



CAMEROON GENERAL CERTIFICATE OF EDUCATION BOARD

Technical and Vocational Education Examination

JUNE XXXX

ADVANCED LEVEL

Specialty Name (Specialty Code)	Commercial Specialty - ACC(CG), MKT (ACC), TIMS (FIG)
Subject Title	BUSINESS MANAGEMENT
Paper No.	3
Subject Code No.	7025

Three hours

INSTRUCTIONS TO CANDIDATES

Answer ALL questions in SECTION A and any TWO questions in SECTION B

Calculators and formula booklets are allowed

You are reminded of the necessity for good English and orderly presentation in your answers.

You are advised to read carefully through the question paper, before you begin your answers.

Turn Over

SECTION A

PLASTICS PRODUCTION COMPANY (PPC)

1. Mr Bingo had been employed by Plastics Production Company (PPC) for more than thirty years. Despite his long service, he was only forty-eight years old. Bingo started with PPC as a mail clerk right after high school, received several promotions, and was transferred to the accounting department after three years. Bingo took a number of evening courses and attended various workshops over the years in an attempt to better himself. Eventually it paid off, and he was made a supervisor in the department.
- Bingo was viewed by most as a valuable employee. His loyalty and commitment to the company was never questioned. His performance appraisals stressed his “good work habits.” He was a friendly and gregarious sort and got along with everyone. Bingo was never one to “make wave,” and when he saw a problem, he usually took care of it himself. If it was unusual, he checked with his department head, Mr Ekiti for advice before addressing the situation.
- Mr Ekiti had been manager of the accounting department at PPC for over fifteen years. During that time the department had doubled in size. It now consisted of sixty employees, five of whom are supervisors. Recently, Ekiti announced his retirement, and management was faced with the task of selecting Ekiti’s replacement. This would be no easy task, since over the year Ekiti and Bingo have become good friends. Ekiti has recommended that management choose Bingo. The Board of Directors, however, decided that Bingo was “not good manager material” because he was not aggressive enough to be an effective leader of the whole department. Besides, another supervisor in the accounting department has caught the Board of Director’s eye. Christy was only thirty-five years old and had been a supervisor in the accounting department for five years. Christy looked like “good managerial material.” She had graduated from a prominent business school and was currently working on her MBA. From the start Christy had been a PPC junior executive in the company’s management training program. Although Christy had limited experience, she seemed to make up for it with drive and originality. Many top managers who came in contact with her thought she “could go far.”
- Top management wanted to promote Christy to replace Ekiti as manager of the accounting department. However, they worried what effect this choice would have on Bingo, who they still considered to be a valued employee. They worried that Bingo’s effectiveness as a supervisor would be diminished if he were offended by the move. There was also a possible effect on other long term employees, who might come to believe that service and loyalty to the company counted for little. Like other companies its size PPC had rewarded long term employees with generous array of benefits that included incentives raises and a pension program. Now the company had to choose between old reliable Bingo and bright young Christy.

Required:

- (a) Beside the appointment of top management, discuss the functions of the Board of Directors of Plastics Production Company? **(4 marks)**
- (b) If you were the manager of PPC who will you promote to replace Ekiti? Why? **(4 marks)**
- (c) Apart from promotion what are the other characteristics of the job that can give job satisfaction to Bingo **(6 marks)**
- (d) Why do personnel dislike change? **(8 marks)**
- (e) How can resistance to change be minimized? **(8 marks)**

(TOTAL 30 MARKS)

SECTION B

2. The closing cash balance of AKA LTD for September 2016 is 2,250,000FCFA. The following details are forecasts for the last quarter of the year 2016.

Month	September	October	November	December
Budgeted sales (FCFA)	5,200,000	6,400,000	17,600,000	28,800,000
Budgeted purchases (FCFA)	-	4,000,000	11,000,000	18,000,000

Other information;

- Analysis of records shows that sales are settled 60% by cash in the month of sales and the rest in the following month

- Analysis of purchases shows that purchases are settled 75% in the month of purchase and the rest two months later
- The organisation will receive a bank loan of 2,000,000FCFA in the month of December
- Taxes of 2,887,500FCFA shall be paid in the month of November
- Wages of 1,125,000FCFA are paid monthly

Work required:

- (a) Prepare a cash budget for the months of October, November and December 2016 (15 marks)
 (b) State and explain any five (05) consequences of cash flow problems to an enterprise (10 marks)

(TOTAL 25 MARKS)

3. A review of the activities and operations of an organisation has reduced the attention of management to some core aspects. These aspects have been highlighted below;

- A – Delegation of authority
- B – High employees turnover
- C – Just in Time inventory system
- D – Internal sources of finances

- a) Explain five (05) reasons of “B” above. (5 Marks)
 b) Explain five (05) benefits of “A” above (5 Marks)
 c) Outline the advantages and disadvantages of “C” above. (10 Marks)
 d) State and explain five (05) methods for raising finance internally. (5 Marks)

(TOTAL 25 MARKS)

4. Modern views and theories on organisational conflicts agree that conflicts are unavoidable no matter the nature or level of complexity of the organisation. To them, conflicts are a necessary part of organisational life; and even though high level conflicts are destructive, if they are well managed, they are an original instrument of organisational change. Based on this perspective, managers are charged with the duty not only to resolve high level destructive conflicts, but also to stimulate productive conflicts to get the organisation performing.

Questions

- a) Examine any four (04) importance of conflicts in an organisation. (08 marks)
 b) Examine any five (05) common causes of organizational conflicts (05 marks)
 c) Is there any best span of control? Justify your arguments with any five reasons. (12 marks)

(TOTAL 25 MARKS)