

# THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD

*A Committee of the Council of ICPAU*

## CPA(U) EXAMINATIONS

### LEVEL ONE

#### BUSINESS MANAGEMENT AND COMPUTING – PAPER 4

**TUESDAY, 15 JUNE 2010**

#### 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

#### BON MACHE' ENTERPRISES (2008) LTD

Bon Mache' Enterprises (2008) Ltd is a departmental store that has changed the face of shopping since its establishment in Uganda. Many people in Kampala, where the first store was set up, flock to Bon Mache' Enterprises (2008) Ltd for their one-stop shopping. It is well stocked with a wide range of products, for instance toiletries, cosmetics, furniture, confectionary, assorted hardware items, beverages, wines and spirits, electronics, garments, motor spares, footwear, and many others.

Bon Mache' Enterprises (2008) Ltd has, thus, attracted many customers locally and regionally including, but not limited to, wholesalers and retailers. This has enabled the enterprise to make a lot of profits, which have been ploughed back to create more wealth, expand to other areas and retain a motivated workforce.

New market competitors have since opened the same line of business, for example Ok Ltd, Speciss Ltd and Greatermans Ltd. The entry of competitors into the market has spurred a lot of competition which has forced Bon Mache' Enterprises (2008) Ltd to devise ways of keeping afloat in business. Such ways include; good customer care, innovation in technology, quality products that are found in many retail shops, to mention but a few.

All the above have enabled Bon Mache' Enterprises (2008) Ltd to attain both its primary objectives and secondary objectives.

#### **Required:**

- (a) With reference to the case study, explain the primary objectives of Bon Mache' Enterprises (2008) Ltd.

**(8 marks)**

- (b) Advise Bon Mache' Enterprises (2008) Ltd on how it can maintain its competitive leadership in the market.

**(12 marks)**

**(Total 20 marks)**

## SECTION B: BUSINESS MANAGEMENT

### Question 2

- (a) Using examples, explain the characteristics of bureaucratic organisations.  
(10 marks)
- (b) What benefits do bureaucratic organisations enjoy?  
(5 marks)
- (Total 15 marks)

### Question 3

- (a) What do you understand by the term 'business environment'?  
(5 marks)
- (b) Giving examples, explain the variables that influence the operations of a business organisation.  
(10 marks)
- (Total 15 marks)

### Question 4

- (a) Distinguish between formal and informal leadership.  
(4 marks)
- (b) Explain the behavioural characteristics of an effective leader in an organisation.  
(11 marks)
- (Total 15 marks)

## SECTION C: BUSINESS COMPUTING

### Question 5

- (a) Briefly explain the following:
- (i) Spyware. (1 mark)
  - (ii) Graphical user interface. (1 mark)
  - (iii) Command line interface. (1 mark)
  - (iv) Antivirus software. (1 mark)
- (b) (i) Define the term 'computer system'.  
(1 mark)
- (ii) Describe the main components of a modern computer system in today's businesses.  
(6 marks)
- (c) Explain any **four** functions of a computer operating system.  
(4 marks)
- (Total 15 marks)

### Question 6

Quick Money Enterprises (QME) is a business entity established in 1980 and has since expanded its operations to cover 50 districts in Uganda. QME is planning to turn its operations from manual systems to online electronic transactions, taking advantage of the developments in business computing.

#### Required:

Explain the:

- (a) precautions that QME should consider in switching from a manual to an online electronic system.  
(5 marks)
- (b) factors that QME should consider in choosing the appropriate software to use.  
(5 marks)
- (c) issues to be considered in the acquisition of the most appropriate hardware to use.  
(5 marks)

(Total 15 marks)

### Question 7

- (a) Distinguish between a database and a spreadsheet.  
(2 marks)
- (b) Explain the uses of spreadsheet applications to an accountant.  
(4 marks)
- (c) Describe **four** characteristics of a good electronic data base.  
(4 marks)
- (d) Outline **five** ways in which the security of a data base can be ensured.  
(5 marks)

(Total 15 marks)