

ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA
ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA
PART III EXAMINATIONS – SEPTEMBER 2021

MANAGEMENT

Time Allowed: 3 hours

SECTION A: PART I MULTIPLE-CHOICE QUESTIONS (30 Marks)
ATTEMPT ALL QUESTIONS

Write ONLY the alphabet (A, B, C, D or E) that corresponds to the correct option in each of the following questions/statements

1. Which of the following is **NOT** a secondary objective of business?
 - A. Productivity
 - B. Growth
 - C. Profit
 - D. Positive public image
 - E. Shareholder satisfaction

2. Which of the following does **NOT** constitute external stakeholders in the business enterprises?
 - A. Unions
 - B. Suppliers
 - C. Competitors
 - D. Government agencies
 - E. Board of Directors

3. A set of obligations an organisation has to protect and enhance the society in which it functions is
 - A. Corporate Governance
 - B. Environmental Forecasting
 - C. Social Responsibility
 - D. Business Environment
 - E. Business Ethics

4. Which of the following is **NOT** a pre-scientific scholars?
- A. Robert Owen
 - B. Charles Babbage
 - C. Henry Varrun
 - D. Henry Mecalfe
 - E. Peter Drucker
5. Which of the following is **NOT** a feature of bureaucracy?
- A. Division of Labour
 - B. Formal Selection
 - C. Career Orientation
 - D. Impersonality
 - E. Initiative
6. A single use plan that consists of the same steps as a programme but does not cover a large set of activities is called a
- A. Programme
 - B. Budget
 - C. Strategy
 - D. Project
 - E. Tactic
7. Which of the following is **NOT** a barrier to effective planning?
- A. Goals
 - B. Reward system
 - C. Lack of time and resources
 - D. Divisional of labour
 - E. Dynamic and complex environment
8. A technique used by management to achieve collaboration between managers and their subordinates in goal setting and planning process is
- A. System theory
 - B. Division of labour
 - C. Authority and responsibility
 - D. Management by objectives
 - E. Management goal-setting

9. The process of systematically concentrating decision making in the hands of managers at the higher levels of the organisation is
- A. Decentralisation
 - B. Centralisation
 - C. Division of Labour
 - D. Chain of command
 - E. Span of control
10. Decision making which involves the use of estimates, guesses, or hunches to choose among alternative courses of action is called
- A. Systematic decision-making
 - B. Selective decision making
 - C. Intuitive decisions
 - D. Proactive decisions
 - E. Reactive decisions
11. The process of regulating organisational activities so that actual performance conforms to expected organisational standards and goals is
- A. Organising
 - B. Directing
 - C. Motivating
 - D. Controlling
 - E. Budgeting
12. Which of the following is **NOT** a characteristic of effective control system?
- A. Accurate
 - B. Timely
 - C. Flexible
 - D. Economically realistic
 - E. Organisationally unreliable
13. The ratios which measure the extent to which an organisation has been capitalised by debt is called
- A. Liquidity ratio
 - B. Current ratio
 - C. Acid-test ratio

- D. Leverage ratio
 - E. Activity ratio
14. The outcome of strategic planning is called
- A. Strategic management
 - B. Strategic plan
 - C. Strategic performance
 - D. Strategic intent
 - E. Strategic Monitoring
15. Human resource management function involves in coordinating relations between the organisation and employee group is called
- A. Performance appraisal
 - B. Industrial relations
 - C. Collective bargaining
 - D. Job analysis
 - E. Labour management
16. The process of monitoring employee performance on the job and his or her potential development is called
- A. Job specification
 - B. Job evaluation
 - C. Performance evaluation
 - D. Performance appraisal
 - E. Performance analysis
17. The following are uses of Human resource records, **EXCEPT**
- A. Employee profiling
 - B. Employee scheduling
 - C. Employee rating
 - D. Career management
 - E. Reward management
18. Production system in which production process continues and remain unbroken for weeks or even months is called
- A. Job production
 - B. Unique production
 - C. Batch production

- D. Extractive production
 - E. Flow production
19. The total net output achieved by an organisation per worker is called
- A. Capital productivity
 - B. Output productivity
 - C. Input productivity
 - D. Labour productivity
 - E. Material productivity
20. Systematic gathering, analysis and interpretation of data to aid marketing decision is called marketing
- A. Analysis
 - B. Audit
 - C. Research
 - D. Concept
 - E. Management
21. Which of the following is **NOT** a market segmentation method?
- A. Sex
 - B. Geography
 - C. Age
 - D. Language
 - E. Sector
22. The decision to set low prices for product with the aim of stimulating demand and sales is called
- A. Make-up pricing
 - B. Skimming pricing
 - C. Penetration pricing
 - D. Limit-pricing
 - E. Predatory pricing
23. Which of the following is **NOT** use in manual accounting?
- A. Vouchers
 - B. Invoices
 - C. Adding machine
 - D. Cashbooks

- E. Software
24. Hygiene theory of motivation was associated with
- A. Victor Vroom
 - B. Douglas McGregor
 - C. Henri Fayol
 - D. Fredrick Hertzberg
 - E. Abraham Maslow
25. The art or process of influencing people so that they will strive willingly towards the achievement of group goals is called
- A. Planning
 - B. Coordinating
 - C. Motivating
 - D. Leadership
 - E. Management by objective
26. A group deliberately created by manager in order to perform tasks directly related to attaining business objective is called
- A. Informal group
 - B. Social group
 - C. Formal group
 - D. Elite group
 - E. Organic group
27. Communication which arises as a result of social interaction among employees in an organisation is called
- A. Formal communication
 - B. Informal communication
 - C. Upward communication
 - D. Horizontal communication
 - E. Vertical communication
28. Which of the following is **NOT** a barrier to effective communication?
- A. Semantics
 - B. Conflicts
 - C. Communication overloads
 - D. Effective listening skill
 - E. Differences in background

29. The way an office is arranged to facilitate the flow of work is called office
- A. Classification
 - B. Filling
 - C. Layout
 - D. Organisation
 - E. Study
30. Which of the following is **NOT** a protective measure for safety at work place?
- A. Safety policy
 - B. Hazard elimination
 - C. Use of barriers
 - D. Frayed carpets
 - E. Use of warning system

SECTION A: PART II SHORT-ANSWER QUESTIONS (20 MARKS)

ATTEMPT ALL QUESTIONS

Write the correct answer that best completes each of the following questions/statements.

1. The document which lay down parameters concerning the company and its outside public is
2. Any individual or group of individuals who have a strong interest in the organisation and what it does or trying to achieve is/are called
3. Integration of a country economy with the world economy is called ..
4. The process used by manager to monitor events occurring in the external environment of the organisation is called
5. Management function of grouping tasks and assigning resources required to carry out a specific job is called

6. Fayol's principles of management which encourages subordinates to use their idea to carryout plan is called
7. The process of determining desired objectives or benchmarks and of developing ways to reach them is called
8. Statements of financial resources set aside for carrying out specific activities is called
9. The process of systematically concentrating decision-making in the hands of manager at the higher levels is called
10. Decision in which there are no previously established routines or procedures that can be used as guides is called
11. Costs which are related to production and change with production levels is called
12. An organisation's is its statement of purposes.
13. All activities carried out to attract qualified applicants to fill vacancies in an organisation is called
14. A statement which provides summary of duties and responsibilities attached to a job is called
15. The characteristics of a product that bears on the ability to satisfy stated or implied need is called
16. The philosophy which recognises the key role of satisfying the needs of the target customer as a priority is called
17. The third stage in product life cycle is called
18. All activities which are directly related to the sale of goods or services to final consumer is
19. Team formation phase in which members begin to challenge the leader and themselves concerning the group goals, individual roles, procedures and other issues is called

20. Filling system in which all files of the organisation are located at a particular office where interested staff can have access to them is called

SECTION B: ATTEMPT FOUR QUESTIONS (50 MARKS)

QUESTION 1

- Define Partnership as a form of business ownership. (2½ Marks)
 - List and explain **FOUR** features of partnership. (6 Marks)
 - State **FOUR** disadvantages of partnership as a form of business ownership. (4 Marks)
- (Total 12½ Marks)**

QUESTION 2

- a. Define business environment. (2½ Marks)
 - b. State and explain **FIVE** importance of business environment. (10 Marks)
- (Total 12½ Marks)**

QUESTION 3

- State **FIVE** features of Bureaucracy. (7½ Marks)
 - State and explain **FIVE** contributions of bureaucracy to the field of management. (5 Marks)
- (Total 12½ Marks)**

QUESTION 4

- Define formal organisation. (1½ Marks)
 - Highlight **SIX** advantages of a formal organisation. (6 Marks)
 - State **FIVE** disadvantages of formal organisation. (5 Marks)
- (Total 12½ Marks)**

QUESTION 5

- a. List and explain **FIVE** examples of on-the-job training method.

(5 Marks)

- b. State **FIVE** benefits of training and development to an organisation.

(7½ Marks)

(Total 12½ Marks)

QUESTION 6

- a. Define market segmentation (2 Marks)

- b. State **THREE** benefits of market segmentation. (3 Marks)

- c. List and explain **FIVE** methods of segmenting consumer market.

(7½ Marks)

(Total 12½ Marks)

SOLUTION TO QUESTIONS

MULTIPLE CHOICE QUESTIONS (MCQ)

1. C
2. E
3. C
4. E
5. E
6. D
7. D
8. D
9. B
10. C
11. D
12. E
13. D
14. B
15. B
16. D
17. C
18. E
19. D
20. C
21. D
22. C
23. E
24. D
25. D
26. C
27. B
28. D
29. C
30. D

SHORT ANSWER QUESTIONS (SAQ)

1. Memorandum of Association
2. Stakeholder
3. Globalisation
4. Environmental Scanning
5. Organising
6. Initiative
7. Strategic Planning
8. Budgets
9. Centralisation
10. Programmed Decisions
11. Variable Cost
12. Mission
13. Recruitment
14. Job Description
15. Quality
16. Marketing Concept
17. Maturity and Saturation
18. Retailing
19. Storming Phase
20. Centralised Filing

ESSAY QUESTIONS

QUESTION 1

a) Meaning of Partnership

This is a form of business ownership where two or more individual come together and agree to organize and operate an enterprise jointly with profit as the motive. They contribute their capital and jointly offer their services for the success of the business. (2½ marks)

b) Features of Partnership

- i. Based on agreement: It is always based on agreement between two or more parties to carry on business.
- ii. Profit and loss sharing: Thee partners are entitled to share profits realized and also bear the loss.
- iii. Agency relationship: Any of the partner can art on behalf of other partners as agent.
- iv. Unlimited liability: In case some obligations arise and the partnership assets are not sufficient, private properties of the partners can be taken to pay for the liabilities of the firm.
- v. Common management: Every partner has a right to participate in the management of the firm.
- vi. Restriction in the transferability of shares: No partner can transfer his/her shares without the consent of all other partners.

1 X 6 = (6 marks)

c) Disadvantages of Partnership

- i. Unlimited liability
- ii. Limited life
- iii. Arguments or disagreement can arise amongthe partners
- iv. Limited access to initial capital when compared with companies
- v. Risks of implied authority
- vi. Difficulty in withdrawing from the firm.

1 X 4= (4 marks)

(TOTAL = 12½ Marks)

QUESTION 2

a) Definition of Business Environment

Business environment can be defined as a set factors or conditions that are external or internal to the business but which have influence on the operations of the business enterprise.

OR

Business environment can also be defined as web of forces which form the setting in which the firm makes its decisions. (2½ marks)

b) Importance of Business Environment

- i. *Determining opportunities and threats:* The interaction between the business and its environment gives the advantage of identifying opportunities for and threats against the business.
- ii. *Gives directional clarity:* The interaction will lead to open up of new frontiers for growth and sustainability of the business.
- iii. *Serves as a continuous learning process:* Managers are motivated to continuously update their knowledge, understanding and skills to meet the challenges of the business.
- iv. *Image building:* Business interaction with the environment helps the business organization to improve their image by being socially responsible.
- v. *Identification of firm's strength and weakness:* Business environment helps to identify strengths and weaknesses of the business organization for immediate response of the management.

2 X 10 = (10 marks)

(TOTAL = 12 ½ marks)

QUESTION 3

a)

Features of Bureaucracy

- i. *Division of Labour:* Each role has a clearly defined set of tasks along with a specified area of jurisdiction and responsibility.
- ii. *Authority Hierarchy:* The roles or jobs are organized to form a hierarchy of authority.
- iii. *Formal Selection:* Employees are expected to be recruited on the basis of their competence and expertise.
- iv. *Career orientation:* Officials of the organization are not owners of the organization but are regarded mainly as professionals who have

specified duties, tenure and reward; and cannot be arbitrarily removed.

- v. Formal rules and controls: Clearly stated rules, regulations and procedures are adhered to.

(7½ marks)

b)

Contributions of Bureaucracy

- i. Since the policies, rules and procedures are set and applicable to all, this leads to consistent employee behavior.
- ii. Since the jobs, duties and responsibilities are clearly defined the overlapping or conflicting job duties are eliminated.
- iii. Hiring and promotions are based on merits and expertise.
- iv. Division of labour makes the worker specialist.
- v. There is continuity in the organization, even if individuals leave since the position is emphasized rather than the person.

1 X 5 = (5 marks)

(TOTAL = 12½ Marks)

QUESTION 4

a) Formal Organization

Formal organization comprises patterns of relationships, communication channels and authority structured recognized by management for the purpose of achieving the goals of the organization.

(1½ marks)

b) Advantages of Formal Organization

- i. It helps in achieving objectives.
- ii. It puts resources to the best use.
- iii. It ensures the benefits speculation can be achieved.
- iv. It develops feeling of cooperation.
- v. It limits conflict among executives.
- vi. It prevents duplication of work.
- vii. It ensures measurement of employees' efficiency.
- viii. It provides for well-defined authority and responsibility to avoid friction.
- ix. It ensures accountability.
- x. It makes standardization of work becomes practicable.

ANY SIX, 1 X 6 = (6 marks)

- c) Disadvantage of Formal Organization
 - i. Changes becomes difficult because rules, regulations and procedures are followed.
 - ii. Rules are considered more than persons.
 - iii. A formal organization is impersonal and discourages human feelings.
 - iv. It recognizes only formal communication which may discourage informal communication.
 - v. Excessive and undue use of authority.
 - vi. No consideration is given to social needs.

ANY FIVE 1 X 5 = (5 marks)
(TOTAL = 12 ½ Marks)

QUESTION 5

- a) FIVE samples of on-the-job training methods.
 - i. Demonstration: Here, the trainee shows in a systematic manner the method of carrying out a specific job and allows the trainee to do it himself.
 - ii. Understudy: An understudy is a person who is training to assume, at a future date, the duties currently performed by his/her superior.
 - iii. Job rotation/planned experience: This is the practice of rotating people from job to job or from one department to another.
 - iv. Project or committee assignment: In this method, managers are assigned to projects or committee to carry out specific assignment.
 - v. Temporary promotion: Managers are assigned higher responsibilities to improve their skills.

1 X 5 = (5 marks)

- b) FIVE benefits of Training and Development.
 - i. Improved performance on the present job: After a training programme, the employee's levels of performance on-the-job increases.
 - ii. Improved morale: Training programmes help to increase the morale and job satisfaction of trainees.
 - iii. Reduction of Operational Problems: Training helps to reduce operational problems such as accidents high labour turnover, poor customer service etc.
 - iv. Increased Productivity: By improving the standard of performance, quality of workmanship and morale of workers.
 - v. Provision of Human Resources Needs: The organization fulfills its needs for certain type of skills without going out to recruit.
 - vi. Reduced Supervision: Well-trained workers need little supervision.

- vii. Improved Services to Customers: Training exposes employees to new ideas and techniques which help to improve service to customers.

$1\frac{1}{2} \times 5 = (7\frac{1}{2} \text{ marks})$

(TOTAL= 12 $\frac{1}{2}$ Marks)

QUESTION 6

- a) Market segmentation is the process of taking the total, heterogeneous market for a product and dividing it into several sub-markets or segments, each of which tends to be homogenous in all significant aspects. (2 marks)

- b) FIVE methods of segmenting consumer market.

Income: Here customers are divided according to income.

Sex: Men and women sometimes purchase different things. Under this method therefore the organization categorizes its customers into male and female.

Geography: Under the geographic method the whole market is divided into regions, districts, cities etc.

Age: In this method, the organization segments the market according to the ages of customers.

Social Classes: Customers are categorized according to social class they belonged to.

Sector: The market is divided according to sector of the economy e.g. agriculture, manufacturing, trade etc.

$1\frac{1}{2} \times 5 = (7\frac{1}{2} \text{ marks})$

- c) Benefits of Market Segmentation

- i. It enabled the marketer to analyze the characteristics of each segment.
- ii. It allows marketing organization to design its marketing programmes to suit each market.
- iii. Consumer satisfaction is met.
- iv. The product could be designed to satisfy the peculiar needs of each market segment.

ANY THREE, $1 \times 3 = (3 \text{ Marks})$

(TOTAL= 12 $\frac{1}{2}$ Marks)