

---

---

## **CERTIFIED ACCOUNTING TECHNICIAN**

### **LEVEL 1 EXAMINATIONS**

#### **L1.3: BUSINESS MANAGEMENT, ETHICS AND**

#### **ENTREPRENEURSHIP**

**THURSDAY: 3 DECEMBER 2015**

---

---

#### **INSTRUCTIONS:**

- 1. Time Allowed: 3 hours 15 minutes** (15 minutes reading and 3 hours writing).
- This examination has **two** sections; **A & B**.
- Section **A** has **four** compulsory questions to be attempted.
- Section **B** has **three** questions, **one** question to be attempted.
- In summary attempt five questions.
- Marks allocated to each question are shown at the end of the question.

## SECTION A

*This section has four compulsory questions*

### QUESTION ONE

- (a) Explain seven roles of managers in a business enterprise of your choice. (14 Marks)
- (b) Explain three management challenges facing business organizations today. (6 Marks)

(Total 20 Marks)

### QUESTION TWO

**Read the Passage below and answer the questions that follow.**

The period after a face-to-face interview could be the most traumatising experience for any job searching person, as they await the verdict of interviews. Questions are **bound** to arise; such as, how did I perform? Why haven't I been called yet? But most importantly, should I call the interviewer to **find out my fate**. But how do you go about the follow up phase after an interview.

For some employers, following up indicates that you are interested in the job. Sometimes, it reminds the interviewer of your existence and in some rare cases; increases your chances of landing the job. There could have been so many candidates but due to a busy schedule, the interviewer may have forgotten to call you.

Before you leave the interview, ask the interviewer what will happen after the interview. This should be your final question when given opportunity to ask the interviewers any questions. By doing so, you will get an appropriate answer that will help you know when to follow up.

In case you are told that you will be contacted after two weeks, and the third week begins, and you have not been contacted, then you have reasons to start worrying. This is the **green light** for you to follow up, make inquiries to find out what happened, whether the contract period was postponed, or you were not shortlisted.

It is very okay to remind your **potential employer** of the promise to contact you in two weeks. This should be done in courteous and professional manner without being seemingly pushy. Send a quick note to let the employer know that you would like to be updated on the hiring.

This is one quick way of following up without being pushy. It might make them inform you of other **job openings** even when you haven't won their hearts at the current opportunity.

The commonest mistakes candidates make is to become too pushy when asking for the results of the interviews. They call and e-mail the company /organisation endlessly. Not only is this nagging but also portrays you as someone who is impatient and most times not confident. It is always better to research about the organisation's **recruitment culture** to know the acceptable follow up channels, whether it is through e -mail or phone calls.

(Source: Adapted from News Times; October 2014)

### REQUIRED:

- (a) Explain the meaning of the following expressions in the context of the passage:

- (i) Find out my fate
- (ii) Green light
- (iii) Potential employer
- (iv) Job openings
- (v) Recruitment culture.

(10 Marks)

(d) List five things a person should do as he/she makes a follow up on an interview. **(10 Marks)**

**(Total 20 Marks)**

### **QUESTION THREE**

Once an entrepreneur makes the decision to launch a business, one of the issues he or she faces is choosing a form of ownership. There is no one “best” form of ownership. The form of ownership that is best for one entrepreneur may not be suitable at all for another. Choosing the “right” form of ownership means that entrepreneurs must understand the characteristics of each form and how well those characteristics match their business and personal circumstances. Only then can an entrepreneur make an informed decision about a form of ownership.

#### **REQUIRED:**

- a) Distinguish between sole proprietorship and partnership. **(2 Marks)**
- b) Explain six most important issues entrepreneurs should consider when they are evaluating various forms of ownership. **(6 Marks)**
- c) Discuss six advantages and six disadvantages of sole proprietorship. **(12 Marks)**

**(Total 20 Marks)**

### **QUESTION FOUR**

The IFAC Code of Ethics for Professional Accountants states “a distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in public interest. Therefore, a professional accountant responsibility is not exclusively to satisfy the needs of an individual client or employer. In acting in public interest a professional accountant should observe and comply with ethical requirements of this code.

#### **REQUIRED:**

- (a) Explain the term ‘to act in public interest’. **(2 Marks)**
- (b) Discuss the fundamental ethical principles that a professional accountant is required to comply with. **(12 Marks)**
- (c) Outline six duties of company directors. **(6 Marks)**

**(Total 20 Marks)**

## **SECTION B**

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

### **QUESTION FIVE**

- a) Explain the term “planning” **(4 Marks)**
- b) Explain eight roles of planning in a business organization **(16 Marks)**

**(Total 20 Marks)**

## QUESTION SIX

The Office of the General Manager has received a lot of complaints about a certain supervisor who mistreats his subordinates.

As the welfare officer of Gold Diggers Foundation, you have been requested to carry out an investigation on the allegations levied against the supervisor which include: favoritism, discrimination, sexual harassment and absenteeism, among others.

### REQUIRED:

- (a) Write a report to the General Manager, giving details of your findings. **(15 Marks)**
- (b) Give five ways of resolving conflicts at a work place. **(5 Marks)**

**(Total 20 Marks)**

## QUESTION SEVEN

Today, business has become very competitive and complex. This is mainly due to the changing taste and fashion of the customers, on one hand, and introduction of substitutes, and cheaper and better competitive goods on the other. The success of any business depends on how its products (goods and services) are distributed and sold to customers. For effective distribution of goods and services, it is important to determine the size of the market that is to be served by the business. The determination of the size of your potential market is the first step in establishing the profitability of your future business.

### REQUIRED:

- (a) Explain six sources of business ideas to an entrepreneur **(6 Marks)**
- (b) What seven factors are considered when assessing the market potential of a business **(7 Marks)**
- (c) Explain seven important requisites for success in a modern business **(7 Marks)**

**(Total 20 Marks)**

---

# End of question paper