

CERTIFIED ACCOUNTING TECHNICIAN
LEVEL 1 EXAMINATION
L1.3: BUSINESS MANAGEMENT, ETHICS AND
ENTREPRENEURSHIP
THURSDAY: 30 NOVEMBER 2017

INSTRUCTIONS:

1. **Time Allowed: 3 hours 15 minutes** (15 minutes reading and 3 hours writing).
2. This examination has **seven (7)** questions and only **five (5)** questions are to be attempted.
3. Marks allocated to each question are shown at the end of the question.
4. All iCPAR Examination rules and regulations apply.

Attempt any five questions

QUESTION ONE

“Recruitment is concerned with the accumulation of a pool of job candidates in line with the human resource plan. It can also be referred to as the discovery and development of the sources of required personnel so that sufficient number of candidates will always be available.”

REQUIRED:

(a) State and explain the recruitment process in an organization. **(10 Marks)**

(b) Explain the sources through which organizations seek to meet their recruitment needs.

(10 Marks)

(Total 20 Marks)

QUESTION TWO

Read the following passage and answer the questions that follow.

It is believed that a good reputation is hard to build, and easy to lose. Yet still, many people confuse their perception of self for reputation. A reputation is the way others look at us, not what we want them to see us as, so we cannot dictate it. A good reputation can be destroyed at any time, even on the first day or hour of meeting someone. So, this should be a point to ponder on for those seeking employment. Your good reputation is something you should start to build, right from the first day at work and continue to build and protect it throughout your career. If your reputation is good at the workplace, it will be easier for you to move in the direction of your dreams. Jackie Kankindi the manager of Rusizi Half Price Supermarket in Karongi district says that as a new employee, one should avoid something, such as telling secrets so quickly. Do not be loose with your tongue. This will protect you from many things. A tongue has power to build or destroy. Do not unnecessarily do things before running to your boss.

Kankindi also says that at the beginning as a wise employee, one needs to be tactful. Do not be “Mr. I know it all”. First watch and see how things are done at the workplace. Even when you are right or you know something. It would be wise to be humble and learn new things. Have a teachable position to help you be more adoptive and creative, she advises. She adds that one should have patience and not rush to ask for extra privileges. First earn something before you ask for it. This goes for respect from your co-workers and special privileges from a boss. One should show reliability and not ask for anything before earning it.

A new employee should communicate professionally. Be careful how you speak to your workmates and the jokes you make. Reason out something before it proceeds out of your mouth, sharing a so-called juicy story with a close workmate who lacks discretion. One should always keep the promises one makes to one's workmates and the boss. People expect you to know what you can or cannot handle at work. It is bad to agree to do something and you do not do it. It makes it worse when you do not communicate why you did not do it. They will not trust you again because you will be considered unreliable. One needs to be honest. Do not tell lies to your boss or co-workers because one day, the truth will come out. If you are entrusted with company money, be faithful, and then they will always trust you and count on you. One should not talk negatively about anyone unless one is facing them alone or in group where they have requested public criticism. If you cannot think about good things to say about someone, do not say anything at all. People who are constantly negative rarely have a positive reputation.

Adapted from: '*Job Mart*' April 24th 2017.

REQUIRED

- (a) Identify any **five** different forms of advice given in the passage to a person seeking to build a good reputation at the first job. **(10 Marks)**
- (b) Suggest any **three** reasons given as to why it is necessary to build a good reputation at the place of work. **(6 Marks)**
- (c) Mention any **two** forms of negative behaviour suggested in the passage and explain how they can destroy one's reputation at a new job. **(4 Marks)**

(Total 20 Marks)

QUESTION THREE

While tinkering with his iphone, Kirezi by mistake broke it. He then began searching online for repair centers. However, to his surprise, many other iphone owners faced the same problem and that Apple's warranty did not cover the repairs yet repairs were very expensive. Sensing an opportunity, Kirezi and his friend Muhire bought several broken iphones and taught themselves how to repair phones. Before long, they hired other repair workers and launched a website RapidRepair.com with Frw 2 million from their personal savings. Despite several obstacles, today the company employs 15 workers and receives 300 iphones and other small electronic gadgets each week. The company currently generates annual revenue of Frw 300 million. Kirezi and Muhire have a plan to expand their business but lack funding to do so. The humbly story of

the two friends shows that “entrepreneurs are simply those who understand that there is a small difference between obstacle and opportunity and are able to turn both to their advantage”.

REQUIRED:

- a) With evidence from the above story, demonstrate how Kirezi identified a business opportunity. **(3 Marks)**
 - (b) Describe the theory behind Kirezi’s entrepreneurial action and explain its assumptions. **(7 Marks)**
 - (c) Advise Kirezi and Muhire about alternative ways to raise funds to grow their business. **(10 Marks)**
- (Total 20 Marks)**

QUESTION FOUR

Gatanazi Rwanda Limited (GRL) is a construction firm located in Kibuye, in the western province of Rwanda. At GRL, CPA Paul Nsabimana is the finance manager. During his latest interview conducted by the Environmental Protection Agency of Rwanda, he stated that,

“.....Indeed construction firms like GRL are at a risk of legal suits due to unethical practices such as substandard quality of construction work, safety culture, payment woes, polluting the environment, corruption and most importantly, public accountability for money spent on public buildings and infrastructure. The effects of unethical practices have lasting impact detrimental to construction and engineering companies such as wasted tender expenses, tendering uncertainty, increased project costs, economic damage, blackmail, criminal prosecutions, fines, blacklisting and reputational risk. To reduce some of these legal suits and environment concerns, GRL has set up safeguards in the work environment to minimize the threats. The company is avoiding setting up factories in residential areas and it is also encouraging its employees to act professionally and ethically. Accountants at GRL are obliged to abide by the fundamental ethical principles.”

REQUIRED:

Explain the:

- (a) Fundamental ethical principles which CPA Paul Nsabimana meant in the interview referred to above. **(10 Marks)**
 - (b) Safeguards in the work environment which GRL should have implemented in order to minimize threats that affect compliance with fundamental principles. **(6 Marks)**
 - (c) Safeguards created by the profession, legislation or regulation. **(4 Marks)**
- (Total 20 Marks)**

QUESTION FIVE

“A distribution channel is a route from the producer of a good to the final consumer”

REQUIRED:

- a) Explain the various categories of distribution systems in a business. **(10 Marks)**
- b) Explain the factors that may hinder the performance of a marketing department in an organization. **(10 Marks)**
- (Total 20 Marks)**

QUESTION SIX

Bigirumwami and Company Advocates, a Law firm located in Gitarama in the south province of Rwanda is seeking for a suitable person to fill the position of a Front Desk Officer. The advertisement appeared in the New Times daily of 17July, 2017.

Requirements:

1. Diploma in Secretarial and Office Management.
2. Age: Not more than 35years.
3. Language proficiency in English, Kinyarwanda and Swahilli.

The candidate must display good knowledge of modern communication trends and ready to work with minimum supervision. Salary will be Frw 150,000 per month. Applications should be addressed to The Human Resource Manager, Bigirumwami & Company Advocates, P.O. Box 1172, Gitarama, deadline for Applications; 15August, 2017.

REQUIRED:

- (a) Write a letter applying for that job advertised, emphasizing that you are the right person to take it up. **(10 Marks)**
- (b) When applying for a job much of the required information may not be included in the application letter but can be attached in form of curriculum vitae.

REQUIRED:

Identify **any three** major components of curriculum vitae and explain their relevance when applying for a job. **(6 Marks)**

- (c) In the modern trends of using electronic media as a means of communication, face book, whatsApp and e-mail have become very popular.

REQUIRED:

Identify any **two** advantages of using e-mail over face book while sharing business ideas. **(2 Marks)**

- d) Internet communication technology has greatly improved global communication however; it comes with a lot of challenges which renders it very unreliable and not dependable as a means of communication.

REQUIRED:

Mention any **two** major challenges associated with using the Internet as a means of communication. **(2 Marks)**

(Total 20 Marks)

QUESTION SEVEN

According to Vision 2020, Entrepreneurship is a priority area on the development agenda of the Government of Rwanda. To achieve this, the Ministry of Trade and Industry designed the Private Sector Development Strategy (PSDS) that aims to accelerate inclusive economic growth through entrepreneurship education and training. But in spite of that, the general growth rate of entrepreneurial activity is still low in Rwanda.

REQUIRED:

- (a) Explain the relevance of entrepreneurship education and training to the people of Rwanda. **(6 Marks)**
- (b) (i) With the help of local examples, discuss the main obstacles to entrepreneurship growth in Rwanda. **(6 Marks)**
- (ii) Advise the Government of Rwanda on the relevant measures to address the obstacles identified in (b) above. **(8 Marks)**

(8 Marks)
(Total 20 Marks)

End of question paper

