

**CERTIFIED PUBLIC ACCOUNTANT**

**FOUNDATION 1 EXAMINATION**

**F1.4: BUSINESS MANAGEMENT, ETHICS AND  
ENTREPRENEURSHIP**

**THURSDAY, 6 DECEMBER 2012**

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**INSTRUCTIONS:**

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

*Attempt any five questions*

### **QUESTION ONE**

- a) List **five** factors that can act as a barrier to organizational change **(5 marks)**
  - b) What can be done to address the **five** barriers you have listed in (a) above **(15 marks)**
- (Total 20 marks)**

### **QUESTION TWO**

Michael Porter's framework states that competition in an industry is a composite of **five** competitive forces.

#### **Required**

Using examples describe each of the **five** forces? **(Total: 20 marks)**

### **QUESTION THREE**

Good governance is essential for business success. Discuss.

**(Total: 20 marks)**

### **QUESTION FOUR**

- a) Explain three different conditions under which managers make problem solving decisions. **(6 marks)**
  - b) Discuss the three specific needs proposed under David McClelland's acquired needs theory. **(6 marks)**
  - c) Describe four elements of an effective reward system that is required in an organisation to motivate behavior. **(8 marks)**
- (Total: 20 marks)**

### **QUESTION FIVE**

- a) Define the term management by Objectives (MBO) **(4marks)**
  - b) Management by Objectives involves a continuous cycle of interrelated activities. State and describe the various logical activities involved in MBO **(16 marks)**
- (Total 20 marks)**

### **QUESTION SIX**

The primary purpose of Communication in an organization is to achieve co-ordinated action, information and decision making.

#### **Required:**

Name and define the various elements in the Communication Process **(20 marks)**

## QUESTION SEVEN

A professional accountant acting in public interest shall observe and comply with *IFAC code of ethics for professional accountant*. The code of ethics has established five fundamental principles requirements of professional accountants.

**Required:**

a) List any three of the five principles of the *IFAC code of ethics for professional accountant*.

**(3 marks)**

b) Explain using examples the three principles listed in (a)

**(17 marks)**

**(Total 20 marks)**

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**End of question paper**