
CERTIFIED PUBLIC ACCOUNTANT

FOUNDATION LEVEL 1 EXAMINATION

F1.4: BUSINESS MANAGEMENT, ETHICS AND ENTREPRENEURSHIP

THURSDAY 5 DECEMBER 2013

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

You have been approached for an audit assignment. You have information that management manipulates financial statements to cover up fraud, or to portray financial position and performance in a more favorable light. As an accountant you are aware that accountants are hired by shareholders but may be fired by management. Given that accountants work closely with management in the course of performing audit, this may lead into too much familiarity consequently impairment of objectivity.

Required:

- List **five** possible measures you should take to safeguard before accepting any accounting practices or audit work. (5 Marks)
- List **five** possible safeguards created by the professional, legislature and regulators and five possible safeguards in the work environment that can help you to maintain your objectivity as a professional. (5 Marks)
- Explain **five** possible safeguards necessary in eliminating or reducing the conflict of interest that you may have. (10 Marks)

(Total 20Marks)

QUESTION TWO

- Decision-making is a key task of management. Discuss **six** steps of the rational model of decision making (12 Marks)
- Management control is crucial to managers. Highlight **five** uses of organizational control to managers. (5 Marks)
- Compare and contrast **tall** versus **flat** organization structures. (3 Marks)

(Total 20 Marks)

QUESTION THREE

- Leadership and management are different but compatible qualities that are both important to the organization. Discuss the differences between leadership and management. (12 Marks)
- Motivation can be described as the forces acting on or within an individual, which determine the direction as well as the strength of their behaviors'. Discuss the **four** elements to the motivational process. (4 Marks)
- Differentiate between **job enrichment** and **job enlargement** (4 Marks)

(Total 20 Marks)

QUESTION FOUR

- Forces for change exist in both the external and internal environment. Discuss six drivers of change in today's business world. (12 Marks)
- The price of a product is affected by both external and internal factors. Discuss. (8 Marks)

(Total 20 Marks)

QUESTION FIVE

- Using a suitable diagram, illustrate the matrix approach to structuring organizations (8 Marks)
- Describe the factors usually considered while choosing organizational structure. (8 Marks)
- Describe Zero based budgeting (**ZBB**). (2 Marks)
- Describe the duties of Company Auditors. (2 Marks)

(Total 20 Marks)

QUESTION SIX

- Describe the communication process (8 Marks)
- Describe the force field analysis of change (6 Marks)
- Describe the four elements of the marketing mix (6 Marks)

(Total 20 Marks)

QUESTION SEVEN

- The business plan is an important tool for the success of any business. Explain six reasons why as an entrepreneur one should develop a business plan. (6Marks)
- Discuss **eight** challenges faced by new business start-ups in Rwanda. (8Marks)
- Discuss **four** key sources of entrepreneurial finance available to a small enterprise. (4Marks)
- Distinguish between an **entrepreneur** and a small business owner. (2 Marks)

(Total 20 Marks)

End of question paper

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