

# THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD

*A Committee of the Council of ICPAU*

## CPA(U) EXAMINATIONS

### LEVEL ONE

#### BUSINESS MANAGEMENT AND COMPUTING – PAPER 4

**THURSDAY, 19 JUNE 2008**

#### INSTRUCTIONS TO CANDIDATES

1. Time allowed: **2 hours 30 minutes**
2. Attempt **all** questions in Section **A**, any **two** questions from Section **B** and any **two** questions from Section **C**.
3. Section **A** has **one** compulsory case study question carrying 20 marks.
4. Section **B** has **three** questions and only **two** are to be attempted. Each question carries 15 marks.
5. Section **C** has **three** questions and only **two** are to be attempted. Each question carries 15 marks.
6. Please, read further instructions on the answer book.

## SECTION A: BUSINESS MANAGEMENT

### Question 1

#### BENNCO Ltd

BENNCO Ltd is a business enterprise dealing in talk time (air time). The company has its headquarters in Kampala, with regional offices in Eastern, Western and Northern Uganda. It operates shops in all the major towns of this country. In these shops, one finds talk time and cell phones as well as cell phone accessories like sim packs, chargers and batteries.

Being a monopolist, the company has reaped a lot of profits since its establishment 5 years ago. It employs a motivated labour force of over 500 Ugandans and has a subscriber base of more than 5 million customers. As part of its long term strategy, BENNCO Ltd acquired land where offices and masts were set up to minimize costs. All these have strengthened its market standing.

In the recent past, two new companies have joined the business. These are doing all they can to attract customers. They have designed several promotional packages which are very attractive. The market is slowly tilting. Some subscribers have shifted their loyalty to the new companies.

Realising this new phenomena, BENNCO Ltd has not taken the competition lightly. In a record three months, it has invested in new technology and done lots of promotions countrywide. Another of its innovations has been the introduction of high quality products. The market has been flooded with a wide range of products that cater for all classes of people. This has enabled BENNCO Ltd to expand and maintain a firm grip on the market. Some of its clients are known to possess high tech phones and accessories. These are specifically popular among the youth and corporates who constitute the majority of the customers. It has also reduced rates of talk time per second, sponsored sports and donated to the disabled groups in the community.

#### Required:

- (a) What do you understand by the term “objectives of a business”?  
(2 marks)
  - (b) Identify and explain the business objectives of BENNCO Ltd.  
(18 marks)
- (Total 15 marks)

## SECTION B: BUSINESS MANAGEMENT

### Question 2

Communication is one major pillar for organizational success.

**Required:**

- (a) What is communication?  
(1 mark)
  - (b) What is the purpose of communication?  
(4 marks)
  - (c) Explain the barriers to communication in an organization.  
(10 marks)
- (Total 15 marks)**

### Question 3

Planning is an important function of management.

**Required:**

- (a) What is planning?  
(3 marks)
  - (b) Explain why an organization should consider planning its activities.  
(12 marks)
- (Total 15 marks)**

### Question 4

Using relevant examples, identify and explain the factors that determine the structure of an organization.

**(15 marks)**

## SECTION C: BUSINESS COMPUTING

### Question 5

Kampala Commercial Bank has advertised a consultancy to carry out a systems analysis that will enable them upgrade the current system.

**Required:**

- (a) As an expert in business computing what reasons would you give to justify the studying of the old system before a new one is developed?  
(3 marks)
- (b) What are the major duties of a systems analyst under such consultancy?  
(3 marks)
- (c) Under what circumstances would do you apply a questionnaire during the fact-finding mission?  
(3 marks)

- (d) Give **three** advantages of observation as a fact-finding method during systems study.

(6 marks)

(Total 15 marks)

**Question 6**

- (a) What is a decision support system?

(3 marks)

- (b) Give the advantages of a decision support system.

(5 marks)

- (c) Give the major decision support system software components.

(4 marks)

- (d) Differentiate between management information system and decision support system.

(3 marks)

(Total 15 marks)

**Question 7**

- (a) Write short notes on the following:

- (i) Personal computer (PC).
- (ii) Personal digital assistant (PDA).
- (iii) Mainframe computer.
- (iv) Server computer.

(4 marks)

- (b) Give the main characteristics of a modern computer.

(3 marks)

- (c) What is computer software?

(1 mark)

- (d) Explain the key factors that can be considered when acquiring computer software.

(3 marks)

- (e) Explain the term “4<sup>th</sup> Generation Language (4GL)” and give its main characteristics.

(4 marks)

(Total 15 marks)