

**ASSOCIATION OF ACCOUNTANCY BODIES IN WEST AFRICA
ACCOUNTING TECHNICIANS SCHEME, WEST AFRICA**

PART III EXAMINATIONS – MARCH 2022

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. The growth that occur to a firm as a result of selling more of its existing product is called
 - A. External growth
 - B. Inorganic growth
 - C. Internal growth
 - D. Steady growth
 - E. Sales growth

2. The classification of business that is concerned with enabling several materials and processing into a single unit is called
 - A. Process industry
 - B. Assembly line industry
 - C. Synthetic industry
 - D. Extractive industry
 - E. Secondary industry

3. The simplest and the commonest form of business is called
 - A. Cooperative
 - B. Cooperation
 - C. Partnership
 - D. Sole proprietorship
 - E. Joint Stock Company

4. The owners of a corporation are always referred to as
 - A. Directors
 - B. Shareholders
 - C. Creditors
 - D. Managers
 - E. Auditors

5. Exchange rate is one of the sub elements of
 - A. Political environment
 - B. Social environment
 - C. Legal environment
 - D. Technological environment
 - E. Economic environment
6. Process used by managers to monitor events, activities or variables occurring in the external environment of the organisation is
 - A. Forecasting
 - B. Environmental scanning
 - C. Environmental diagnosis
 - D. Environmental forecasting
 - E. Environmental assessment
7. The ability to choose appropriate objectives or the appropriate means for achieving a given objective is called
 - A. Efficiency
 - B. Effectiveness
 - C. Performance
 - D. Strategic intent
 - E. Organising
8. The totality of the system by which companies are directed and controlled is
 - A. Leadership
 - B. Corporate governance
 - C. Social responsibility
 - D. Corporate objective
 - E. Corporate management
9. Theory of Bureaucracy was developed by
 - A. Elton Mayo
 - B. Fredrick Taylor
 - C. Henri Fayol
 - D. Max Weber
 - E. Peter Drucker
10. Management theory which sees organisation as unified, purposeful system composed of interrelated parts is
 - A. Human relations theory
 - B. Administrative theory
 - C. Group theory
 - D. System theory

- E. Contingency theory
11. The assignment of formal authority and responsibility for the execution of specific activities to a subordinate is
- A. Centralisation
 - B. Departmentalisation
 - C. Division of labour
 - D. Delegation
 - E. Unity of command
12. A conscious choice which has been selected among competing alternatives and directed towards a definite purpose is
- A. Strategy
 - B. Mission
 - C. Vision
 - D. Objective
 - E. Decision
13. The process of regulating organisational activities so that actual performance conforms to expected organisational standard and goals is
- A. Coordinating
 - B. Forecasting
 - C. Controlling
 - D. Planning
 - E. Organising
14. Which of the following is a characteristic of effective control system?
- A. Rigidity
 - B. Obsolete
 - C. Economically realistic
 - D. Financially constrained
 - E. Unrealistic
15. The type of cost that change with level of output is
- A. Prime cost
 - B. Sunk cost
 - C. Variable cost
 - D. Fixed cost
 - E. Break-even cost
16. A course of action which lays out organisation vision, mission, performance target and strategy is called strategic
- A. Intent
 - B. Outcome
 - C. Plan

- D. Change
 - E. Direction
17. Activities relating to equipping employees with knowledge, skills and attitudes they need to perform their job effectively is
- A. Recruitment
 - B. Human resource planning
 - C. Human capital management
 - D. Training and development
 - E. Performance appraisal
18. Which of the following is **NOT** a method that can be used to collect data for job analysis?
- A. Interviews
 - B. Questionnaires
 - C. Observations
 - D. Dairies
 - E. Coupons
19. The process of giving new employees basic information relating to his new work is
- A. Placement
 - B. Induction
 - C. Interview
 - D. Selection
 - E. Job selection
20. The process of comparing the performance of a firm in term of quality with the best practice in the industry is
- A. Productivity
 - B. Inspection
 - C. Benchmaking
 - D. Controlling
 - E. Coordinating
21. Periodic and planned maintenance of physical facilities of a firm is described as
- A. Breakdown maintenance
 - B. Preventive maintenance
 - C. Shutdown maintenance
 - D. Calculated maintenance
 - E. On-going maintenance

22. Systematic gathering, analysis and interpretation of data for marketing decision is
- A. Marketing segmentation
 - B. Marketing research
 - C. Marketing evaluation
 - D. Marketing concept
 - E. Marketing management
23. Which of the following is **NOT** a basis for market segmentation?
- A. Sector
 - B. Social classes
 - C. Age
 - D. Sex
 - E. Occupation
24. The use of name, a term, a symbol or design to identify a product is
- A. Packaging
 - B. Branding
 - C. Promotion
 - D. Trademark
 - E. Copyright
25. Which of the following is **NOT** a sample of accounting packages?
- A. Poise
 - B. Sage
 - C. Microsoft money
 - D. E-view
 - E. Debtor manager
26. Hygiene theory of motivation was propounded by
- A. Henry Fayol
 - B. Abraham Maslow
 - C. Douglas McGregor
 - D. Fredrick Hertzberg
 - E. Victor Vroom
27. An approach to leadership which argued that there is no one best leadership style is
- A. Classical approach
 - B. Democratic approach
 - C. Autocratic approach
 - D. Task approach
 - E. Contingency approach

28. Which of the following is **NOT** a stage in group and team formation and development?
 - A. Forming stage
 - B. Storming stage
 - C. Performing stage
 - D. Developing stage
 - E. Norming stage

29. The process by which the receiver extracts some meaning out of the message received is
 - A. Encoding
 - B. Messaging
 - C. Channeling
 - D. Decoding
 - E. Replying

30. Which of the following is **NOT** a type of office machine?
 - A. Photocopies
 - B. Fax machine
 - C. Crane
 - D. Paper shredders
 - E. Scanners

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

ATTEMPTS ALL QUESTIONS

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

1. The primary purpose of business enterprises is.....

2. The growth that occurs as a result of takeover or merger with other firm is called

3. Management by objective as a technique in management is associated with

4. An external environment with sub components such as exchange rate, inflation rate and capacity utilisation is

5. The process of integrating the economy of a country with the world economy is

6. The combination of character, conduct, and activities of the people based on moral principles is
7. The process of making the right decisions and implementing them is known as
8. The Management theorist who is regarded as the father of scientific management is
9. The authority which is based upon a belief in the personal attributes of the person giving the order is called
10. Planning which is focused, short-term and specific is called
11. A single-use plan covering a relatively large set of activities is
12. The number of subordinates that a manager can effectively and efficiently supervise is termed
13. A decision made in response to external changes that have already taken place is
14. The process of monitoring, comparing and correcting performance to ensure achievement of business goals is
15. The production or sales level at which total revenue equals total cost is called
16. The forecast of cash receipts and expenditure is
17. The process of assigning a specific job to a selected candidate is
18. The type of facilities layout in which machine and equipment that perform similar type of work are grouped together in one area is
19. A marketing activity aimed at stimulating immediate consumer and dealer demand is called
20. Transmission of information from the bottom of the organisation hierarchy to the top is called

SECTION B**ATTEMPT FOUR QUESTIONS****(50 MARKS)****QUESTION 1**

- a. Define the concept of partnership as a form of business. (2½ Marks)
 - b. State **FIVE** advantages and **FIVE** disadvantages of partnership as a form of business organisation. (10 Marks)
- (Total 12½ Marks)**

QUESTION 2

- a. What is globalisation? (2½ Marks)
 - b. Explain briefly **FIVE** implications of globalisation for management and business enterprises. (10 Marks)
- (Total 12½ Marks)**

QUESTION 3

- a. Define the concept of bureaucracy. (2 Marks)
 - b. State and explain the **THREE** types of authority explained by Max Weber (4½ Marks)
 - c. List **SIX** features of bureaucracy. (6 Marks)
- (Total 12½ Marks)**

QUESTION 4

- a. Explain briefly **THREE** factors that influence mechanistic or organic structure in an organisation. (4½ Marks)
 - b. State **FIVE** advantages of decentralisation. (5 Marks)
 - c. Highlight **THREE** advantages of centralisation. (3 Marks)
- (Total 12½ Marks)**

QUESTION 5

- a. Explain briefly **FIVE** factors which may influence change in an organisation. (5 Marks)
 - b. Highlight **FIVE** reasons why employees resist change in an organisation. (7½ Marks)
- (Total 12½ Marks)**

QUESTION 6

- a. What is an Office? (2½ Marks)
- b. List **FIVE** functions to be considered in planning the layout of an office. (10 Marks)
- (Total 12½ Marks)**

SOLUTION TO QUESTIONS

MULTIPLE CHOICE QUESTIONS (MCQ)

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

EXAMINER'S COMMENTS

The questions cover all the areas of the syllabus. All the candidates attempted the questions and the performance was averagely good. The major pitfalls of the candidates were poor preparation and inadequate usage of the study pack. Candidates are advised to make adequate usage of the study pack for subsequent examinations. The questions are standard for this level of the Institute's examination.

SHORT ANSWER QUESTIONS (SAQ)

1. Profit
2. External Growth
3. Peter Drucker
4. Economic Environment
5. Globalisation
6. Ethics
7. Effectiveness
8. Fredrick Taylor
9. Charismatic Authority
10. Operational Planning
11. Programmes
12. Span of Control
13. Reactive Decision
14. Controlling
15. Break-even Point
16. Cash Budget
17. Placement
18. Process Layout
19. Sales Promotion
20. Upward Communication

SECTION B

QUESTION 1

a. **Definition of Partnership**

A form of business which occurs when two or more individuals come together and agree to organize and operate an enterprise jointly with profit as the motive.

b. **Five advantages of Partnership**

- i. Move managerial skills available than in a sole proprietorship.
- ii. Pooling of financial resources by partner.
- iii. Reduction of strain on one individual as responsibilities can be shared.
- iv. New partners can be admitted.
- v. Enhance ability to attract and retain capable employees.
- vi. Balanced business decision.
- vii. Risk can be shared.

Five Disadvantages

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

QUESTION 2

a.

Meaning of Globalisation

Globalisation means integrating the economy of a country with the world economy
OR

It can also be defined as the process of world-wide economic integration and growing inter-dependence, interconnectedness through the flow of goods, services, capital, people and information among nations in the modern world.

b.

FIVE Implications of Globalisation

- (i) It encourages opening up of markets and investment opportunities among nations.

- (ii) Firms in the less developed countries of the world are at a disadvantage arising from the more intense competition from better endowed companies in the advanced nations.
- (iii) Mergers, acquisitions and strategic alliances have resulted as poorer and weaker firms are swallowed up by the stronger ones.
- (iv) Managers are expected to be equipped and developed through greater cross-cultural awareness and sensibility as they communicate with their counterparts across globe.
- (v) It allows managers to acquire skills to manage in culturally diverse settings.
- (vi) Cultural interactions allows firms to achieve and maintain higher standards.

QUESTION 3

a.

Definition of Bureaucracy

Bureaucracy can be defined as that ideal system wherein positions and tasks are clearly defined, division of labour is precise and clear, objectives are explicit and a clear chain of command is maintained.

b.

THREE types of Authority

- (i) **Traditional authority:** It is a form of authority in which order are obeyed as the people giving them are interested with the same through custom or conventions.
- (ii) **Rational-legal authority:** This is a type of authority in which orders are obeyed because subordinates believe that the person given them is empowered to do so through enforcement or legal sanctions.
- (iii) **Charismatic authority:** This rests on the appeal of leaders and is based upon a belief in the personal attributes of the person giving the order.

c.

SIX Features of Bureaucracy

- i. Division of labour
- ii. Authority Hierarchy
- iii. Formal selection
- iv. Career orientation
- v. Formal rules and control
- vi. Impersonality

QUESTION 4

a.

Factors that influence mechanistic or organic structure in organisation

- i. **Size:** Small organizations tend to have organic structure. As the size increases, the structure tends towards being mechanistic.
- ii. **Technology:** Technology may be routine or non-routine, when technology is routine, the structure tends to be mechanistic while non-routine technology tends to be organic.
- iii. **Environmental Uncertainty:** When the level of environmental uncertainty is low, the structure is mechanistic. When the environmental uncertainty is high, the structure is organic.
- iv. **Strategy:** Organizations may adopt prospector strategy which takes the form of creativity, innovation, growth orientation and risk-taking. The other strategy is the defender strategy which emphasizes stable growth, protecting existing markets, serving current customers and minimizing cost. Between these extremes is the analyzer strategy which combines elements of prospectors and defenders.

b

FIVE Advantages of Decentralization

- (i) A decentralized organizational structure stresses delegation of decision-making and lightens the load of the top managers.
- (ii) The development of generalists rather than specialists is encouraged, thereby facilitating succession into positions of general managers.
- (iii) Managers develop their own decision-making skills and are motivated to perform because advancement is related to performance.
- (iv) Intimate social ties and relationships are promoted, resulting in greater employee enthusiasm and coordination.
- (v) Familiarity with important aspects of special work is readily acquired.
- (vi) Efficiency is increased since the managers are near the activities for which they are held responsible and trouble spots can be located and remedied easily.
- (vii) For multi-unit enterprises, full advantage of various local conditions can be obtained.
- (viii) Managers can also exercise more autonomy, with increased job satisfaction and motivation, thereby contributing to the organization's profitability.

c

Advantages of Centralization

- (i) Power and prestige are provided for the top executives.
- (ii) Uniformity of policies, practices and decision is fostered.
- (iii) Duplication of functions that are similar is minimized.
- (iv) Elaborate and extensive controlling procedures and practices not required.
- (v) A strong coordinated top management team is developed.

QUESTION 5

a

Factors which Influence Change

- i. New technology which influences marketing, production and human resource functions.
- ii. New management policies, role and organization structure.
- iii. Changes in social trend values and attitudes of the society.
- iv. Marketing activities of the competitors.
- v. Merger with a different company.
- vi. New work methods or procedures.
- vii. A new Chief Executive or management.

b

FIVE Reasons why Employees may resist change

- i. Fear of unknown.
- ii. Lack of information.
- iii. Fear of unemployment.
- iv. Lack of participation in change.
- v. Threat to social and interpersonal relationships.
- vi. Inability or reluctance to change habits.
- vii. Threats of challenges.
- viii. Experience of the past changes.
- ix. Threats to expertise.
- x. Threats to established resource allocation and, or power relationship.

QUESTION 6

a

What is an Office?

An office is a place in an organization where business, clerical and professional activities take place.

b

Factors in Planning an Office Layout

- i. **Churn Rate:** The process of change in an office is known as churn rate.
- ii. **Statutory requirement:** Legal requirements as contained in relevant legislations affect planning of office layout. The factories Act of most countries specify five prevention arrangements lightening levels, ventilations etc.
- iii. **Business Needs:** Office layout will be influenced by nature and needs of the business.
- iv. **Accommodation standards:** Organizations do have a policy on the minimum standard of accommodation for each staff grade.

- v. ***Space availability***: Planning an office layout will depend on the quality and the types of office space available for use.