

STRICTLY CONFIDENTIAL



2014 EXAMINATIONS

ACCOUNTING TECHNICIAN PROGRAMME

PAPER TC11: MANAGEMENT

FRIDAY 5 DECEMBER 2014

TIME ALLOWED : 3 HOURS

SUGGESTED SOLUTIONS

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1. (a) The characteristics of an open system are as follows:

- Openness

An organization as a social system is open to its external environment to obtain energetic inputs and as an outlet for its outputs such as services and products.

This is important for the survival, growth and success of an organization.

- Process or throughput

Refers to the translation of inputs into outputs – i.e. services and products to satisfy customer needs and expectations. Activities associated with this feature include production, planning, training decision – making etc.

- Output

Refers to services and products that are produced by an organization and offered or sold to customers in order to satisfy their needs and expectations.

- Cyclic Nature

The returns realized from marketing the output enable further inputs to be made to complete the cycle of production.

- Negative Entropy

The organization imports and stores more energy, raw materials, finance etc than is required to produce output to permit survival in difficult times such as recessionary or crisis situations.

- Feedback

An organization needs to obtain positive or negative feedback from the environment pertaining to how customers perceive its products so that it can adapt its operations accordingly.

- Steady State

To continue in existence an organization must maintain a balance between inflowing inputs and outflowing output to maintain a dynamic form of equilibrium and avoid stagnation.

- Differentiation

Refers to an organization's tendency to move towards greater specialization of functions and multiplicity of roles to accommodate new demands.

- Equifinality
Open systems achieve their goals in several ways as similar results can be achieved by different methods to permit flexibility.

(b) (i) Closed sub-system is important for organization success because:

- It ensures organizational stability as it prevents fluidity.
- It maintains organizations' culture and common identity.

(ii) Open sub-system is important for organization success because:

- It permits the importation of inputs into the organization.
- It provides the outlet for organization's outputs.
- It allows the organization to adapt to contextual changes.

(c) Examples of closed and open sub-systems respectively are as follows:

(i) Closed sub-systems

- Production department
- Accounts department

(ii) Open sub-systems

- Marketing department
- Research and development department

2. (a) A manager can ensure productive work teams as follows:

- Clear Goals
They ensure common understanding, unity of direction and increased employee motivation and commitment.
- Mutual Trust
Increases team cohesiveness as it reduces conflict and suspicion between management and team members.
- Effective Communication
Ensures common understanding and collaboration amongst team members.

- **Effective Leadership**
Appropriate leadership style that motivates members to interact more frequently allows the development of ties amongst group members i.e. bonding.
- **Appropriate Corporate Culture**
People – centered corporate culture is more likely to nurture team spirit than task-oriented corporate culture.

(b) A manager can use work teams to contribute towards the achievement of organizational goals as follows:

- **Motivate Team Members**
Team spirit and supportive work environment creates conducive environment that promotes employee motivation.
- **Delegate to team members**
Manager can delegate some of their tasks to team member to create time for more strategic issues.
- **Bring Change**
It is easier to initiate and sustain change through the team than individuals as teams are more flexible than individuals.
- **Synergise**
Teams can bring about synergy – i.e. multiplier effect to increase productivity.
- **Speed up decisions as teams are usually multi-skilled hence can handle problems from different perspectives.**
- **Continuous Learning and Improvement**
Through interchange of ideas wisdom and skills team members have the opportunity to learn and improve customer service delivery continuously.

3. (a) ICT can improve the quality of customer service in the following ways:

- **Faster calculation and accurate processing of paper work to ensure responsive and prompt customer service.**
- **Provision of updates on purchase patterns and customer preference to enable the organization adapt accordingly.**
- **Instant distribution of information on products and services with related trade terms to many customers world-wide.**

- Easy and speedy integration of office functions to enable clerical, secretarial and administrative staff write various documents and access records and databases from one work station.
- Provision of new efficiencies such as ATM and Electronic point of sale which have reduced lead times and queuing in retail shops and various service centres.
- Accurate and reliable electronic maintenance of inventory to avoid overstocking and stock-outs.

(b) The constraints are:

- Automated ICT may eliminate jobs leading to increased unemployment and related social problems.
- It may allow employers to collect personal details about employees and thus violating their right to privacy.
- It can bring about boredom and fatigue to employees in the course of operating standard office systems.
- Excessive use of ICT may cause stress and injury to the health of employees due to continued strain in the face of computer screens and other gadgets.
- Internet can be used by unscrupulous employees to carry out illegal transactions.
- ICT can encourage time wasting practices such as playing games on computers during normal working hours.

(c) **Three** remedies to minimize these constraints are as follows:

- Re-training affected people to acquire skills to enhance employability to get alternative jobs within or outside the organization.
- A policy to stipulate maximum time per day an individual may be exposed to video display unit to reduce stress and boredom.
- Providing guidance to staff on the disciplinary rules that constitute misconduct together with the sanctions that may be imposed on staff.
- Monitoring and checking the use of internet facilities by employees to avoid playing of games on the computer.

4. (a) The ways in which business organizations can benefit from Research and Development are as follows:

- Corporate Planning
Research and development provides business organizations with current opportunities and threats as basis for corporate planning.
- Development of new products or prolonging the life span of old products in response to market changes, competition, changing cost structures and product position on the product life cycle.
- Developing new processes in response to the need for improved productivity, cost reductions or new technologies.
- Creation and support of organization culture of adaptability and innovation.
- Ability to go ahead or catch up with latest competitive technology.

(b) The constraints associated with Research and Development are as follows:

- It is difficult to control research and development staff because their work calls for mobility, creativity, discretion and autonomy.
- Research and development projects may not be economically viable as they can be extended over long period of time in a bid to realize expected outcomes that may not be forthcoming.
- Where several research projects are being implemented simultaneously it is often difficult to prioritize which ones should continue or stop temporarily.
- Where research and development project has proved unattainable it is difficult to decide the point at which it should be abandoned.

(c) The ways to minimize these constraints are as follows:

- Ensure commercially sound judgment through experienced and skilled personnel who should take charge of research and development activities.
- Imposition of time limits on projects and review of progress from time to time.
- Effective project planning and monitoring and evaluation to deal with variances from plans.
- Budgetary control to ensure that research and development projects are abandoned at the point they become financially unsustainable.

5. (a) Disciplinary Procedure

The main steps of typical disciplinary procedure are as follows:

- Step 1: Inform the concerned individual of alleged misconduct in the presence of his/her supervisor.
- Step 2: Allow the individual to state his/her case and to be accompanied by a fellow employee or union representative.
- Step 3: Investigate the case thoroughly before any disciplinary action is taken.
- Step 4: Inform the individual of the reasons for any penalty to be inflicted upon him/her.
- Step 5: Announce appropriate penalty – i.e dismissal for gross misconduct or repeated misconduct after first oral, second and final written warning had been given to him/her

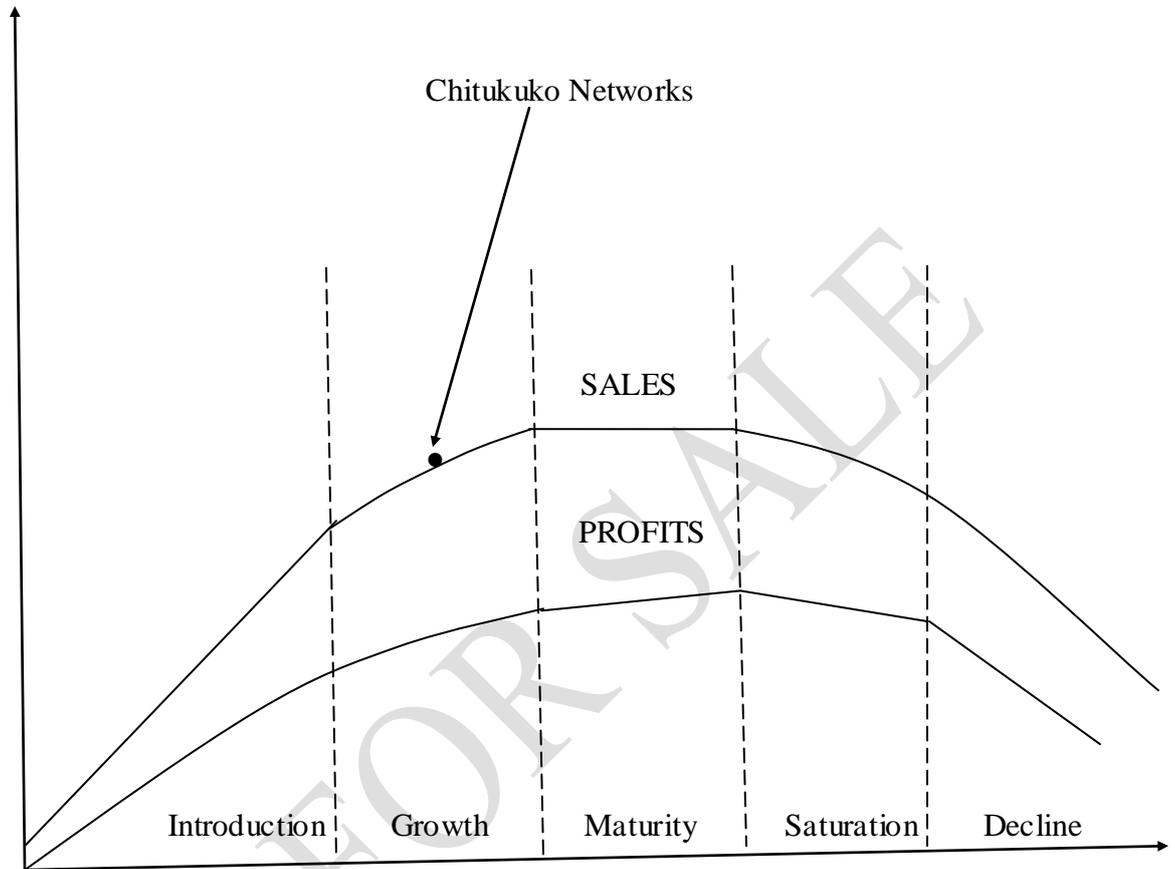
(b) Grievance Procedure

The steps of typical grievance procedure are as follows:

- Step 1: The concerned employee or group of employees or trade union officials raise grievance with their supervisor who must deal with the matter within 7 working days.
- Step 2: The concerned party takes the matter to head of department if not satisfied with the way the supervisor handles the matter or if the matter is not attended to after the expiry of 7 working days. The head of department must settle the matter within 14 working days. Human resource practitioner and union officials and complainants can be in attendance.
- Step 3: If not satisfied with the way the matter is handled or the head of department does not attend to the grievance within 14 days, the concerned party takes the case to the Director who must handle the matter within 21 working days. The human resource practitioner, trade union officials and complainants will be in attendance.
- Step 4: Third party intervention
If the concerned party is not satisfied with the decision of the Director they may seek external assistance in the form of Third Party Intervention involving conciliation, mediation, arbitration and adjudication.

6. (a) The appropriate position of Chitukuko Networks on the Product Life Cycle (PLC) is illustrated below:

PRODUCT LIFE CYCLE



Explanation

- Chitukuko Networks have been on the market for relatively short period in Malawi hence they are still fashionable and its sales are growing at a faster rate.
- It is therefore at the growth stage on the PLC.
- It is experiencing some competition as competitors are becoming aware of the Chitukuko Networks.
- Its price remains relatively high even though it is leveling off gradually.
- Competitors are beginning to emulate the features of Chitukuko Networks.

- (b) The appropriate strategies to boost the sales of the Chitukuko Networks as far as growth stage of PLC is concerned are as follows:
- Intensify advertisement activities so that more potential buyers become aware of its benefits.
 - Intensify promotional activities to expand the market share of the cellphones.
 - Slightly reduce the price of the cellphones in order to attract more customers.
 - Diversify the features and functionality of the cellphones in order to erect barriers to new entrants into the market for the cellphones.
 - Market penetration in order to expand further in the existing market.

7. (a) Job specification is a significant tool for effective recruitment because of the following reasons:
- It is the basis for developing selection criteria used to short list applicants and identify the best candidates for a particular job.
 - It assists potential job applicants to understand the required professional and academic qualification to decide whether they qualify for the job or not.
 - It promotes equal opportunity in recruitment as it ensures fair and objective recruitment process.
 - It assists the employer to formulate relevant induction training programme as part of recruitment process.
 - It enables the employer to answer queries with respect to applicants who may not be shortlisted or appointed for the job.
 - It ensures that the right people are recruited for the right jobs.

- (b) The job advertisement should contain the following information in their chronological and structured order:

- (i) The name of the organization in block letters.
- (ii) The job title in block letters.
- (iii) Brief statement announcing the intention to fill an existing job vacancy with the right person.
- (iv) Geographical and hierarchical location of the job.

- (v) The responsibilities and duties to be performed by the successful candidate.
- (vi) The right qualifications, knowledge and skills of the successful candidate.
- (vii) The reporting relationships i.e. who the successful candidate will be reporting to and who he/she will be responsible for.
- (viii) The salary and other fringe benefits (if any) for successful candidate.
- (ix) Instructions indicating how interested candidates should apply and the postal address or telephone to use.
- (x) The deadline for receiving applications.

END

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