

**ACC&CSM - Principles of Management
and Auditing**

T100

Tuesday, 15/11/2016

08:30 – 11:30

WORKFORCE DEVELOPMENT AUTHORITY



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**ADVANCED LEVEL NATIONAL EXAMINATIONS, 2016,
TECHNICAL AND PROFESSIONAL STUDIES**

EXAM TITLE: Principles of Management and Auditing

OPTIONS: Accountancy (ACC)

Computer Science and Management (CSM)

DURATION: 3hours

INSTRUCTIONS:

This paper consists of **two Parts, I and II:**

Part I: Principles of Management

Section A: Attempt **all** questions:

30 marks

Section B: Attempt **two** (2) questions of your choice:

20 marks

Part II: Introduction to Auditing

Section A: Attempt **all** questions:

30 marks

Section B: Attempt **two** (2) questions of your choice:

20 marks

Note:

Every candidate is required to carefully comply with the above instructions. Penalty measures will be applied on their strict consideration.

Part I. A – Attempt all the questions

30 marks

01. Highlight three importance of management. **3 marks**
02. Outline four types of organisation structure of a company. **2 marks**
03. List elements (components) of marketing mix. **2 marks**
04. Define leadership and name three leadership styles to the best of your knowledge. **4 marks**
05. State the importance of Human Resource Management (HRM)? **4 marks**
06. What is cost Effectiveness Analysis? **2 marks**
07. Provide four advantages (benefits) of Decentralization? **3 marks**
08. Mention three factors that can be used to motivate employees in organization. **3 marks**
09. List three importance of commercial function of an enterprise. **3 marks**
10. Identify four roles of advertisement within an enterprise. **4 marks**

Part I. B – Attempt any two (2) questions - 10 marks each = 20 marks

11. What contribution did Henri Fayol make to the development of management principles? **10 marks**
12. In what ways may meetings and committees be used as mechanisms of communication, information processing, and decision making? **10 marks**
13. Companies Amalgamation may be either Horizontal or vertical amalgamation. What is Horizontal amalgamation? What is vertical amalgamation? **10 marks**
14. Not everyone can be a manager. Certain skills or specific abilities to translate knowledge into action that results in desired performance are required to help other employees become more productive. Discuss three basic managerial skills. **10 marks**

Part II. A – Attempt all the questions

30 marks

15. From the following audit observations, identify the type of error committed.
A sales invoice for an incorrect amount was correctly entered into in the sales journal.
- a) Stock was issued but an accompanying invoice was not.
 - b) The wrong percentage rate was used when calculating depreciation.
 - c) An item was entered in the wrong class of account. **6 marks**
16. Differentiate internal control from internal audit. **3 marks**
17. Fraud is an intentional act involving the use of deception that results in a material misstatement of financial statement. Two types of misstatement are relevant to auditor's consideration of fraud:
- (a) Misstatement arising from misappropriation of assets, and
 - (b) Misstatement arising from fraudulent financial reporting.
- Explain the two types of misstatement. **5 marks**
18. What is audit evidence? List any five audit evidence collection techniques. **5 marks**
19. Give different types of audit opinions and explain in which circumstance(s) each opinion can be issued. **6 marks**
20. Audit execution involves various execution steps. List five steps of audit execution. **5 marks**

Part II. B – Attempt any two (2) questions – 10 marks each = 20 marks

21. State and briefly explain five procedures of detecting errors and fraud in accounting records. **10 marks**
22. (a) Define the investigation and outline four reasons to carry out investigation.
(b) Write down necessary steps of investigation. **10 marks**
23. Describe the steps of an audit execution. **10 marks**