

# THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD

*A Committee of the Council of ICPAU*

## CPA(U) EXAMINATIONS

### LEVEL ONE

#### BUSINESS MANAGEMENT AND COMPUTING – PAPER 4

**THURSDAY, 10 DECEMBER 2009**

#### INSTRUCTIONS TO CANDIDATES

1. Time allowed: **2 hours 45 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 **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

#### Deira Uganda Limited

Deira Uganda Ltd is a registered company with several retail outlets in suburbs Kampala and other towns in the country. It was incorporated in the year 2000, with the major objective of processing and selling of dairy products. The company employs a wide range of staff including managers, accountants, marketing officers, production staff, truck drivers and milk vendors among others.

Within a period of three years after its incorporation, Deira Uganda Ltd performed excellently. It turned out to be the market leader in the sale of dairy products. This was because management had realized that communication, among other factors, was an important management function. The management team instituted formal communication channels that enabled all workers to share and access the necessary information they needed. Therefore, vertical and horizontal channels of communication were open. Working with Deira Uganda Ltd was thus a joy for all employees.

In January 2008, a new executive director, Mr. Hugo was recruited. In his inaugural speech to staff, he promised better times for the future. Everybody was optimistic for he was such an excellent orator. One month after assuming office, however, all workers were disappointed. Mr. Hugo started by disregarding the existing organizational culture. He confided in very few people, did away with weekly briefings in which workers aired their views on work conditions, instituted fines and penalties without consultation, and communicated largely through notices. Everybody soon realized that channels/lines of communication had been blocked. The consultative meetings which were a forum for sorting out problems were no more! In fact, Mr. Hugo acted as if he was ignorant about the objectives or purposes of communication in business enterprises.

Consequently, conflicts between employees and management became the order of the day. Different cliques emerged in the company. These misunderstandings affected the performance of the whole organisation. Everybody realized that the company was failing because of communication breakdown. All barriers to communication had to be sorted out to allow smooth operations.

**Required:**

- (a) Explain what you understand by the term 'communication'.  
(2 marks)
- (b) (i) Identify and explain the barriers to communication at Deira Uganda Ltd.  
(ii) Suggest solutions to the problems you have identified in (i) above.  
(10 marks)
- (c) Advise Mr. Hugo on the objectives of communication in an organisation.  
(8 marks)
- (Total 20 marks)**

**SECTION B: BUSINESS MANAGEMENT**

**Question 2**

- (a) What do you understand by 'organization structure'?  
(1 mark)
- (b) Explain the factors that determine the design of an organization structure.  
(8 mark)
- (c) Using an illustration, explain the meaning of a matrix organisation structure.  
(6 marks)
- (Total 15 marks)**

**Question 3**

- (a) Define the term 'delegation'.  
(2 marks)
- (b) (i) Identify and explain the barriers to delegation in organisations.  
(8 marks)
- (ii) Suggest ways in which the barriers identified in (i) above can be overcome.  
(5 marks)
- (Total 15 marks)**

**Question 4**

- (a) What do you understand by the term 'control'?  
(6 marks)
- (b) Explain the reasons why control is necessary in an organisation.  
(9 marks)
- (Total 15 marks)**

## SECTION C: BUSINESS COMPUTING

### Question 5

- (a) Write short notes on each of the following:
- (i) Data security. (2 marks)
  - (ii) The Internet. (2 marks)
  - (iii) Computer output devices. (2 marks)
  - (iv) Prototyping. (2 marks)
  - (v) Real-time processing. (2 marks)
- (b) In order for computer systems to provide the required solutions, it is common practice that after implementation, computer systems have to undergo review and continuous maintenance.

#### Required:

Describe the major categories into which computer systems maintenance activities can be classified.

(5 marks)

(Total 15 marks)

### Question 6

Business proprietors globally have increasingly adopted computer networks as part of their businesses.

Required:

- (a) Explain what you understand by the term 'computer network'. (2 marks)
- (b) Give **five** advantages and **five** shortcomings of computer networks. (10 marks)
- (c) Describe **three** different types of computer networks.

(3 marks)

(Total 15 marks)

### Question 7

At the last directors' meeting of ABC Ltd, it was resolved that the company acquires new computer hardware and software in order to cope with new business challenges.

#### Required:

Advise directors on what to consider before procuring the required items.

(15 marks)