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**CERTIFIED PUBLIC ACCOUNTANT**  
**FOUNDATION LEVEL 1 EXAMINATIONS**  
**F1.4: BUSINESS MANAGEMENT, ETHICS AND**  
**ENTREPRENEURSHIP**  
**DATE: MONDAY 26, MAY 2025**  
**MARKING GUIDE AND MODEL ANSWERS**

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## QUESTION ONE

### Marking guide:

QN	Description	Marks	Total Marks
1. (a)	<b>Unethical advertising and promotion tactics that may create customer mistrust of her business</b>		
	False advertising	1	
	Portraying hurtful stereotypes	1	
	Misusing customer data	1	
	Negative advertising	1	
	Advertising misleading pricing	1	
	Predatory promotion	1	
	<i>Any advice should have a clear explanation. A poorly explained advice award 1 mark.</i>		
	<b>Maximum marks</b>	<b>6</b>	
(b)	<b>The benefits of Customer Relationship Management to an organization</b>		
	Better client relationships	1	
	Improved ability to cross-sell:	1	
	Increased team coloration	1	
	Improved efficiency in serving clients	1	
	Greater staff satisfaction	1	
	Increased revenue and profitability	1	
	Cost savings	1	
	<b>Maximum Marks</b>	<b>6</b>	
(c)	<b>The benefits of successful marketing strategies</b>		
	It promotes awareness among the public	2	
	It helps in boosting sales	2	
	It builds the company's reputation	2	
	It helps in fostering healthy competition	2	
	<b>Maximum Marks</b>	<b>8</b>	
	<b>Total Marks</b>		<b>20</b>
<i>Note: Any 4 benefits identified and well discussed award 2 mark each, any poorly benefit discussed award 1 mark. Marker must consider other valid point identified and discussed by students not captured in the model answer .</i>			

## Model answers

### a. The unethical advertising and promotion tactics that may create customer mistrust her business

- **False advertising:** False advertising happens when a company overstates or embellishes the benefits of its products and services. Overpromising can be harmful to gaining customers' trust.
- **Portraying hurtful stereotypes:** When creating a message, consider if you are targeting a specific market or a stereotype. Examples of stereotypes include gender roles, race, and age.
- **Misusing customer data:** You might not even know that you are misusing your customer data. Third-party vendors may also be using this data without your knowledge, but customers will fault your business whether you are aware of the issue or not.
- **Negative advertising:** Competition is a part of business, but you should never advertise the negatives of other companies to try to win their business. This type of negative advertising -- or smear tactic can be unethical. For example, discrediting a competitor to gain new customers may do the opposite. Customers may lose respect for your company.
- **Advertising misleading pricing:** There are some marketing issues involving price hikes and predatory promotions. When businesses artificially inflate prices either during a high-demand time or sale promotion, this is known as *price hiking*.
- **Predatory promotion:** It is the practice of promoting extremely low prices to attract customers, stealing them away from the competition. These advertised prices are typically so low that the competition can't beat the price, so customers leave for a better deal. After the customer signs on, the business returns to its normal pricing.

### b. The benefits of Customer Relationship Management to an organization

- **Better client relationships.** The more you know and remember about clients (or customers), the more your clients know you care about them. This enables you to forge a much stronger connection and a deeper relationship with your clients.
- **Improved ability to cross-sell:** The more you know about your clients' needs and wants, the better able you are to provide the solution to their next problem.
- **Increased team coloration:** This is where many firms that fail to require their executives to use the CRM fail to reap the benefits of the CRM. I know this from having managed the implementation of CRM software where the management team thought it was a good idea but would not learn, or use, the tool themselves.
- **Improved efficiency in serving clients:** Again, the more you know about clients, the better able you are to serve them. If everyone is using the CRM to record their customer interactions, every client interaction, then others are able to serve the client with the knowledge of what has been previously discussed with the client.
- **Greater staff satisfaction:** The more knowledge your employees have, the more empowered and engaged they are. Having an accurate and up-to-date CRM that everyone uses and has access to helps employees solve client problems. Doing so makes employees and clients happy.

- **Increased revenue and profitability:** Once everyone learns and uses the CRM, productivity increases, sales cycles decrease, you have the ability to provide additional products and services to clients, and client satisfaction increases.
- **Cost savings:** While the start-up of a CRM software is expensive and time-consuming, over time the benefits far outweigh the costs. Members of the sales team are able to better schedule meetings with prospects in the same geographic area.

**c. The benefits of establishing successful marketing strategies in an organization**

- **It promotes awareness among the public** – the consumers get the opportunity to know about the various products that are available in the market. Imagine how you would come to know about, let's say, the latest mobile phones, without advertising or marketing.
- **It helps in boosting sales** – apart from public awareness, advertising also helps to boost revenue growth. Whatever your business might be selling, it will obviously generate sales once the people come to know about it through TV advertisements and commercials, billboards, newspaper advertisements, etc. The more people see and hear about a new product, the more they will be interested in buying.
- **It builds company reputation** – that is, it helps in creating brand name recognition. That is a technique by which consumers associate the brand name with the images and captions that they see and hear in advertisements.
- **It helps in fostering healthy competition** – consumers are the ultimate beneficiaries who, because of this competition among different brands, can demand high quality and low price. It also helps in generating revenue for many other companies, either directly or indirectly. For example, advertising, which is an integral part of marketing, influences television, magazines, and local and national newspapers.

## QUESTION TWO

### Marking guide

Qn 2	Description	Marks	Total Marks
a	<b>Identify and explain the levels of management and managerial skills needed at each level</b>		
	Senior management/strategic level	1	
	Middle management/tactical level	1	
	Front line management/operational level	1	
	At each level there is specific skill required. Any correction answers (1mark for each identified level, 1mark for each level well explained, 1mark for each skill, (3*3=9)	6	

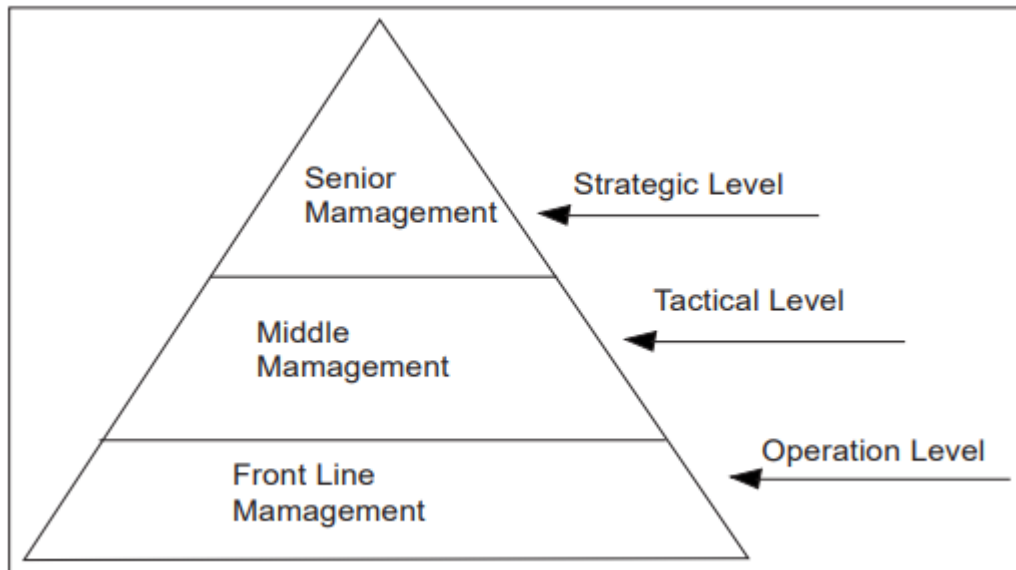
<b>Qn 2</b>	<b>Description</b>	<b>Marks</b>	<b>Total Marks</b>
	<b>Maximum Marks</b>	<b>9</b>	
<b>b</b>	<b>Explain the characteristics of a good manager in today's business environment</b>		
	Leadership, experience, communication, knowledge, organization, reliability. delegation and time management. Any other valid and correct answer with explanation ( <b>any 4 *2 marks for each = 8 marks</b> ).		
	<b>Maximum marks</b>	<b>8</b>	
<b>c</b>	<b>Identify any six (6) factors that can pose a threat to the successful operations of a business organization</b>		
	New and existing regulations, new and existing competitors, new technologies unstable political and legal systems in foreign markets, inflation or deflation. Any other correct answer identified; the figure does not add any marks to the student or punishment ( <b>0.5 Mark *6 for each</b> ) =3marks		
	<b>Maximum marks</b>	<b>3</b>	
	<b>Total Marks</b>		<b><u>20</u></b>

### **Model answers:**

- a. **Identify and explain the levels of management and managerial skills needed at each level**
- **Senior management/senior level:** Senior management is concerned with strategic issues such as the mission and direction they will take into the future. They must make and implement strategic decisions and communicate these decisions to relevant parties such as the shareholders and customers. Senior managers include the Chairperson, Chief Executive, Directors and members of the Board. Senior management needs all management skills, but they are of greater importance in conceptual skills.
  - **Middle Management/Tactical level:** Middle management operates at a tactical level, translating strategic direction and organizational goals into tangible, achievable objectives for their division. Middle management acts as a link between the strategic level and the operational level. Examples of middle managers include Plant and Operations managers. Managers at this level need more human skills to motivate, lead, communicate, and resolve conflict.
  - **Front Line Management/operational level:** This level of management, which is also referred to as “Supervisory Management” and “Operations Management”, is responsible

for directly managing and supervising employees. Technical skills are more important at lower levels of management.

**Figure 1: Three levels of management**



**b. Explain the characteristics of a good manager in today's business environment**

- **Leadership:** In order to be an effective manager, you need to be able to lead your employees in an efficient manner. A lot of responsibility comes with being a manager, and being able to lead a team is required.
- **Experience:** If you don't have experience working in a professional environment and leading a team, it will be hard to step up as a manager. A great way to gain experience in a management role is to volunteer, either within your field or with a nonprofit. Ask to help manage and produce events, whether it's raising money for an organization or organizing an event.
- **Communication:** Being able to communicate with your team is required when being an effective manager. This not only means communicating job responsibilities and expectations, but it also means listening to your team and working with them to produce results within their position.
- **Knowledge:** Experience as a manager is a must, but so is knowledge. There are many different degrees offered for managers, including a bachelor's degree in business or a master's degree in leadership or project management. You can also get a certificate in project management, entrepreneurship, ethics, or human resource management.
- **Organization:** If you aren't organized in your position, there's a good chance that the employees you manage won't be either. There are many resources online that can inspire you to get organized. You can also buy a personal planner or download an app on your phone that can remind you of meetings, tasks you need to complete every day, etc.
- **Time Management:** Another key factor in being a successful manager is time management. If you're late every day, your employees might think it's acceptable to also be late.

- **Reliability:** A manager who is leading a team has to be reliable. This means being available for your employees, getting things done that you said you would, and supporting your team however needed.
- **Delegation:** If you don't know how to delegate projects and tasks, your role as a manager will be a lot more difficult. Don't be afraid to ask your employees to help complete a task. You might think it's easier to do everything yourself, but this will add more time to your already busy schedule, and you won't be allowing your employees to do what they were hired to do.

**c. Identify any six (6) factors that can pose a threat to the successful operations of a business organization**

Threats to the successful operations include:

- New and existing regulations
- New and existing competitors
- New technologies
- Unstable political legal systems in foreign markets,
- Inflation or deflation
- Excessive increase of costs for materials,
- Increasing competition,
- Tight labor supply.

### QUESTION THREE

#### Marking guide

Qn	Description	Marks	Total Marks
a	<b>Identify any four (4) characteristics of a successful entrepreneur</b>		
	Total commitment, determination, and perseverance, A drive to achieve and grow, Opportunity and growth orientation, Willingness to take initiative and personal responsibility, Persistence when problem solving, Low need for status and power, calculated risk taking, and risk seeking. Any valid answer with correct explanation. Consider other correct answers suggested by candidates not captured in the model answers (Any 4 *1mark each =4marks maximum.		
	<b>Maximum Marks</b>	<b>4</b>	
b.	<b>Explain the importance of innovation in the business</b>		

Qn	Description	Marks	Total Marks
	Solving problems, adapting to change, maximizing globalization, facing the competition, evolving workplace dynamics, and Customers' changing tastes and preferences. (Any 4 valid answers with correct explanation are awarded 2 marks each; if not appropriately explained, award 1 mark. Consider other correct answers suggested by candidates not captured in the model answers).		
	<b>Maximum marks</b>	<b>8</b>	
<b>c</b>	<b>Explain the entrepreneurial skills needed to succeed in the business</b>		
	Any 4 valid entrepreneurial skills with an explanation award 2 marks each.		
	<b>Maximum Marks</b>	<b>8</b>	
	<b>Total Marks</b>		<b><u>20</u></b>

### Model answers:

#### a. Characteristics of a successful entrepreneur

- Total commitment, determination, and perseverance
- A drive to achieve and grow
- Opportunity and growth orientation
- Willingness to take initiative and personal responsibility
- Persistence when problem solving
- Low need for status and power
- Calculatedly risk-taking and risk-seeking

#### b. Importance of innovation in the organization

- **Solving problems:** Most ideas are actually derived from attempts to solve existing problems. As such, when you encourage innovation, you are opening doors for solutions to problems both within and outside your company. If your business provides services, you might realize that your customer do not have an avenue to share their opinions, complaints, and compliments.
- **Adapting to change:** This is especially evident in the technological world, where there are rapid changes defining the business. Change is inevitable, and innovation is the method to not only keep your business afloat but also ensure that it remains relevant and profitable. With the rise in mobile phones, traditional telephones had to find ways to remain relevant. Same case with your business, when you develop an innovation culture, you remain relevant at all times.
- **Maximizing on globalization:** With markets all over the world becoming more interlinked, greater opportunities are emerging in these new markets and with that, new needs and challenges. For instance, China and India are estimated to be the leading



markets, and Africa is predicted to be the next “hot spot”. Therefore, if your company hopes to tap into this market share, innovation is a must to enable you to capitalize on the opportunities opening up.

- **Facing up to the competition:** The corporate world is always very competitive, and with many new companies coming up, the top position in the industry is no longer a preserve of a few. To retain or establish your company’s cutting edge, you can compete strategically by having a dynamic business that is able to make strategic and innovative moves and thus cut above the rest.
- **Evolving workplace dynamics:** The demographics in the workplace are constantly changing. With the new generation that has entered the marketplace, new trends are also coming up. Innovation is therefore critical to ensure the smooth running of the company.
- **Customers’ changing tastes and preferences:** The current customer has a great variety of products and services available to him and is better informed about his choices than before. The company must therefore keep itself abreast with these evolving tastes and also forge new ways of satisfying the customer

c. **Explain and four (4) entrepreneurial skills needed to succeed in the business**

- **Ability to Plan:** The ability to plan is a key skill for entrepreneurs. They must be able to develop plans to meet goals in a variety of areas, including finance, marketing, production, sales, and personnel (hiring and maintaining productive and satisfied employees).
- **Communication Skills:** Entrepreneurs should be able to explain, discuss, sell, and market their goods or services. It is important to be able to interact effectively with your business team. Additionally, entrepreneurs need to be able to express themselves clearly both verbally and in writing. They also should have strong reading comprehension skills to understand contracts and other forms of written business communication.
- **Marketing Skills:** A business’s success or failure is very dependent on whether the business reaches the market (its potential customers), interests the market, and results in those in the market deciding to buy. Good marketing skills that result in people wanting to buy your goods or services are critical for entrepreneurial success
- **Interpersonal Skills:** Entrepreneurs constantly interact with people, including customers and clients, employees, financial lenders, investors, lawyers, and accountants, to name a few. The ability to establish and maintain positive relationships is crucial to the success of the entrepreneur's business venture. Basic
- **Management Skills:** The entrepreneur must be able to manage every component of a business. Even if entrepreneurs hire managers to attend to daily details, they must understand if their business has the right resources and if those resources are being used effectively. In order to handle the pressures of their busy lifestyles, entrepreneurs must have the ability to manage time well and to take care of personal business efficiently.
- **Team Building Skills:** Because entrepreneurs usually assemble a team of skilled people who help them achieve business success, they must be able to effectively develop and manage the team.

- **Leadership Skills:** One of the most important leadership skills an entrepreneur must have is the ability to develop a vision for the company and to inspire the company employees to pursue that vision as a team.

## QUESTION FOUR

### Marking guide:

Qn	Description	Marks	Total Marks
a	<b>Explain any four (4) underlying reasons for business organizations to be involved in Corporate social responsibility</b>		
	Public Image, Government Regulation, Survival and Growth, Employee Satisfaction, Consumer Awareness Any valid answer with correct explanation. Note: Consider other correct answers suggested by candidates not captured in the model answers (Any 4 points *1mark each =4marks maximum. Poorly explained factors are awarded 1 mark each		
	<b>Maximum Marks</b>	<b>4</b>	
b (i)	<b>State any four (4) circumstances that create self-interest threats for a professional accountant</b>		
	A member of the assurance team, a firm having undue dependence, close relationship with the client, fear to lose client, a member of audit team entering into employment negotiation, contingent arrangement with the client, fearing to disclose errors from previous professional accountant's firm  <b>Any 4 points award 1mark for each =4Marks</b>		
	<b>Maximum Marks</b>	<b>4</b>	
(ii)	<b>Advise on the measures a professional Account could use to avoid the conflict of interest</b>		
	Use separate team, secure data filing, clear guidelines, confidentiality agreements, regular review. <b>Any 3 points award 2 marks for each= 6Marks</b>		

Qn	Description	Marks	Total Marks
	Maximum Marks	6	
(iii)	<b>Identify how a professional accountant would be impacted by self-interest threat to his independence in financial reporting.</b>		
	Create self-review threat, unbiased opinion, undue influence from the partners, lack of trust		
	Any 4 valid award 1.5 marks for each=6Marks		
	<b>Maximum Marks</b>	<b>6</b>	
	<b>Total Marks</b>		<b><u>20</u></b>

#### Model answers:

##### a. Explain the underlying reasons for business organizations to be involved in Corporate social responsibility

- **Public Image:** CSR creates a positive brand image in the minds of potential consumers. Effective communication of CSR activities boosts the purchase intentions of prospective consumers. Businesses can earn goodwill and reputation by performing activities for the welfare of society. People prefer to purchase products of the company that engage in various social welfare programs.
- **Government Regulation:** Most companies prefer to remain a step ahead of government regulations in identifying the social needs and formulating policies to address them, out of the fear that if they don't, the government may take the responsibility, which might prove costly for the employers. To avoid government regulations, businessmen should discharge their duties voluntarily.
- **Survival and Growth:** Every business is a part of society. It utilizes the available resources of power, land, water, etc. of the society. Therefore, it should be the responsibility of every business to spend a part of its profit for the welfare of society.
- **Employee Satisfaction:** Besides getting a good salary and working in a healthy atmosphere, employees also expect other facilities like proper accommodation, transportation, education, and training
- **Consumer Awareness:** Nowadays, consumers have become very conscious about their rights. They protest the supply of inferior and harmful products by forming different groups. This has made it obligatory for businesses to protect the interests of consumers by providing quality products at competitive prices.

##### b. (i) Identify any four circumstances that create self-interest threats for a professional accountant

- A member of the assurance team has a direct financial interest in the assurance client.

- A firm having undue dependence on total fees from a client.
- A member of the assurance team having a significant close business relationship with an assurance client.
- A firm is concerned about the possibility of losing a significant client.
- A member of the audit team is entering into employment negotiations with the audit client.
- A firm entering into a contingent fee arrangement relating to an assurance engagement

**(ii) Advise on the measures a professional Accountant could use to avoid the conflict of interest.**

- The use of separate engagement teams
- Procedures to prevent access to information – e.g., secure data filing
- Clear guidelines to members of the engagement team on issues of security and confidentiality
- Confidentiality agreements by employees and partners of the firm
- Regular review of the application of safeguards by a senior individual not involved with relevant client engagements

**(iii) Advise how a professional accountant would be impacted by a self-interest threat on his independence in financial reporting.**

- It creates a self-review threat, especially when reviewing reports prepared by one of the professional accountant firms
- It is not easy for an accountant to provide unbiased opinions about financial performance and errors in the books of accounts, thus a lack of credibility of the financial reports
- Partners may impose undue influence on the accountant 's independence to provide a favorable opinion
- Professional accountant may lead to a lack of trust or assurance of the financial reports

## QUESTION FIVE

### Marking Guide

Qn	Description	Marks	Total Marks
a.	<b>Explain any FOUR factors that influence the growth of Business Enterprises</b>		
	Customer loyalty, smart adoption of technology, commitment to employee training, social responsibility, and leadership. <b>Note:</b> Consider other correct answers suggested by candidates not captured in the model answers (Any factor award 1 mark each, for a correct explanation award 1mark for each =8 marks maximum. Poorly explained factors are awarded 1 mark		

Qn	Description	Marks	Total Marks
	<b>Maximum Marks</b>	<b>8</b>	
b.	<b>Identify and explain the growth stage of a business life cycle and state the challenges faced by an entrepreneur at each stage</b>		
	Introduction stage, growth stage, expansion stage, maturity stage, and decline stage. Note: Any identified stage award 1mark, any valid explanation award 0.5 mark, any challenge 0.5= 5 stages *2 Marks=10marks.		
	<b>Maximum marks</b>	<b>10</b>	
c.	<b>Identify any two (2) types of business integration and for each types identify one advantage</b>		
	Horizontal integration, Vertical integration, Forward integration, Backward integration, Conglomerate integration.  <b>Any 2 types award 0.5 mark each, and award 0.5 for each advantage identified = 2marks in total</b>		
	<b>Maximum Marks</b>	<b>2</b>	
	<b>Total Marks</b>		<b><u>20</u></b>

## MODEL ANSWER

### a. Explain the factors that influence the growth of Business Enterprises

- **Customer Loyalty:** When company leaders strategize about sales growth, the focus is often on how to bring in new customers. While it is important to increase brand awareness and expand your customer base, you must also work to increase sales potential with your current customers. Look for opportunities to grow your profits with the customers you already have through add-on sales, customer loyalty programs, and referral business.
- **Smart Adoption of Technology:** Technology is like fertilizer for the growth of your business. It can help you tackle tasks more efficiently, save on labor costs, and streamline processes. The challenge comes with selecting the right technology tools for your specific business goals. Proper alignment with the various facets of your business strategy is key. Look at ROI from multiple angles when choosing technology partners.
- **Commitment to Employee:** Business growth doesn't occur in a vacuum. All your employees must have a standard baseline of knowledge from which they cultivate their own growth. This requires an online training platform that meets your needs today and can grow with you. By training online, you ensure consistent knowledge transfer to everyone, and you can customize learning paths for each employee.

- **Social Responsibility:** You may not see the direct line between social responsibility and business growth, but think of it this way: you get back what you put out. When your company adopts policies of social responsibility, you're impacting your community – and therefore your customers – in a positive way.
  - **Leadership:** Just like what we see in nature during springtime, growth starts way below the surface. How your employees perceive you and your company's mission determines their motivation to help you reach your goals. As a leader, you must pave the way to success for everyone.
- b. Identify and explain the growth stage of a business life cycle and state the challenges faced by an entrepreneur at each stage**
- **Development/seed stage:** The first stage of the product life cycle, which involves designing and developing a product before being launched for sale. At this stage, when you are determining whether the business idea that you had is worth pursuing, it will be the birth of your new business. The main challenges are: Business Idea Profitability, Market Acceptance, Establishing Business Structure, and Accounting Management
  - **Start-up stage:** when the product is launched onto the market for sale. It usually requires a huge investment in promotion and advertising to sustain sales. It is, however, frequently a high-spending period for the company, with no guarantee that the product will pay for itself through sales. The challenges: Managing Cash Reserves, Managing Sales Expectations, Accounting Management, Establishing Customer Base, and Establishing Market Presence.
  - **Growth / Survival Stage:** when sales increase rapidly, with the product becoming well known to the market. This is also when you need to fine-tune your business model and implement proven methodologies, sales model, marketing model, and operations model before expanding your venture for the mass market. The challenges include: Dealing with Increasing Revenue, Dealing with Increasing Customers, Accounting Management, Effective Management, and Market Competition.
  - **Maturity stage:** when the sales revenues are at, or near, their minimum with minimal or no more scope for growth, ie. sales become saturated. Therefore, your business will experience a rapid growth in revenue and cash flow. The rapid growth stage takes advantage of the proven sales model, marketing model, and operations model set forth by your growth/survival. The challenges include: increasing Market Competition, Accounting Management, Moving into New Markets, Adding New Products/Services, and Expanding Existing Business.
  - **Decline stage:** During the decline stage, the product's sales and profitability begin to decline. This is primarily because other innovative or substitute products that meet customer needs better than the current product have entered the market. The challenges include: Increasing Market Competition, Accounting Management, Moving into New Markets, Adding New Products/Services, Expanding Existing Business, and Exit Strategy.

**c. Identify any two (2) types of business integration and its advantages in the business**

- **Horizontal integration.** Horizontal integration occurs when an organization acquires a company that does related business at a similar supply chain level. Undergoing horizontal integration can benefit companies and typically takes place when they are competing in the same industry. The advantages include increasing market share, reducing competition, and creating economies of scale.
- **Vertical integration** It involves acquiring or developing one or more important parts of a company's production process or supply chain. The goal of vertical integration is typically to increase sales, eliminate costs, and improve profits through better control over business operations
- **Forward integration:** Forward integration is a business strategy that involves expanding a company's activities to include the direct distribution of its products. Forward integration is colloquially referred to as "cutting out the middleman." Generally, the strategy eliminates various transaction and transportation costs. This subsequently results in a lower final price for the company's product. Thus, a company can achieve a greater market share through lower product prices.
- **Backward integration:** Backward integration is when a company buys another company that supplies the products or services needed for production. Backward integration can improve control, efficiency, and quality of raw materials, reducing costs to increase profitability from finished goods sales.
- **Conglomerate integration:** Two firms would enter into a conglomerate merger to increase their market share, diversify their businesses, cross-sell their products, and take advantage of synergies. The main advantages of conglomerate integration are increased market share, diversification, customer base extension, and product cross-selling.

**QUESTION SIX**

**Marking guide:**

<b>Qn</b>	<b>Description</b>	<b>Marks</b>	<b>Total Marks</b>
<b>a</b>	<b>Using Hyman's Problem formulation model, advise the problem- solving approach to solve conflicts among employees</b>		
	Need statement, goal statement, objectives, constraints. Any 3 valid points well explained award 2 marks for each. Any poorly explained point award 1mark.		
	<b>Maximum Marks</b>	<b>6</b>	
<b>b</b>	<b>Advise on how employees in the organization can improve verbal listening skills</b>		

Qn	Description	Marks	Total Marks
	Summarizing, clarifying, paraphrasing, explaining, open-ended questions, encouraging silence, and linking. Any 4 award 1mark each.		
	<b>Maximum Marks</b>	<b>4</b>	
<b>c</b>	<b>Explain any five (5) barriers that can prevent effective communication in the organization</b>		
	Poorly defined Channels of communication, organizational culture, personal clashes, inappropriate channels, use of jargon, communication overload/underload, and communication credibility. Note: Any 5points well explained award 2marks for each. Any point poorly explained award 1mark.		
	<b>Maximum Marks</b>	<b>10</b>	
	<b>Total Marks</b>		<b><u>20</u></b>

### Model answer:

**a. Using Hyman’s Problem formulation model, advise the problem-solving approach to solve conflicts among employees**

- **Need Statement:** recognizes and describes the need for a solution or improvement to an “unsatisfactory situation.” It answers the questions, “what is wrong with the way things are currently? What is unsatisfactory about it? What negative effects does this situation cause?” You may need to do research and supply data to quantify the negative effects.
- **Goal Statement:** describes what the improved situation would look like once a solution has been implemented. The goal statement defines the scope of your search for a solution. At this point, do not describe your solution, only the goal that any proposed solution should achieve.
- **Objectives:** define measurable, specific outcomes that any feasible solution should optimize (aspects you can use to “grade” the effectiveness of the solution). Objectives provide you with ways to quantifiably measure how well any solution will solve the problem; ideally, they will allow you to compare multiple solutions and figure out which one is most effective (which one gets the highest score on meeting the objectives?).
- **Constraints:** define the limits that any feasible solution must adhere to in order to be acceptable (pass/fail conditions, range limits, etc.). The keyword here is must — constraints are the “go/ no go” conditions that determine whether a solution is acceptable or not.

**b. Advise on how employees in the organization can improve verbal listening skills**

- Summarizing what the person is saying.
- Clarifying that what was said is understood, such as facts, opinions etc.



- Paraphrasing – repeating back to the speakers a little of what was said either in their own words or similar words.
- Explaining – giving an interpretation of previous statements.
- Open-ended questions to encourage further disclosure.
- Encouraging – thanking the person for their contribution.
- Silence – to encourage the speaker to continue.
- Linking – linking various statements and comments

**c. Explain any Five ) (5) barriers that may prevent an effective communication in the organization**

- **Poorly defined Channels of Communications:** The organizational structure may hinder good communications. Managers and employees may not be aware of the information needs of other sections of the organization.
- **Organizational Culture:** The culture of the organization may not allow for sufficient opportunities for communication to take place. Meetings may be arranged infrequently and even then; they are not conducive to free speech and openness.
- **Personality Clashes:** Personality differences between individuals or rivalry between departments can stifle communications.
- **Inappropriate Choice of Medium or Presentation:** Information can be either too detailed or too generalized, or the information may not be expressed clearly. A medium such as written communication is more suitable for detailed communication, while verbal communication is more appropriate when persuasion and clarification are necessary.
- **Jargon:** Using technical language may make communication incomplete or incomprehensible to those unfamiliar with it.
- **Communication Overload or Underload:** Too much or too little information being communicated directly affects receiver comprehension. Too little generates a feeling of mistrust, while too much information may produce mental overload or stress.
- **Communicator Credibility:** The level of credibility a receiver assigns to a sender will affect how the receiver will react to the ideas suggested by the sender.
- **Selective Listening:** Individuals tend to selectively perceive information that reaffirms their beliefs and filter out conflicting information.
- **Withholding Information and Filtering:** The sender may withhold or manipulate information for to create a more favorable appearance. The communication may become distorted and meaningless if information is omitted.

## QUESTION SEVEN

### Marking guide:

Qn	Description	Marks	Total Marks
<b>a</b>	<b>Differentiate Videoconferencing to Teleconferencing in modern business</b>		
	Videoconferencing is a live video (television) exchange between people in different locations, it is expensive, enabling groups of graphically dispersed people to communicate. It is cheaper, it has a limit in decision making Teleconferencing. Award 1mark for each definition well stated. Any correct answer award 2marks		
	<b>Maximum Marks</b>	<b>2</b>	
<b>b</b>	<b>Advice any four (4) guidelines for creating effective emails message</b>		
	Differentiate between business e-mail and personal e-mail, know the consequences of poor judgment in the use of email, know the legal aspects of Electronic documents, Be sure to clarify if your company has an e-mail policy and follow it, Sending only those messages that are essential, Paying attention to e-mail etiquette. Any correct answer award 1mark for each=4 marks. Consider other correct answers.		
	<b>Maximum Marks</b>	<b>4</b>	
<b>c</b>	<b>Explain any four (4) advantages and disadvantages of mobile payment</b>		
	Reduce expenses, improve cash flow, easily integrate loyalty programs, get inside actionable data, and increase customer convenience. Disadvantages: internet reliant, technology knowledge, internet phishing, requires smartphones, dependent on phone battery. Any 2 advantages and 2 disadvantages well explained, award 2 Marks for each (2*4)=8 Marks		
	<b>Maximum Marks</b>	<b>8</b>	
<b>d</b>	<b>Discuss any 3 types of cloud computing and its advantages to the business</b>		
	(i)Software as a Service (SaaS), Cloud infrastructure as a service, Cloud platform services. (ii) advantages: no large investment in infrastructure, Services are available on-demand, ability to scale up or down resources as required, saving multiple copies of the data, and security of data.		

Qn	Description	Marks	Total Marks
	A correct answer of 3 types with explanation, award mark for each, award for any 3 advantages 1 mark for each = 6 Marks in total		
	<b>Maximum Marks</b>	<b>6</b>	
	<b>Total Marks</b>		<b><u>20</u></b>

## Model answers:

### a. Differentiate Videoconferencing to Teleconferencing in modern business

**Videoconferencing:** Videoconferencing is a live video (television) exchange between people in different locations. The main benefits of Videoconferencing are the time and costs saved by not having to travel to meetings. Videoconferencing is still quite expensive, and this has tended to limit its use, while Teleconferencing is cheaper to set up and use than videoconferencing. Teleconferencing is used widely to enable groups of and geographically dispersed people to communicate. It can be useful for briefing staff at short notice and also for project teams to monitor the progress of a project. It is limited in its use in group decision-making situations, unless the issues are clearly understood and there is unlikely to be conflicting views within the group.

### b. Advice any four (4) guidelines for creating effective email messages

- Be sure to recognise the differences between business e-mail and personal e-mail.
- The consequences of poor judgment in the use of e-mail can be quite serious in business.
- Electronic documents have the same legal weight as printed documents.
- Be sure to clarify if your company has an email policy and follow it.
- Be careful what you write
- Sending only those messages that are essential
- Paying attention to e-mail etiquette
- Making sure every e-mail you send is necessary

### c. Discuss any four (4) advantages and disadvantages of mobile banking

#### Advantages:

- **Reduce expenses:** Opting for mobile payments can help you reduce expenses in a few ways. You don't need to buy expensive point of sale (POS) equipment or paper and ink due to the ability to email receipts. And because you can use a tablet or smartphone as your mobile point of sale terminal, the only external cost you'll need to set it up is a card reader.
- **Improve cash flow:** When using mobile payments, customer funds are transferred to your account either instantly or within a few days. This means you get money faster and, because customers can pay as long as they have their personal mobile device on hand, you're more likely to receive payments from customers who prefer paying with their mobile wallets.

- **Easily integrate loyalty programs:** Since customer information is stored in mobile payment apps, coupons or discounts can quickly and easily be sent out to specific customers to reward repeat purchases.
- **Get insights into actionable data:** Using a mobile point of sale system means you have instant and secure access to key customer data. This data can help inform you of your current customers' purchasing behavior and give you the opportunity to further tailor your products, services, or overall customer journey funnel. Data types include how frequently customers shop at your business, their average spend, preferred payment methods, and the products they buy the most.
- **Increase customer convenience:** By adopting mobile payments for your business, customers can leave their wallets at home and still complete purchases. Alongside this, adding a minimum of one mPOS to your store can improve the customer experience by making it faster and more flexible. And depending on the mobile POS system, you'll be able to accept the most popular (and customer-preferred) payment options anywhere in your store or on the go.
- **Keep competitive with more ways to pay:** How likely are you to frequent a business if you can't pay with your go-to payment method? By offering multiple ways for customers to pay via mobile payments, you're staying ahead of the competition

#### **Disadvantages of mobile payment**

- **Limited Acceptance:** Not all merchants accept mobile payments, which can limit the ability for users to make transactions.
- **Battery Life:** Mobile payments can drain a device's battery life, making it necessary to keep the device charged.
- **Coverage:** Mobile payments require a stable internet connection, which may not be available in certain areas.
- **Security concerns:** Some users may be concerned about the security of mobile payments, particularly if they are not familiar with the technology.
- **Complexity:** Some users may find mobile payment methods too complex and difficult to use.
- **Dependence on device:** if the mobile device is damaged or lost, the user will not be able to make payments until they get a new device.

#### **d. Discuss any three (3) types of cloud computing and its advantages to the business**

##### **i. Types of cloud computing:**

- **Software as a Service (SaaS):** Customers can use software applications hosted on a service provider's infrastructure. A wide range of applications can be delivered through a SaaS model, such as customer relationship management, and email. Users are charged a subscription fee on the level of services offered and the numbers of user logins required. An example of a company offering SaaS is Salesforce.com which leases CRM software over the internet.

- **Cloud infrastructure as a service:** Customers use computer processing, storage, networking and resources from the cloud service provider. For example, Amazon sells infrastructure services, including storage services for storing customers' data. Users only pay for the storage capacity used.
- **Cloud platform services:** Customers use software tools and infrastructure hosted by the service provider to develop their own applications that are then hosted on the servers belonging to the service provider.

**ii. Advantages of cloud computing:**

- Large investment in IT infrastructure is not required
- Services are available on-demand
- Charges are based on the number of resources used
- Ability to scale up or down resources as required
- Maintain multiple copies of the data to mitigate instances of security threats, data loss, and data breach.

**End of Marking Guide and Model Answers**