out at the most appropriate time. Management crafted a promotion strategy which was appropriately funded, effectively planned and sustainable. Within three months, the marketing department had been able to cover the whole country. To reduce the expenses of the campaign, least cost methods were used, such as face-to-face meetings with actual and potential buyers, free samples, twin-pack bargains, special discounts and bonuses for sales representatives.

Within a short time a drastic increase in sales was realized. This encouraged management to venture into sports sponsorship to increase the visibility of their products. The company decided to sponsor a local football tournament and worked with the organisers to brand the stadium and sports equipment including balls, caps, boots and uniforms with Jomaru Ltd's logo. Such a move saw a big jump into the popularity of Jomaru Ltd's products on the market.

Required:

- (a) Define the term 'promotion'.
(2 marks)
 - (b) Using the scenario above, explain the methods of promotion used by Jomaru Ltd.
(8 marks)
 - (c) Explain why there was a need for Jomaru Ltd to carry out a promotion.
(10 marks)
 - (d) According to the scenario, explain the factors that should be borne in mind when choosing the media for advertising.
(10 marks)
- (Total 30 marks)**

SECTION B

Attempt three of the five questions in this section.

Question 2

- (a) Explain the term 'business environment'.
(4 marks)
 - (b) Explain how variables in the external environment can affect the operations of a business enterprise.
(16 marks)
- (Total 20 marks)**

Question 3

- (a) Identify and explain the different types of leaders in an organisation.
(15 marks)
 - (b) Identify the factors that determine the effectiveness of a leadership style.
(5 marks)
- (Total 20 marks)**

Question 4

- (a) What do you understand by the term 'control in management'?
(2 marks)
 - (b) Explain the major control methods used in a business organisation.
(6 marks)
 - (c) Explain why control is important in a business organization.
(12 marks)
- (Total 20 marks)**

Question 5

- (a) Using examples, explain the term 'committee' as used in management. (4 marks)
 - (b) What are the guidelines observed in the operations of a committee? (16 marks)
- (Total 20 marks)**

Question 6

- (a) What do you understand by 'man power planning'? (4 marks)
 - (b) Explain the activities of a human resource department in a business organisation. (12 marks)
 - (c) What are the benefits of man power planning? (4 marks)
- (Total 20 marks)**

SECTION C

Attempt one of the two questions in this section.

Question 7

The government and some private enterprises are devising means of protecting the interests of customers. This vigilance comes after a realization that foodstuffs, medical products and general merchandise have been adulterated in the name of maximizing profits.

Required:

- (a) Explain the term 'consumer protection'. (2 marks)
 - (b) Identify the measures which have been put in place to protect consumers in Uganda. (8 marks)
- (Total 10 marks)**

Question 8

Write short notes on any one of the following:

- (a) Vroom's expectancy theory.
 - (b) Non-executive director.
 - (c) Balance sheet.
- (10 marks)**