



**CERTIFIED PUBLIC ACCOUNTANT
FOUNDATION LEVEL 1 EXAMINATIONS
F1.4: BUSINESS MANAGEMENT, ETHICS AND
ENTREPRENEURSHIP
DATE: AUGUST 2025**

MARKING GUIDE AND MODEL ANSWERS

QUESTION ONE

Marking guide:

QN	Description	Marks	Total Marks
1. (a)	Objectives of management to resolve today's challenges		4
	Any identified objective award 1Mark. Consider other valid point identified by students not captured in the model answer	4	
(b)	The challenges revive Tech Ltd may face		8
	Any 4 challenges identified and well discussed award 2 mark each, any poorly challenge discussed award 1 mark	8	
(c)	Macro environment analysis using PEST framework		8
	Political	2	
	Economic	2	
	Social	2	
	Technological	2	
	<i>(Award 2 marks for a clear explanation of how each element from the framework may influence revive tech's strategic decision.)</i>		
	Total Marks		20

Model answers:

a. Objectives of Management to resolve today's revive tech Ltd challenges

- **Optimum utilization of resources:** The most important objectives of the management are to use various resources of the enterprise in a most economical way. The proper use of Human capital, materials, machines, and money will help a business to earn sufficient profits to satisfy various interests i.e. proprietor, customers, employees and others. All these interests will be served well only when physical resources of the business are properly utilised.
- **Product innovation** – Develop new or improved solar-powered products to remain competitive and meet evolving customer needs.
- **Operational efficiency** – Reduce production costs and streamline supply chains to improve profitability.
- **Market expansion** – Penetrate new regional or international markets to increase customer base and revenue.
- **Better quality goods:** The aim of the sound management has always been to produce the better-quality products at minimum cost. Thus, it tries to remove all types of wastages in the business.

- **Ensuring regular supply of goods:** This objective of management helps to ensure the regular supply of goods to the people. It checks the artificial scarcity of goods in the market. Hence, it keeps the prices of goods within permissible limits.
- **Discipline and morale:** The management maintains the discipline and boosts the morale of the individuals by applying the principles of decentralisation and delegation of authority. It motivates the employees through monetary and nonmonetary incentives. It helps in creating and maintaining better work culture.
- **Mobilizing best talent:** The employment of experts in various fields will help in enhancing the efficiency of various factors of production. There should be a proper environment which should encourage good persons to join the enterprise. The better pay scales, proper amenities, future growth potentialities will attract more people in joining a concern.
- **Changing customer expectations** – Rising demand for integrated smart-energy solutions requires adaptation to new consumer trends

b. The challenges that Revive Tech Ltd may face arising from the contemporary environment

- **Technological Disruption:** Startups were introducing app-based solar payment systems, undercutting ReviveTech's traditional models. ReviveTech had to adopt digital platforms quickly to compete.
- **Supply Chain Volatility:** Global disruptions from pandemics (like Marburg) and later geopolitical tensions in the region may delay raw material imports, creating inventory shortages and price fluctuations.
- **Talent Retention:** High-performing staff were leaving for multinationals offering better pay and remote work. Management had to improve incentives and create growth paths internally.
- **Climate Risks:** Increasing floods in certain regions disrupted distribution and damaged goods in transit, demanding new risk management measures.
- **Regulatory Uncertainty:** Evolving energy regulations, import duties, and compliance requirements may affect operations and costs. Changes in tax laws and local content rules could also make financial forecasting unpredictable.
- **Intensifying competition** – Entry of low-cost competitors from Asia and Africa could reduce market share.
- **Economic volatility** – Inflation, currency fluctuations, and interest rate changes could affect affordability for customers and investment plans.

c. The macro environment analysis using PEST framework (Political, Economic, Social and Technological)

A PEST analysis is a framework used to assess the macro-environmental factors that can impact an organization like Revive tech Ltd. PEST stands for Political, Economic, Social, and Technological factors. It helps businesses understand the external environment they operate in, identify potential opportunities and threats, and inform strategic decision-making.

Figure 1: PEST analysis



- **Political:** Government incentives for clean energy and rural electrification were favorable. However, import tariffs and complex licensing procedures posed regulatory challenges.
- **Economic:** Inflation and exchange rate volatility increased operating costs. Disposable income in rural areas remained low, limiting product affordability.
- **Social factors:** Rising awareness of climate change and energy access boosted demand. but cultural preferences and low purchasing power may limit uptake in some areas.
- **Technological:** Advances in battery storage and IoT opened new innovation avenues to Revive tech Ltd. However, competition from cheaper Chinese imports intensified.
- **Technological factors:** Advances in battery storage and solar efficiency create opportunities for product differentiation, but may require significant capital investment to keep pace. (2 marks)

QUESTION TWO

Marking guide:

Qn 2	Description	Marks	Total Marks
a	Advise on how operations Manager Kanoza can apply leading and controlling to address issues at AKeza Ltd		
	Leading: <ul style="list-style-type: none"> • Motivating teams through positive reinforcement • Setting clear expectations and inspiring collaboration • Developing trust and commitment by being visible and approachable 	2	

	Controlling: <ul style="list-style-type: none"> Implemented KPIs (Key Performance Indicators) for each department Tracked attendance and productivity reports weekly Held monthly review meetings to assess progress and provide feedback 	2	
	<i>(Any 2 valid explanations for each managerial function (leading /controlling), award 2 each mark (2*2=4))</i>		
	Maximum Marks	4	
b	HRM element to support performance and staff satisfaction		
	Recruitment and selection, training and development, performance management, compensation and benefits, employees 'relations. Any 5 valid HRM element with correct explanation, award 2 marks each. (Any 5 *2 marks for each = 10 marks) . Marker can also consider other valid point identified by students not captured in the model answer		
	Maximum marks	10	
c	Identify any six (6) factors that can pose a threat to the successful operations of Akeza food Ltd		
	New and existing regulations, new and existing competitors, new technologies unstable political and legal systems in foreign markets, inflation or deflation. <i>(Any other correct answer identified; the figure does not add any marks to the student or punishment (1 Mark *6 for each) =6marks).</i>		
	Maximum marks	6	
	Total Marks		<u>20</u>

Model answers:

- a. Advise on how operations Manager Kanoza can apply the functions of leading and controlling to address performance issues at Akeza ltd

Leading: it is concerned with initiation of organized action and stimulating the people to work, communicating with employees, resolve conflicts and managing change. The manager (Kanoza) can direct the activities of people of the organization to get its function performed properly.

This can be through stimulating and motivating teams, setting clear expectations and inspiring collaboration as well as developing trust and commitment by being visible and approachable.

Controlling: In order to regain control over performance, Kanoza introduced measurable performance standards. She implemented KPIs (Key Performance Indicators), tracked attendance and productivity reports weekly and held monthly review meetings to assess progress and provide feedback.

b. Identify any Five (5) HRM elements introduced by Akeza Ltd to support better performance and staff satisfaction

Main Elements of Human Resource Management

To support better performance and staff satisfaction, AKeza Foods Ltd updated its **HRM strategy**. Key elements included:

- **Recruitment and Selection:** Improved job descriptions and introduced structured interviews to ensure cultural fit.
- **Training and Development:** Rolled out a staff training program focused on food safety, teamwork, and customer service.
- **Performance Management:** Introduced appraisals and goal-setting for each employee.
- **Compensation and Benefits:** Reviewed salaries and introduced small bonuses for team performance.
- **Employee Relations:** Established an HR helpdesk and regular employee feedback surveys.

c. Identify any six (6) factors that can pose a threat to the successful operations of a business organization

Threats to the successful operations include:

- New and existing regulations
- New and existing competitors
- New technologies
- Unstable political legal systems in foreign markets,
- Inflation or deflation
- Excessive increase of costs for materials,
- Increasing competition,
- Tight labor supply.

QUESTION THREE

Marking guide

Qn	Description	Marks	Total Marks
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a	Key governance elements that can be implemented at Ubaka engineering Ltd		
	Board oversight, transparency, risk management, code of conduct, stakeholder engagement (Any valid answer with correct explanation award 1 mark each. Consider other correct answers suggested by candidates not captured in the model answers (Any 5*1mark each =5Marks maximum.		
	Maximum Marks	5	
b.	Potential consequences of poorly implemented change		
	Employees reverting back, focusing on individual interest, poor performance of the company, skills gaps, skepticism about system. (Any five (5) valid and correct consequences identified, award 1 Mark each)		
	Maximum Marks	5	
c.	Base of power in the organization		
	Coercion, Expertise, Rewards, Legitimacy, Referent, Information.		
	Any five (5) base of power well explained award 2 Marks each. (Any 5 *2Marks each=10Marks)		
	Maximum Marks	10	
	Total Marks		<u>20</u>

Model answers:

a. Key governance elements that can be implemented at UBAKA engineering Ltd

- **Board Oversight:** Set clear roles between board and executive management to improve accountability.
- **Transparency:** Introduced monthly reports on project performance, finance, and staff productivity.
- **Risk Management:** Developed a risk register and contingency plans for high-risk projects.
- **Code of Conduct:** Rolled out an ethics policy addressing conflicts of interest, bribery, and workplace behavior.
- **Stakeholder Engagement:** Launched quarterly meetings with clients and suppliers to gather feedback and improve service delivery.

b. Potential consequences for management if a change program is poorly implemented

- Employees reverting back to old behaviours if they don't buy into the change.
- Individuals can become focused on their own interests and as a result teamwork and co-operation can suffer.
- The performance of the company in the marketplace suffers if it loses competitiveness.
- Employees may oppose change programs in the future if they feel that a previous change initiative was not a success
- Skill gaps and skepticism about the new digital system

c. The base of power in the organization like UBAKA engineering Ltd

- **Coercion** – this implies the threat of decreasing another's outcomes. The holder can apply punishment or sanction;
- **Expertise** – this is formal or specialized knowledge about particular issues or activities with an organization. The person with expertise has the status of an expert and thus is likely to be accurate;
- **Rewards** – this implies the promise of increasing the outcomes of the employer. The holder of this can give or withhold something desired;
- **Legitimacy** – The holder of this power is viewed as right in terms of the values of the one influenced; this is tantamount to authority. Authority is power based on rights of control and concomitant obligations to obey;
- **Referent power** – this is more interpersonal in nature than legitimacy. It means power based on identification with another. This is exemplified by the power of charismatic leaders who elicit deference and are accorded credibility by others. The individual influenced desires to model his/her behaviour to the source of influence; and
- **Information** - this consists of the access or opportunity actors have to gain information about the inner workings of the organization or about the relation of the organization to the environment. This information may or may not be related to the actor's level in the hierarchy of authority in the organization.

QUESTION FOUR

Marking guide:

Qn	Description	Marks	Total Marks
a	Ethical principles that are most at risk if Grace agrees to the CFOs request and impact to the profession		
	Integrity – She would be misrepresenting facts. Objectivity – Pressure from the client and the partner threatens her impartiality. Professional Behavior – Signing a misleading report damages public trust. Independence – Social ties between the partner and CEO create a conflict of interest.		

	Note: Consider other correct answers suggested by candidates not captured in the model answers (Any 4 points *1mark each =4marks maximum. Poorly explained factors are awarded 0.5 mark each).		
	Maximum Marks	4	
b	State any four (4) circumstances that create self-interest threats for a professional accountant		
	A member of the assurance team, a firm having undue dependence, close relationship with the client, fear to lose client, a member of audit team entering into employment negotiation, contingent arrangement with the client, fearing to disclose errors from previous professional accountant's firm (Any 4 points award 1mark for each =4Marks)		
	Maximum Marks	4	
c.	Theories of ethics best supports Grace's decision to issue a qualified opinion		
	<ul style="list-style-type: none"> • Deontology supports her duty to follow ethical rules and report honestly. • Utilitarianism also applies because misleading financial reports could harm banks, investors, and the public. • Virtue ethics would highlight the importance of moral courage and integrity in upholding professional standards. <p>Rights- Individuals may also bestow rights upon others if they have the ability and resources to do so.</p> <p>(Any 4 points award 2 marks for each= 8Marks)</p>		
	Maximum Marks	8	
d	Ethical obligations of a professional accountant.		

	Act independently, Report truthfully, maintain confidentiality (without concealing wrongdoing), Avoid conflicts of interest		
	<i>Any 4 valid award 1 mark for each = 1Mark</i>		
	Maximum Marks	4	
	Total Marks		<u>20</u>

Model answers:

a. Ethical principles that are most at risk if Grace agrees to the CFOs request and impact to the profession

- Integrity – She would be misrepresenting facts.
- Objectivity – Pressure from the client and the partner threatens her impartiality.
- Professional Behavior – Signing a misleading report damages public trust
- Independence – Social ties between the partner and CEO create a conflict of interest.

b. Identify any four circumstances that create self-interest threats for a professional accountant

- A member of the assurance team has a direct financial interest in the assurance client.
- A firm having undue dependence on total fees from a client.
- A member of the assurance team having a significant close business relationship with an assurance client.
- A firm is concerned about the possibility of losing a significant client.
- A member of the audit team is entering into employment negotiations with the audit client.
- A firm entering into a contingent fee arrangement relating to an assurance engagement

c. Explain any four (4) theories of ethics that best support Grace's decision to issue a qualified opinion and why?

- **Deontology ethical theory:** The deontological class of ethical theories states that people should adhere to their obligations and duties when engaged in decision making when ethics are in play. This means that a person will follow his or her obligations to another individual or society because upholding one's duty is what is considered ethically correct. The theory supports her duty to follow ethical rules and report honestly.
- **Utilitarianism:** Utilitarian ethical theories are based on one's ability to predict the consequences of an action. To a utilitarian, the choice that yields the greatest benefit to the most people is the one that is ethically correct. A rule utilitarian seeks to benefit the most people but through the fairest and most just means available. The theory also applies because misleading financial reports could harm banks, investors, and the public.

- **Rights ethical theories:** In ethical theories based on rights, the rights established by a society are protected and given the highest priority. Rights are considered to be ethically correct and valid since a large population endorses them. Individuals may also bestow rights upon others if they have the ability and resources to do so.
- **Virtue:** The virtue ethical theory judges a person by his/her character rather than by an action that may deviate from his/her normal behavior. It takes the person's morals, reputation, and motivation into account when rating an unusual and irregular behavior that is considered unethical.

d. According to ICPAR and IFAC (International Federation of Accountants), identify any four (4) ethical obligations of a professional accountant

The following are ethical obligations:

- Act independently
- Report truthfully
- Maintain confidentiality (without concealing wrongdoing)
- Avoid conflicts of interest

QUESTION FIVE

Marking Guide

Qn	Description	Marks	Total Marks
a.	The main components to include in the marketing section of a business plan		
	Market research and analysis, target market, unique selling proposition (USP), marketing Mix, marketing objectives, sales and distribution strategy. Note: Consider other correct answers suggested by candidates not captured in the model answers (Any 6 correct components with valid explanation award 1 mark each, for a correct explanation award 1 mark for each =6 marks maximum. Poorly explained factors are awarded 1 mark		
	Maximum Marks	6	
b.	Potential risks and mitigation measures.		
	Market risk, climate risk, operational risk, distribution risk. (Any 4 identified risks and mitigation measures *2marks=8Marks, Identified risk and poorly proposed mitigation measure award 1 mark.). Consider any other		

	valid risk and correct risk mitigation measure not identified in the answer model.		
	Maximum marks	8	
c.	The central criteria for market selection		
	Market size and growth potential, competitive landscape, customer needs and preferences, accessibility and distribution channels, entry barriers, regulatory and Political Environment, market risks. <i>(Any 6 criteria well explained award 1 mark each. Poorly explained criteria award 0.5mark.)</i>		
	Maximum Marks	6	
	Total Marks		<u>20</u>

MODEL ANSWER

a. Identify and explain to Mr Gatabazi any six (6) key components to include in the marketing section of a business plan.

The marketing section outlines how Mr. Gatabazi plans to attract and retain customers, promote his products, and gain a competitive edge. Key components include:

- **Market Research and Analysis:** This shows understanding of the target market and industry. Includes information on juice consumption trends in Rwanda and East Africa, customer demographics (e.g., health-conscious individuals, schools, supermarkets), and competitor analysis.
- **Target Market:** Defines the specific group of consumers he aims to serve. E.g., urban households, hotels, health stores, and regional markets like Kigali. This helps tailor marketing messages and distribution methods.
- **Unique Selling Proposition (USP):** Describes what makes his juice different or better. Could include “100% organic,” “locally sourced,” “no preservatives,” or “supporting elderly entrepreneurship.”
- **Marketing Objectives:** Provides measurable goals for marketing activities. E.g., “Increase brand awareness by 30% in 12 months” or “Secure distribution in 50 supermarkets within 2 years.”
- **Marketing Mix (4 Ps): This includes:**
 - **Product:** Description of the juice—flavors, ingredients, packaging, and sizes.
 - **Price:** Pricing strategy—cost-based, value-based, or market-competitive.

- **Place:** Distribution channels—retail shops, direct-to-consumer, online, or supermarkets.
- **Promotion:** Advertising and promotion tactics—social media, sampling, local markets, farmer expos, or partnerships.
- **Sales and Distribution Strategy.** It explains how the product will reach customers. It also includes direct sales, third-party distributors, or outsourcing logistics. If outsourcing, describe selection criteria and contracts.

b. Identify any four (4) potential risks Gatabazi business may face and propose mitigation measures.

- **Market Risk:** Demand for fruit juice may be lower than expected or fluctuate due to consumer preferences. **Market Risk Mitigation** can be to conduct continuous market research and diversify product lines (e.g., smoothies, dried fruits) to meet changing tastes.
- **Climate Risk:** Droughts or excessive rains may affect fruit yields, impacting juice production. **The risk mitigation** can be to invest in climate-smart farming practices—irrigation, water harvesting, and crop diversification.
- **Operational Risk:** Limited technical skills in managing juice production, quality control, or machinery breakdowns. Mitigation measure can be to hire skilled staff, undergo regular training, and implement a preventive maintenance schedule for equipment.
- **Distribution Risk:** Inexperience in logistics could lead to delays, spoilage, or failure to reach customers effectively. Mitigation measure can be to partner with experienced logistics companies and use refrigerated transport for freshness; start with smaller regions and scale gradually.

c. Advise Mr Gatabazi the central criteria for market selection, and why are they important when choosing a target market for a product or service?

The central criteria for market selection are factors used to evaluate and choose the most appropriate and profitable markets for a product or service. They include:

- **Market Size and Growth Potential:** The number of potential customers and how fast the market is expanding. A large, growing market offers better opportunities for sales and long-term success.

- **Competitive Landscape:** The number and strength of competitors. Entering a market with less competition or where you can offer a unique value gives a competitive advantage.
- **Customer Needs and Preferences:** Understanding whether the target market has a real need or desire for the product. The closer the product aligns with customer preferences, the higher the chance of acceptance.
- **Accessibility and Distribution Channels:** The ease of reaching customers through reliable distribution, infrastructure, and logistics. A market that's hard to access increases cost and complexity.
- **Regulatory and Political Environment:** Local laws, trade regulations, and political stability. A market with clear and supportive policies reduces risk and ensures smoother operations.
- **Market entry barriers:** In general, they define them as barriers which a company has to overcome if it wants to enter a certain market. In literature one can find different classifications of market entry barriers.
- **Market risk:** It refers to the possibility that Gatabazi's juice products may not perform well in the marketplace due to factors beyond his control. This can negatively impact sales, revenue, and the overall sustainability of the business.

QUESTION SIX

Marking guide:

Qn	Description	Marks	Total Marks
a	Two (2) basic requirements in business or tendering procedures Ingabire needs to meet		
	Tax clearance, Performance bond. <i>(Any 2 correct requirements or tendering procedures well explained award 2 marks for each. Any identified point but poorly explained point award 1mark).</i>		
	Maximum Marks	4	
b	The main challenges Ingabire faced in implementing business idea		
	Limited capital, legal and bureaucratic complexity, farmer skepticism toward technology, administrative burden. <i>(Any 4 identified challenges with explanation, award 2 Marks each = 8Marks).</i>		
	Maximum Marks	8	

c	The importance of innovation to Agritech solutions,		
	Solving problems, accessibility and inclusivity, scalability, competitive advantage, evolving workplace dynamics, Customers' changing tastes and preferences. <i>(Any 4 valid importance award 2 marks for each=8Marks)</i>		
	Maximum Marks	8	
	Total Marks		<u>20</u>

Model answer:

a. Outline two (2) basic requirements in business contracts or tendering procedures that Ingabire needed to meet and why?

- **Tax Clearance Certificate:** Agritech solution business must prove compliance with national tax obligations
- **Performance Bond:** This is a financial guarantee submitted with the tender to assure the government that Agritech Solution will fulfill the project as agreed. It protects the Ministry in case of non-performance or contract breach.

b. Using the study, explain any four (4) main challenges Ingabire faced in implementing business idea

- **Limited Capital:** She lacked sufficient funds to hire staff, invest in advanced technologies, or scale operations effectively.
- **Hiring Skilled Staff:** Recruiting and retaining tech-savvy or experienced employees was difficult, which could hinder product development and customer support.
- **Legal and Bureaucratic Complexity:** As a first-time entrepreneur, Ingabire struggles to navigate the tendering requirements like tax clearance, performance bonds, and contract compliance.
- **Farmer Skepticism Toward Technology:** Many rural farmers were unfamiliar or uncomfortable with digital tools, making it challenging to build trust and encourage adoption.
- **Administrative Burden:** Preparing a comprehensive business proposal, managing legal documents, and dealing with tendering procedures were time-consuming and overwhelming.

c. Identify and explain the importance of innovation to agritech solutions

Innovation is crucial to Agritech Solutions because it drives the effectiveness, uniqueness, and scalability of the business. Below are four key aspects, each with an explanation:

- **Problem-Solving:** Most ideas are actually derived from attempts to solve existing problems. As such, encouraging innovation, open doors for solutions to problems. In the case study, Agritech solution uses technology (SMS-based services) to solve real-world challenges that smallholder farmers face—such as poor access to weather data, market information, and agronomic advice. This helps farmers make better decisions, increase productivity, and reduce post-harvest losses.
- **Accessibility and Inclusivity:** By using SMS (which works on basic phones), the solution is accessible to rural farmers who may not own smartphones or have internet access. This help to ensure digital inclusion for underserved populations in rural areas.
- **Scalability:** The digital nature of the platform allows for rapid expansion to other regions without needing physical infrastructure. It enables Agritech solution to grow quickly and reach thousands of farmers at low cost.
- **Competitive Advantage:** By offering real-time updates and digital crop advice, Agritech solution differentiates itself to competitors.
- **Evolving workplace dynamics:** The demographics in the work place are constantly changing. With the new generation that has entered the market place; new trends are also coming up. Innovation in Agritech solution is therefore critical to ensure the smooth running of the company.
- **Customers' changing tastes and preferences:** The current customer has a great variety of products and services available to him and is well informed of his choices than before. The Agritech solution must therefore keep itself abreast with these evolving tastes and also forge new ways of satisfying the customer.

QUESTION SEVEN

Marking guide:

Qn	Description	Marks	Total Marks
a	Six (6) essential communication skills necessary for delivering an effective business presentation		
	Active listening, clear articulation, appropriate body language, audience engagement, ability to simplify complex information, clear and concise language, and confidence. (For any 6 skills stated, award 1mark for each. Consider other valid answer not captured in the guide. Any 6 correct answer award 1 each =6Marks)		
	Maximum Marks	6	
b	Technologies that can support electronic postal and money transfer		

	Internet and cloud computing, Mobile applications, Barcode and RFID tracking, Secure payment gateways, Blockchain (in some advanced postal systems) (Any 4 correct answer award 1mark for each=4 marks. Consider other correct answers).		
	Maximum Marks	4	
c	The barriers to effective communication		
	Poorly defined channel, organizational culture, personality clashes, inappropriate medium or presentation, jargon, communication underload or overload, communicator credibility, selective listening. <i>(Any valid five (5) barriers award 2mark for each. Any 5*2Marks for each =10Marks). Consider other correct answers not captured in the model answers).</i>		
	Maximum Marks	10	
	Total Marks		<u>20</u>

Model answers:

a. State any SIX (6) essential communication skills necessary for delivering an effective business presentation

Key skills include: active listening, clear articulation, appropriate body language, audience engagement, ability to simplify complex information, clear and concise language, active listening, confidence, and engaging storytelling.

b. List out any FOUR (4) technologies that can support electronic postal and money transfer services

The technologies that support electronic postal and money transfer include:

- Internet and cloud computing
- Mobile applications
- Barcode and RFID tracking
- Secure payment gateways
- Blockchain (in some advanced postal systems)

c. Explain any Five (5) barriers that may prevent an effective communication in the organization

- **Poorly defined Channels of Communications:** The organizational structure may hinder good communications. Managers and employees may not be aware of the information needs of other sections of the organization.
- **Organizational Culture:** The culture of the organization may not allow for sufficient opportunities for communication to take place. Meetings may be arranged infrequently and even then; they are not conducive to free speech and openness.
- **Personality Clashes:** Personality differences between individuals or rivalry between departments can stifle communications.
- **Inappropriate Choice of Medium or Presentation:** Information can be either too detailed or too generalized, or the information may not be expressed clearly. A medium such as written communication is more suitable for detailed communication, while verbal communication is more appropriate when persuasion and clarification are necessary.
- **Jargon:** Using technical language may make communication incomplete or incomprehensible to those unfamiliar with it.
- **Communication Overload or Underload:** Too much or too little information being communicated directly affects receiver comprehension. Too little generates a feeling of mistrust, while too much information may produce mental overload or stress.
- **Communicator Credibility:** The level of credibility a receiver assigns to a sender will affect how the receiver will react to the ideas suggested by the sender.
 - **Selective Listening:** Individuals tend to selectively perceive information that reaffirms their beliefs and filter out conflicting information.
 - **Withholding Information and Filtering:** The sender may withhold or manipulate information for to create a more favorable appearance. The communication may become distorted and meaningless if information is omitted.

END OF MARKING GUIDE & MODEL ANSWERS