



Section A1

01) Meaning of the abbreviation S.M.A.R.T in relation to the objectives of a business plan; (Attributed to Peter Drucker's in management by objective).

Specific = means the goal or target is clear Purpose of accomplishing the goal of a business plan must be clear.

eg: what do I want to accomplish? who is involved, when

Measurable = means the indicator of progress towards the attainment of the goal.

eg: How much? , How many?

Attainable (Assignable) = means the goal of business plan must be accomplished  
eg: How can the goal be accomplished?

Realistic = means the result-oriented is based (relevant) to resources

Time-related = means a target-date or (Time-bound) a deadline helps a team to focus their efforts on completion of the goal.

02) Six (6) qualities of a good Manager:

- Honesty
- Flexibility
- Ability to carry out mgt and responsibilities
- Ability to motivate workers
- Be adapted to various situations
- Be reliable
- Competence
- Emotional maturity
- Self confidence
- Decision-making
- Personality
- Sociability
- work assignment

03) Four (4) reasons why delegation is necessary to a business organization:

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- It provides a learning opportunity for the person being delegated.
- The task is taking away time for more important work.
- There is need to test an employee's readiness for ~~for~~ promotion.
- To increase the visibility of staff in the organization.
- It is a kind of motivational factor.
- Contributes to development of skills and ability of employees

04) Five (5) Principles of Management:

- Division of Labour
- Authority
- Unity of command
- Unity of Direction
- Remuneration
- Equity
- Initiative
- Discipline
- Centralization
- Stability of staff
- Chain of command or hierarchy
- Order
- Esprit de corps
- Subordination of individual's interest to general interest.

05) Two (2) functions of management:

- Planning = To prepare the future, to prepare the goals to be achieved.
- Organising = To bring order and eliminate conflicts
- Coordinating = To bring harmony among different workers and different departments.
- Staffing = leading people

• Controlling: measures and evaluation of work, To make sure that work has been done.

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06) Three (3) different types of communication based on an organization's structure:

- Horizontal communication = This is flow of information between personnel of one division with equal status
- Downward communication: communication goes from superior to subordinate.
- Upward communication: communication goes from subordinate to superior
- Gestures communication
- Verbal or oral communication
- Written communication

07) Difference between the democratic style of leadership and the laissez-faire style.

<u>Democratic leadership style</u>	<u>Difference</u>	<u>Laissez-faire style</u>
<ul style="list-style-type: none"><li>- Employees are permitted to participate in decision-making</li><li>- collaboration</li></ul>		<ul style="list-style-type: none"><li>- Employees are free to decide themselves</li><li>- Free reign.</li></ul>

08) Definition of Management:

Management is a process of planning, organizing, coordinating, staffing and controlling the activities of a business.

## Section B:

Q9] Five (5) Advantages of Budgetary control for good management of an organisation;

~~Q~~ ~~Budget~~

- planning: Budgeting and Budgetary control direct executives and managers to think closely about an organisation's future. Planning ensures effective and speedy completion of all tasks.
- Responsibilities: Budgetary control systems require systematic monitoring and reporting.
- Budgetary control ensures that key managers are responsible for achieving budget targets for business operations under their personal control.
- Notice, Budgetary controls allow a company to understand each department's financial performance.
- ~~Q~~ It helps managers to identify budgetary problems early.
- performance; Budget control measures budgets against actual performance or it helps in variance analysis.
- Resources are scarce, hence they must be used effectively.
- Budgetary control helps to compare standard cost and actual cost.
- Budgetary control encourages employees to work according to objectives.
- Budgetary control helps to work hard.
- Budgetary control is a kind of motivation to employees.

10] (a) \* Market = Is a place where buyers and sellers meet to exchange goods and services.

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\* marketing = is a process of identifying, keeping and satisfying customers.

(b) List four marketing activities;

- Market Research
- Advertising
- Sales promotion
- Branding
- Pricing
- Distribution
- Sales
- Public relation
- Research and Development
- Marketing mix.

(c) Four (4) Factors influencing the behaviour of consumers in their choice of local food items over foreign food items

- Price: local foods are cheaper than foreign foods
- Taste: local foods is usually in raw form.
- Income: The revenue of consumer may influence his choice
- Quality of goods items
- Knowledge of owners.

11] \* Planning = is decision making for the future. It is a process of determining in advance what is to be done and how.

\*(3) Objectives of planning;

- To determine the direction of an organisation
- To provide a basis for team work.

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- To minimize wastages in the future.
- To facilitate decision-making.
- To improve morale of the employees.
- To determine goal
- To determine how to achieve goal

## Part II      INTRODUCTION TO AUDITING

12) The purpose of an Audit may be classified as primary purpose and secondary purpose;  
 These are explained as under;

### \* Primary purposes:

- The auditor has obligation to ascertain whether or not these accounts present a true and fair view of financial position.
- To ensure the accuracy of accounts.
- To confirm the exactitude of final accounts
- To prepare audit report
- To detect error
- To detect fraud
- To prevent error
- To prevent fraud.

13) Distinguish between primary objective and secondary objective.

The primary objectives of an audit are those objectives of an audit that require the auditor to prove the true and fair view of financial statements while the secondary objectives are the subsidiary ones i.e not main.

OR

Primary objective

Difference

Secondary objective

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- To ensure the accuracy of accounts.
- To confirm the exactitude of final accounts
- To make sure final statement present true and fair view position.
- To prepare audit report
- To confirm if the proper books of accounts are being kept or not according to fiscal law.

- To detect error
- To detect fraud
- To prevent error
- To prevent fraud
- To advise the management
- To prove whether internal control system is properly made.

14) Difference between Error and Fraud

Error

Difference

Fraud

- Is not voluntary i.e. not intentional act
- Is easy to discover
- It may be tolerable

- Is voluntary i.e. intentional act
- Is difficult to discover
- It lead to punishment



15) There (3) different types of Frauds:

- Embezzlement of cash = Use of cash dishonestly or Misappropriation of cash: Omitting to enter ~~the~~ money in cash or to enter less amount in cash.
- Misappropriation of goods = To steal goods in the business.
- Fraudulent manipulation of accounts: For eg, to show less profit than actually to avoid payment of tax.
- Using of false documents = To create and use false document for self interest (selfishness)

16) Professional accountants in public practice may be in conflict of interest with the client in the following circumstances!

- Professional accountants in public practice will need good remuneration (sufficient) while client enterprise will need to maximized profit
- Professional accountants in public practice will advise client clear and accuracy declaration of taxes while enterprise client will prefer tax avoidance

77) Four (4) advantages of having an internal audit section in a company:

- Safeguard the company's fixed assets.
- Run the business efficiently by avoiding frauds and errors.
- Assist the management
  - Advising the management about how the books of accounts have been kept.
  - Reporting to the owner where things are going wrong.

78) Difference between Internal Audit and Internal control

<u>Internal Audit</u>	<u>Difference</u>	<u>Internal control</u>
- Is an audit conducted by the internal auditor who is an employee of the organization		- It is the whole system of control of financial and non financial established by the management in order to carry on the business effectively.
- Refers to review the business operations by one member of staff		- Refers to ensure the achievement of the board of Directors.
- make sure Assets are safeguarded		- protect Assets of the company
- make sure error and fraud are minimized		- minimize error and fraud before audit

## SECTION B

**DRAFT**

19) Five (5) methods the auditor can use to obtain audit evidence;

- Observation = To look at an operation or to see whether procedures are followed.
- Inspection = to do physical control or stock taking
- Interview = refers to questions asked.
- Arithmetic checking = To repeat calculation and computation
- Vouching = means to check whether the transactions have original or support documents.
- Stepping = To control by moving from one document to another.

20) Five (5) users of audit reports and explain their interest;

- \* Shareholders: helps for decision-making about increasing or decreasing of the capital.
- \* Government = To know if taxes are paid exactly.
- \* Banker = To ensure credibility of company audited.
- \* Employees = To make ~~the~~ sure the continuous of job
- \* Manager = To evaluate their management

DRAFT

21) a) Five (5) personal qualifications of an auditor:

- To have a diploma or certificate in audit (CPA, ACCA)
- To have experience in Auditing
- To be independent
- to be confident
- To be honest.

b) Benefits a company get from a continual audit

- Errors and Fraud are discovered early
- Act as a preventive measure of errors and Frauds.
- Timely presentation of the auditor's report
- Keeps a <sup>company's</sup> accounting staff regular and updated
- Helps to prepare Financial Statement on time.

~~22)~~



