
CERTIFIED PUBLIC ACCOUNTANT

FOUNDATION 1 EXAMINATION

F1.4: BUSINESS MANAGEMENT, ETHICS AND ENTREPRENEURSHIP

THURSDAY: 13 JUNE 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.

Attempt any five questions

QUESTION ONE

- a) To be an effective manager, one must have the necessary skills required to manage. Discuss three characteristics of effective manager or leader. **(6 marks)**
- b) Outline **five** mistakes that managers make. **(5 marks)**
- c) Fredrick Taylor emphasized the need to take a more scientific and systematic approach to management. Discuss the main elements of Fredrick Taylor's approach. **(9 marks)**

(Total 20marks)

QUESTION TWO

- a) Describe the stages involved in the process of strategic planning. **(10 marks)**
- b) Highlight **five** characteristics of effective control systems in an organization . **(5 marks)**
- c) The structure of an organization depends on a variety of contingency factors. Outline **five** factors involved in the choice of the structure. **(5 marks)**

(Total 20marks)

QUESTION THREE

- a) Outline **four** dominant characteristics of a Bureaucratic leadership style. **(4 marks)**
- b) Discuss Alderfer's ERG motivation theory. **(6 marks)**
- c) Team conflict can have detrimental effect on team performance and morale and therefore needs to be carefully managed. Outline **five** causes of conflict within teams. **(5 marks)**
- d) A variety of approaches are available to managers and team leaders for handling conflict situations. Discuss the **five** styles which are available to managers when dealing with conflict. **(5 marks)**

(Total 20marks)

QUESTION FOUR

- a) Discuss the stages of communication process. **(10 marks)**
- b) Outline **ten** barriers of effective communication in an organization. **(10 marks)**

(Total 20marks)

QUESTION FIVE

- a) (i) Outline **four** stages of product lifecycle. **(4 marks)**
(ii) Discuss the appropriate strategies for managing products at each stage. **(8 marks)**
- b) Outline **four** advantages of using television as a medium of advertising goods and services. **(4 marks)**
- c) Most companies are building commercial sites on the web to achieve business value. List **four** business values that a company can gain from using the internet. **(4 marks)**

(Total 20marks)

QUESTION SIX

- a) Discuss the need for financial planning in an organization. **(4marks)**
- b) Describe **three** short term sources of finance for organizations. **(6 marks)**

c) Explain the stages involved in the process of recruitment and selection of employees in an organization. **(10 marks)**

(Total 20marks)

QUESTION SEVEN

a) List **five** advantages of using application packages over custom built systems in a business. **(5 marks)**

b) Highlight **five** factors that make the computerized environment vulnerable to risks and threats. **(5 marks)**

c) Explain **five** threats that may compromise a professional accountant's compliance with the fundamental principles. **(10 marks)**

(Total 20marks)

End of question paper

