



CERTIFIED PUBLIC ACCOUNTANT

FOUNDATION LEVEL 1 EXAMINATIONS

F1.4: BUSINESS MANAGEMENT, ETHICS AND
ENTREPRENEURSHIP

DATE: MONDAY 26, FEBRUARY 2024

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** should be attempted.
3. Marks allocated to each question are shown at the end of the question.
4. The question paper should not be taken out of the examination room.

QUESTION ONE

You are a newly appointed manager in a fast-growing construction company based in Rwamagana district, Rwanda. The company has secured a major infrastructure project and is expanding its workforce to meet the demands. As the manager, you are tasked with overseeing both the construction operations and the human resources aspect of the company.

Required:

- (a) **Discuss how your role as a manager in the construction company can positively impact the success of the infrastructure project.** (10 Marks)
 - (b) **Examine five operational functions of human resource management to an organisation.** (10 Marks)
- (Total: 20 Marks)**

QUESTION TWO

You are an intern at a prominent mining company operating in Rwanda. The company has recently discovered a valuable mineral deposit, and the exploration phase is underway. As part of the team, you come across information that suggests potential environmental concerns related to the mining activities. Additionally, your company is also being audited by an independent audit firm. Your company's management has requested the auditors to provide valuation, taxation, and legal services in addition to examining financial statements.

Required:

- (a) **State four factors to consider in deciding whether to disclose confidential information.** (4 Marks)
 - (b) **Recommend seven steps your company can take to better protect confidential information.** (7 Marks)
 - (c) **State one ethical threat that could potentially result from auditors providing the following services and suggest two safeguards for each threat.**
 - (i) **Valuation services** (3 Marks)
 - (ii) **Taxation services** (3 Marks)
 - (iii) **Legal services** (3 Marks)
- (Total: 20 Marks)**

QUESTION THREE

You are a budding entrepreneur in charge of an agribusiness company situated in the Gicumbi district of Rwanda. Your company specializes in organic farming and has been successful in producing high-quality crops for the local market. Now, you are contemplating expansion and seeking external funding to support your growth initiatives and you are required to prepare a business plan to help you secure funding for your growth initiatives.

Required:

- (a) Explain any five components you will include in your business plan. (10 Marks)
 - (b) Discuss five risks you are likely to face in your attempt to expand your agrobusiness company and their mitigation strategies. (10 Marks)
- (Total: 20 Marks)**

QUESTION FOUR

You are strategic advisor for an electronics company based in Kayonza district. The company has been steadily growing its market share but is considering potential mergers and acquisitions (M&A) as part of its expansion strategy. The goal is to strengthen its position in the market and diversify its product offerings.

Required:

- (a) Distinguish between mergers and acquisitions. (2 Marks)
 - (b) Identify and briefly describe five types of mergers. (10 Marks)
 - (c) Explain four advantages of Mergers and Acquisitions. (8 Marks)
- (Total: 20 Marks)**

QUESTION FIVE

You are a business consultant working with a food retail company based in Nyanza district. The company has been successful in its local operations and is contemplating expanding through the establishment of franchises. Additionally, there is a growing interest within the company's leadership to explore business integration strategies to further strengthen its supply chain and operations.

Required:

- (a) Discuss six requirements before a franchise is awarded. (12 Marks)
 - (b) Propose and explain specific integration strategies that the food retail company could adopt to enhance its supply chain and overall operations. (8 Marks)
- (Total: 20 Marks)**

QUESTION SIX

You are a marketing consultant working with Ambara Company, a clothing retail company situated in Karongi district. Ambara Company has been operating successfully for several years, catering to a diverse customer base. However, the company is now looking to enhance its customer relationships and make more informed marketing decisions through effective Customer Relationship Management (CRM) and Marketing Research strategies.

Required:

- (a) Examine five advantages of implementing Customer Relationship Management (CRM) strategies for Ambara Company. (10 Marks)**
 - (b) Explain five types of marketing research which can be used Ambara Company. (10 Marks)**
- (Total: 20 Marks)**

QUESTION SEVEN

Shikama Ltd, a software development company located in Nyanza district, has gained local recognition for its innovative software solutions. The company is now considering expanding its market reach and is also concerned about protecting its business ideas and addressing security issues related to its software products.

Required:

- (a) Discuss five factors that Shikama Ltd should consider when assessing and selecting a suitable market for its software products. (10 Marks)**
 - (b) Explain five methods which Shikama Ltd may use to protect its business idea. (10 Marks)**
- (Total: 20 Marks)**

End of question paper