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**CERTIFIED ACCOUNTING TECHNICIAN  
LEVEL 1 EXAMINATION**

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

**THURSDAY: 11 JUNE 2015**

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**INSTRUCTIONS:**

- 1. Time Allowed: 3 hours 15 minutes** (15 minutes reading and 3 hours writing).
- This examination has **seven** questions and only **five** questions are to be attempted.
- Marks allocated to each question are shown at the end of the question.

## QUESTION ONE

Discuss the impact of e-commerce on organizations and its consumers?

**(Total 20 Marks)**

## QUESTION TWO

(a) Define the term “Marketing Mix”

**(2 Marks)**

(b) Discuss four components of Marketing Mix.

**(8 Marks)**

(c) Agaciro Ltd is an old Fruit Juice Processing Factory based at Kigali City: The following table summarizes the sales of Agaciro Ltd over three consecutive years:

Year	Sales
2011	300,000,000
2012	280,000,000
2013	270,000

Enquiry revealed that the company products are not regularly available, its packaging and content are not attractive no advertising is done while staff seem demotivated.

### REQUIRED:

Using marketing concepts advise the CEO on what steps to take to increase sales.

**(10 Marks)**

**(Total 20 Marks)**

## QUESTION THREE

(a) Explain the following terms as used in business management and entrepreneurship.

(i) Business incubation

**(2 Marks)**

(ii) Outsourcing

**(3 Marks)**

(iii) Organizational culture

**(3 Marks)**

(iv) Entrepreneurial opportunity

**(2 Marks)**

(b) Discuss five sources of leadership power.

**(10 Marks)**

**(Total 20 Marks)**

## QUESTION FOUR

(a) Explain the term “PEST Analysis”.

**(2 Marks)**

(b) Discuss four factors considered in PEST analysis.

**(8 Marks)**

(c) Describe five functions of management.

**(10 Marks)**

**(Total 20 Marks)**

## QUESTION FIVE

- (a) Describe three needs proposed under David McClelland's learned needs theory. **(12 Marks)**
- (b) Highlight eight characteristics of an innovative organization. **(8 Marks)**
- (Total 20 Marks)**

## QUESTION SIX

- (a) Explain seven reasons for small business failure. **(14 Marks)**
- (b) Discuss three legal forms of business ownership. **(6 Marks)**
- (Total 20 Marks)**

## QUESTION SEVEN

- a) Discuss the typical steps involved in the budget setting process. **(12 Marks)**
- b) Set out guidelines for an effective Meeting in an organization. **(8 Marks)**
- (Total 20 Marks)**

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# End of question paper

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