

**THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD**

*A Committee of the Council of ICPAU*

**ATC(U) EXAMINATIONS**

**LEVEL THREE**

**BUSINESS MANAGEMENT– PAPER 11**

**THURSDAY, 6 JUNE 2013**

**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.
3. Section **B** has **five** questions and only **three** are to be attempted. Each question carries 20 marks.
4. Section **C** has **two** questions and only **one** is to be attempted. Each question carries 10 marks.
5. Write your answer to each question on a fresh page in your answer booklet.
6. 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

#### **PAKASA UGANDA LTD (PUL)**

PUL is a leather processing company dealing in the manufacture of shoes, hand bags, belts, executive watch straps, leather bands and other leather products. Established in 1982, the company became a household name after it specialized in producing shoes for school children. Many parents prefer their brand of shoes compared to those that are imported because they are durable and affordable.

The hides and skins (raw materials) used to make leather were initially imported from a neighboring country. With time, however, this became very expensive because of fluctuations in the exchange rate of the dollar and transportation costs. The company then decided to acquire the raw materials locally. The directors, in consultation with the Ministry of Agriculture, Animal Industry and Fisheries, established an outreach programme to assist farmers to raise healthy animals. PUL also trained the staff of Uganda Beef Producers Association on the right skinning and drying methods in order to get quality hides and skins.

With the availability of raw materials from all over the country, the company recruited agents in all the major towns in the country to coordinate the purchases of these raw materials.

In the recent past, PUL realized that they needed to recruit an assistant accountant in their sales department to coordinate the purchase of hides and skins from the upcountry centres. The applicant, the directors agreed, should have an Accounting Technicians Certificate. Those pursuing a professional accounting course like CPA, with at least two years working experience in a busy profit making organization would be at an advantage. He/ she should have working knowledge of computerized accounting packages, like Pastel, Tally or Quick books.

#### **Required:**

- (a) Design an advertisement to be published in the newspaper for the position of assistant accountant.  
(10 marks)
- (b) Briefly explain the recruitment and selection process that will be used to hire the assistant accountant after the advert is run in the newspapers.  
(8 marks)

- (c) Prepare a possible curriculum vitae for the position of the assistant accountant at PUL.  
(8 marks)
- (d) Draw a sketch of a possible organisation structure including the sales department of PUL.  
(4 marks)

**(Total 30 marks)**

## **SECTION B**

*Attempt three of the five questions in this section.*

### **Question 2**

- (a) Explain the concept of the product life cycle in marketing.  
(5 marks)
- (b) Identify and describe each of the stages of the product life cycle indicating how it may affect profits in an organization.  
(15 marks)

**(Total 20 marks)**

### **Question 3**

- (a) Explain the term 'business ethics'.  
(6 marks)
- (b) Explain, with aid of examples, the ethical considerations expected of a profit making organisation towards its customers.  
(14 marks)

**(Total 20 marks)**

### **Question 4**

- (a) Distinguish between an executive director and a non-executive director in an organization.  
(6 marks)
- (b) Explain why non-executive directors are important to an organization.  
(14 marks)

**(Total 20 marks)**

### **Question 5**

- (a) Explain the difference between 'primary' and 'support' activities of an organization in the production process.  
(5 marks)
- (b) Using a company of your choice, explain the primary activities in the manufacturing process.  
(15 marks)

**(Total 20 marks)**

**Question 6**

- (a) Mention **four** types of accounting commonly practiced in organisations.  
(4 marks)
  - (b) Why is management accounting important in organizational control?  
(16 marks)
- (Total 20 marks)

**SECTION C**

*Attempt one of the two questions in this section.*

**Question 7**

Why is evaluation and feedback important in the decision making process?  
(10 marks)

**Question 8**

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

- (a) Informal communication (the grape vine).
- (b) Stages of forming a team.
- (c) Importance of leadership.

(10 marks)