

**Principles of management  
and Auditing**

**T080**

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

WORKFORCE DEVELOPMENT AUTHORITY



P.O. BOX 2707 Kigali, Rwanda Tel: (+250) 255113365

---

**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**