

THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD

A Committee of the Council of ICPAU

ATC(U) EXAMINATIONS

LEVEL ONE

COMMERCIAL ENVIRONMENT - PAPER 4

WEDNESDAY, 15 JUNE 2011

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. Attempt **all** questions in Sections **A** and **B**, any **two** questions in Section **C** and any **two** questions in Section **D**.
3. Section **A** has twenty compulsory multiple-choice questions, each carrying 1 mark.
4. Section **B** has **one** compulsory comprehension question carrying 20 marks.
5. Section **C** has **three** questions and only **two** are to be attempted. Each question carries 15 marks.
6. Section **D** has **three** questions and only **two** are to be attempted. Each question carries 15 marks.
7. Please read further instructions on the answer booklet, before you attempt any questions.

SECTION A

Question 1

COMMUNICATION

- (i) Communication within an organization is more effective when:
 - (a) it is regular and persistent.
 - (b) there is more patience.
 - (c) it is directly from the top.
 - (d) it gives room for feedback.
- (ii) It is important to jot down notes in a lecture because it:
 - (a) relieves tension.
 - (b) facilitates the lecturer.
 - (c) keeps the mind alert.
 - (d) aids memory retention.
- (iii) When writing an application letter it is advisable to:
 - (a) be forceful and confident.
 - (b) express humility and courtesy.
 - (c) brag about yourself and impress the reader.
 - (d) write as much as you can.
- (iv) While delivering a speech it is necessary to be:
 - (a) alert and effective.
 - (b) audible and articulate.
 - (c) comic and entertaining.
 - (d) loud and visible.
- (v) For proper public relations, a receptionist in a given office should have the following characteristics **EXCEPT**:
 - (a) fluency and beauty.
 - (b) assertiveness and patience.
 - (c) politeness and courtesy.
 - (d) confidence and boldness.
- (vi) Which of the following is a responsibility of a secretary of a meeting?
 - (a) Generating consensus.
 - (b) Proposing and passing the minutes.
 - (c) Ensuring that time is well managed.
 - (d) Keeping schedules of meetings.

- (vii) Which of the following are characteristics of a good radio advertisement?
- (a) Brief and entertaining.
 - (b) Audible and exaggerated.
 - (c) Well articulated and opportunistic.
 - (d) Precise and well articulated.
- (viii) A formal report should have the following **EXCEPT**:
- (a) date.
 - (b) subject and findings.
 - (c) address and telephone contact.
 - (d) name and designation.
- (ix) The abbreviation "ref." that appears on corporate letterheads stands for the:
- (a) reason for writing the letter.
 - (b) referees you may wish to include.
 - (c) reference number of a particular letter.
 - (d) name of the organization.
- (x) It is important to keep records of all documents sent out and those received by an organization because:
- (a) they may be needed anytime.
 - (b) they provide chance for fallback position.
 - (c) it is a good practice.
 - (d) management is made easy.

COMMERCE

- (xi) Dividend is a form of payment for:
- (a) labour.
 - (b) shareholder.
 - (c) capital.
 - (d) land.
- (xii)is expected to be found in a manufacturing industry.
- (a) Specialisation by territory
 - (b) Specialisation by process
 - (c) Technological specialization
 - (d) Specialisation by skill

- (xiii) Production of goods and services for sale is known as:
- (a) self service.
 - (b) direct production.
 - (c) indirect production.
 - (d) barter trade.
- (xiv) The loss of value of local currency in terms of foreign currency due to forces of demand and supply of foreign currency is called:
- (a) devaluation.
 - (b) inflation.
 - (c) depreciation.
 - (d) deflation.
- (xv) The principle of insurance where the insured has to surrender the remains of the property that was destroyed after compensation is called:
- (a) indemnity.
 - (b) insurable interest.
 - (c) proximate cause.
 - (d) subrogation.
- (xvi) A rational consumer tends to choose that good which:
- (a) will ensure maximum satisfaction.
 - (b) he has not enjoyed for a long time.
 - (c) may soon be very expensive.
 - (d) he can easily keep for future use.
- (xvii) Which of the following is **NOT** a tool of a monetary policy?
- (a) Open market operations.
 - (b) Special deposits.
 - (c) Bank rate.
 - (d) Reflation.
- (xviii) Which of the following activity falls under secondary production?
- (a) Construction of a building.
 - (b) Shop-keeping by an attendant.
 - (c) A doctor treating a patient.
 - (d) A herdsman rearing his cows.

- (xix) The main advantage of specialization is that it:
- (a) provides many employment opportunities.
 - (b) encourages exchange.
 - (c) increases creation of utility.
 - (d) increases the population of a country.
- (xx) is **NOT** an aim of a cartel.
- (a) Decreasing competition among firms
 - (b) Joint profit maximization
 - (c) Increasing competition among firms
 - (d) Avoidance of new entrants on the market

SECTION B: COMMUNICATION

Question 2

Read the passage below and answer the questions that follow:

The frustrating reality is not really simple. Getting an interview alone is an exercise **in persistence and patience**. Here are some reasons why you are not **landing** that interview and what you can do to reverse the trend.

If your application material is not **articulate** and contains typographical errors, grammatical errors and irrelevant or inconsistent information, employers will take notice in a bad way.

Once you have looked over your resume and cover letter to the point of dementia, take this advice from Joyce Gioia of Herman Group: Have three people to review your resume and cover letter before you send it.

Make it personal by **tailoring** it to the particular job and address it to the particular job and person, not 'To Whom it May Concern'. Remember to include a sentence or two about how you are the right person fit for that particular job. If no contact is listed, take the **initiative** to find out who the hiring manager is, by searching the company's website or calling the reference desk.

Instead of restating similar information in the resume, include new information like how you found out about the job, why you want to work there and what you can do for them.

Close with something that will encourage the response, such as request for an interview.

If you do not feel qualified for a job, why are you applying for it? Do not call attention to your **shortcomings** in a letter; emphasize your strengths by focusing on your skills, experience and ability.

Don't mistake selling yourself with bragging. Putting, "I would be an asset to your company" in your cover letter **catches the eye**; writing "You would be crazy not to hire me" **turns the stomach**.

Do not post anything on a publicly accessible website that you would not like a **potential employer** to see. It's better to err on the side of caution.

Try following up your application by sending a paper resume and cover letter via mail (indicating you have already applied). Call the hiring manager to see if they have received your application.

Be **pro-active**. Contact human resource managers of companies you want to work for inquiring about positions available. Alternatively, register with a job recruitment agency, or attend industry events to stay on top of news and devote energy to meeting like-minded professionals in order to discover more opportunities.

It may sound like a no-brainer, but misrepresenting yourself on a resume is bound to **catch up with you**. Telling a lie over a simple issue may cost you a bigger position of responsibility.

Remember that looking for a job is a full time job. If you are not hearing from an employer, consider changing your strategy.

Wish Good luck!

Required:

- (a) Provide a suitable title to the above passage. (Use not more than 6 words)
(2 marks)
- (b) Give the meaning of the following words as used in the passage.
- | | | | |
|-------|--------------|--------------|----------|
| (i) | Landing | Paragraph 1 | (1 mark) |
| (ii) | Articulate | Paragraph 2 | (1 mark) |
| (iii) | Tailoring | Paragraph 4 | (1 mark) |
| (iv) | Initiative | Paragraph 4 | (1 mark) |
| (v) | Shortcomings | Paragraph 7 | (1 mark) |
| (vi) | Pro-active | Paragraph 10 | (1 mark) |
- (c) Explain the meaning of the following expressions according to context.
- | | | | |
|-------|--------------------------|--------------|-----------|
| (i) | Persistence and patience | Paragraph 1 | (2 marks) |
| (ii) | Catches the eye | Paragraph 8 | (2 marks) |
| (iii) | Turns the stomach | Paragraph 8 | (2 marks) |
| (iv) | Catch up with you | Paragraph 11 | (2 marks) |

- (d) Give **two** examples of the do's and don'ts when writing a cover letter as advised in the passage.

(4 marks)

(Total 20 marks)

SECTION C: COMMUNICATION

Question 3

Three young graduates; James, David and Moses, have come up with an idea of setting up a small business of a restaurant. They want it to be called Jadamo Takeaway and Restaurant. They intend to provide the following on their menu for breakfast and lunch and any other meals on order at very attractive prices:

- (a) Black tea
- (b) African tea
- (c) Fresh fruit juice
- (d) Fish fillet
- (e) Meat stew
- (f) Roast chicken
- (g) Cakes
- (h) Samosas
- (i) Sausages
- (j) Matooke
- (k) Irish potatoes
- (l) Rice
- (m) Spaghetti

Required:

- (a) Design a roadside poster advertising this new business showing what they can offer to the public. You may include the following: location, working hours and any other suitable information.

(7 marks)

- (b) Give **two** differences between an advertisement and a notice.

(4 marks)

- (c) Give **two** similar characteristics of a notice and an advertisement.

(4 marks)

(Total 15 marks)

Question 4

Merito Electronics is looking for a well qualified person to take on the job of Company Accountant. The intending applicants should be aged between 30-45 years, holding at least a degree in accountancy from a recognized institution or its equivalent.

He/she must be a person of integrity, self motivated and disciplined. He/she must be able to work with minimal supervision and produce competent reports. Terms of employment will be communicated to the successful candidates.

Applications should be sent to Merito Electronics Limited, P.O. Box 1122, Jinja, and should reach the office by 28 June 2011.

Required:

- (a) Write an application letter requesting for the above advertised job.
(8 marks)
 - (b) Prepare a curriculum vitae to attach to the application letter above.
(7 marks)
- (Total 15 marks)**

Question 5

You are the Executive Director of Kengonzi Legal Counselling Enterprises, an established company dealing in training and mentoring human resources as well as providing legal counsel to different groups and individuals.

The company has organized an inaugural ceremony in which executives from different companies will be trained to design strategic plans. As the company's Executive Director, you are required to give a speech.

Required:

- (a) Write a speech that you would deliver to the members during this important occasion.
(10 marks)
 - (b) Give **three** major aspects that distinguish a speech from a report.
(3 marks)
 - (c) Mention **two** aspects that render a speech to be regarded as poor.
(2 marks)
- (Total 15 marks)**

SECTION D: COMMERCE

Question 6

- (a) What is meant by 'outdoor advertisement'.
(3 marks)
 - (b) Give any **three** types of media used in outdoor advertising.
(6 marks)
 - (c) State **three** advantages and **three** disadvantages of outdoor advertising.
(6 marks)
- (Total 15 marks)

Question 7

- (a) What is a commercial bank?
(2 marks)
 - (b) Give **five** sources of finance for a commercial bank.
(5 marks)
 - (c) Explain **eight** functions of commercial banks.
(8 marks)
- (Total 15 marks)

Question 8

- (a) Define the term 'itinerant trader'.
(1 mark)
 - (b) Explain:
 - (i) **five** advantages of itinerant traders.
(10 marks)
 - (ii) **four** disadvantages of itinerant traders.
(4 marks)
- (Total 15 marks)