

**Principles of management
and Auditing**

T080

**Tuesday, 05/11/2013
1:30 – 4:30 PM**

WORKFORCE DEVELOPMENT AUTHORITY



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**ADVANCED LEVEL NATIONAL EXAMINATION, 2013,
TECHNICAL AND PROFESSIONAL TRADES**

EXAM TITLE : Principles of Management and Auditing

OPTIONS: Accountancy (ACC)

Computer Science and Management (CSM)

DURATION: 3hours

INSTRUCTIONS:

This paper contains **two main Parts, I and II**:

Part I: Principles of Management

Section A: Attempt **all** questions:

30marks

Section B: Attempt **two** questions of your choice:

20marks

Part II: Introduction to Auditing

Section A: Attempt **all** questions:

30marks

Section B: Attempt **two** questions of your choice:

20marks

PART I: PRINCIPLES OF MANAGEMENT. (50marks)

Section A: Answer all the 7 questions. 30marks

01. State and explain five qualities of a good manager. **5marks**
02. Distinguish between efficiency and effectiveness in the operations of a business enterprise. **4marks**
03. Identify and explain the management style that allows the employees to carry on with their work when the leader is away. **3marks**
04. Explain how debentures are different from shares in the capital structure of a limited company. **4marks**
05. Outline five factors that influence the location of a manufacturing enterprise. **5marks**
06. Give and explain 3 advantages of budgeting. **6marks**
07. State three advantages of the use of computers in business. **3marks**

Section B: Choose and Answer any two (2) questions. 20marks

08. Identify and briefly explain what you understand by the functions of management. **10marks**
09. Discuss the advantages and disadvantages of delegation in a business organisation. **10marks**
10. Using at least five suitable examples, discuss situations where the interests of different stakeholders might be in conflict with each other. **10marks**

PART II: INTRODUCTION TO AUDITING. (50marks)

Section A: Answer all the 6 questions. 30marks

11. Distinguish between the primary object and the secondary objects of an audit. **5marks**
12. What are audit working papers? Suggest three ways they can be useful to an auditor **5marks**
13. Briefly explain the principles of integrity, objectivity and independence of an auditor. Mention one other quality of a good auditor. **4marks**
14. Give 3 reasons why a new auditor needs the final accounts of the previous accounting period for the proper audit of the current period. **3marks**

15. Give four differences between reserves and provisions. **4marks**
16. a) Briefly explain the concept of materiality in auditing. **2marks**
b) Suggest three important advantages of an audit to business partners. **3marks**
c) Suggest 4 measures you would take to verify the cash sales of an enterprise. **4marks**

SECTION B: Choose and Answer any two (2) questions (20marks)

17. Outline and explain the basic elements of the Auditor's Report. **10marks**
18. Discuss the relationship between the statutory auditor and the internal auditor in the light of their separate responsibilities. **10marks**
19. Identify three types of fraud and explain three ways each type may be perpetrated. **10marks**

