

# THE PUBLIC ACCOUNTANTS EXAMINATIONS BOARD

*A Committee of the Council of ICPAU*

## CPA(U) EXAMINATIONS

### LEVEL ONE

#### BUSINESS MANAGEMENT AND COMPUTING – PAPER 4

**FRIDAY, 22 JUNE 2012**

#### 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. Section **A** has **one** compulsory case study question carrying 20 marks.
3. Section **B** has **three** questions and only **two** are to be attempted. Each question carries 15 marks.
4. Section **C** has **three** questions and only **two** are to be attempted. Each question carries 15 marks.
5. Write your answer to each question in a separate answer booklet.
6. Please, read further instructions on the booklet, before attempting any question.

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## SECTION A

*This section has one question compulsory to be attempted.*

### Question 1

Akugoba Ltd is an enterprise that offers cleaning services in Kampala and its surrounding districts of Wakiso and Entebbe. Its proprietor, Mr. Okech, established the business in 2000 after realizing that there was a gap in the provision of cleaning services. He had lived in the United Kingdom (UK) for over ten years where such services were handled at a professional level.

On returning to Uganda, Mr. Okech registered Akugoba Ltd. He established an office and recruited the general manager, an administrator and an accountant. With this team in place, they recruited other employees both semi-skilled and unskilled, including drivers, supervisors, janitors, cleaners and gardeners. Within a month, he had employed over 500 Ugandans and was hailed by the Minister for Labour for contributing to a solution to the high unemployment rate in the country.

He acquired 3 trucks to transport his workers to and from work, purchased 300 lawn mowers, spades shovels, blooms, over 100 hovers, and protective gear for workers. He also obtained locally available detergents and trained his staff on customer expectations.

The business grew from strength to strength and the city authorities honoured him for his contribution to cleanliness of the city. What started as a small enterprise attracted a large corporate clientele because of the quality services offered. Most big organizations, banks, schools, hospitals, and clinics, in Kampala signed contracts with Akugoba Ltd to provide them with cleaning services.

In the last three years, however, business started slowing down and the profits reduced. Some administrative staff left to start similar businesses and the trucks that transport the staff break down regularly. Inflation, increasing fuel prices, government taxes and high interest rates, all combined making the business unmanageable.

In an effort to save the business and reduce operational costs, some supervisors were promoted but paid less than their predecessors. This resulted in poor management practices and poor customer satisfaction. Many customers of Akugoba Ltd cancelled the contracts and hired the new service providers.

Pondering the next move, Mr. Okech plans to shift his business to the other towns away from Kampala hoping to rebrand and attract new customers. He is frustrated because the people he trained stole his business idea.

**Required:**

- (a) Using the case study above, identify the strengths, weaknesses, opportunities and threats of Akugoba Ltd.  
(13 marks)
  - (b) Explain the stages in the decision making process to the management of Akugoba Ltd.  
(7 marks)
- (Total 20 marks)**

**SECTION B**

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

**Question 2**

Explain the:

- (a) meaning of delegation in management.  
(3 marks)
  - (b) principles of delegation  
(6 marks)
  - (c) barriers to delegation.  
(6 marks)
- (Total 15 marks)**

**Question 3**

Business organizations in Uganda today are faced by several challenges in the business environment.

**Required:**

Using examples, identify these challenges and show how they are affecting business.  
(15 marks)

**Question 4**

NPK is an agro-processing factory in Kampala engaged in processing milk into dairy products.

**Required:**

Identify and explain the stakeholders of NPK.  
(15 marks)

## SECTION C

*Attempt two of the three questions in this section*

### Question 5

- (a) Define the following terms:
- (i) Computer network. (1 mark)
  - (ii) Computer security. (1 mark)
  - (iii) Data encryption. (1 mark)
  - (iv) Computer hardware. (1 mark)
  - (v) Assembler language. (1 mark)
- (b) Distinguish between the following:
- (i) RAM and ROM. (2 marks)
  - (ii) Pilot change-over and direct change-over. (2 marks)
  - (iii) Intranet and extranet. (2 marks)
  - (iv) Distributed and centralized processing. (2 marks)
  - (v) Computer virus and program bug. (2 marks)
- (Total 15 marks)**

### Question 6

The successful implementation of a new information system requires adequate knowledge of the users' system requirements.

#### Required:

- (a) Describe the stages of the system development life cycle that an organization has to go through. (10 marks)
- (b) Describe the various ways of collecting user requirements for any organization before acquiring a new or changing an existing system. (5 marks)
- (Total 15 marks)**

### Question 7

Computer software is a very vital component of all computer information systems.

#### Required:

- (a) Describe the different types of computer software. (5 marks)
- (b) (i) Define the term 'computer operating system'. (2 marks)
- (ii) Give two examples of computer operating systems. (2 marks)
- (c) Describe the functions of computer operating systems. (6 marks)
- (Total 15 marks)**