



**CPA ADVANCED LEVEL**

**CIFA ADVANCED LEVEL**

**CCP ADVANCED LEVEL**

**LEADERSHIP AND MANAGEMENT**

**TUESDAY: 22 April 2025. Morning Paper.**

**Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**

**ELIBO MANUFACTURING ENTERPRISES LIMITED (EMEL)**

Elibo Manufacturing Enterprises Limited (EMEL), a mid-sized manufacturing firm with 500 employees, has experienced significant decline in performance over the past two years. The company, once known for its innovations in industrial equipment, has seen its market share drop by 30% and employee turnover rise to unprecedented levels. At the heart of the company's struggles lies a complex web of leadership and management issues. The board of directors remains largely disconnected from day-to-day operations, meeting only quarterly and often making decisions without adequate consultation with middle management. The board meetings take not more than two hours hence most of the board members do not understand the company's dynamics. The chief executive officer (CEO), appointed three years ago, maintains an autocratic leadership style, rarely seeking input from departmental heads and frequently overriding their decisions.

This top-down approach has created a toxic organisational culture where middle managers feel disempowered and frustrated. They, in turn, have become increasingly rigid with their subordinates, leading to a breakdown in communication across all levels. Staff morale has plummeted, with employee satisfaction surveys showing a 45% decline in job satisfaction over the past one year. The company's relationships with stakeholders have also deteriorated. Suppliers report inconsistent communication and delayed payments, leading some to demand stricter payment terms or refuse to extend credit. Key customers have expressed dissatisfaction with product quality and delivery times, resulting in the loss of several major contracts. Internal processes have become inefficient due to siloed departments and lack of cross-functional collaboration. Innovation has stagnated as the research and development team operates in isolation from market feedback and customer needs. Financial performance has suffered, with profits declining by 40% year-over-year.

However, the situation is not beyond salvation. The board recently hired a management consultant who recommended several turnaround strategies: Implementing a participative leadership style, establishing regular cross-departmental meetings, creating feedback channels across all levels and developing a comprehensive stakeholder engagement plan. The consultant also suggested leadership training for all management level staff and the introduction of performance-based incentives aligned with company goals. Initial steps have shown promise. A pilot program implemented in one department, incorporating employee feedback and collaborative decision-making amongst other turnaround strategies, has already led to a 15% improvement in productivity. The challenge now lies in scaling these changes across the organisation while managing resistance from entrenched interests.

**Required:**

- (a) To address EMEL's leadership and management challenges, alternative leadership approaches that promote collaboration, engagement and shared responsibility could yield more positive outcomes.

Examine **FIVE** leadership styles that EMEL management could have implemented. (10 marks)

- (b) Highlight **FIVE** categories of metrics EMEL board of directors could monitor to ensure the effectiveness of the proposed turnaround strategies. (10 marks)

- (c) Evaluate **FOUR** strategies that EMEL could implement to improve relationship with its stakeholders. (8 marks)
- (d) Advise EMEL board on **SIX** measures they would take while redesigning the organisation structure in order to improve cross-functional collaboration and innovation. (12 marks)
- (Total: 40 marks)**

#### QUESTION TWO

- (a) Explain the term “administration”. (2 marks)
- (b) With the use of a suitable example in each case, describe **FOUR** ways on how managers could tackle emerging organisational challenges. (8 marks)
- (c) Elton Mayo, an Australian psychologist, is best known for his work, the “Hawthorne Studies”. By integrating Mayo’s principles with modern management practices, organisations can create a harmonious and productive workplace that values both human relations and operational efficiency.

Highlight **FIVE** strategies an organisation could use to mitigate the challenges brought about by Elton Mayo’s Human Relations Theory in the management of employees. (5 marks)

**(Total: 15 marks)**

#### QUESTION THREE

- (a) Summarise **FIVE** roles of middle level managers in an organisation. (5 marks)
- (b) Discuss **FIVE** components of marketing intelligence. (10 marks)

**(Total: 15 marks)**

#### QUESTION FOUR

- (a) Explain **THREE** tools used in carrying out environmental analysis. (3 marks)
- (b) Evaluate **SIX** strategies that management in an organisation could use to enhance the effectiveness of staffing. (12 marks)

**(Total: 15 marks)**

#### QUESTION FIVE

- (a) Enumerate **THREE** ways in which Max Weber’s bureaucratic theory could be applied in a modern business that operates in the digital space. (3 marks)
- (b) Examine **SIX** benefits of using models in decision making. (12 marks)

**(Total: 15 marks)**

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**LEADERSHIP AND MANAGEMENT**

**MONDAY: 2 December 2024. Morning Paper.**

**Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**

**BARIDI BORA COMPANY LIMITED (BBCL)**

Fabiana Karley worked as an assistant director, production and marketing division at Wema Limited from 2012 until mid-2020 when she resigned to join Baridi Bora Company Limited (BBCL) as director, production and operations division. She was recruited to inject new blood and reshape the company because the directors were concerned that unless urgent strategic decisions are implemented, stiff competition could push BBCL from the market. BBCL main clientele are private companies, multinational companies, state corporations, county governments and national government. BBCL specialises in projects, data mining and digital marketing.

While working at Wema Limited, her division was also responsible for collection and analysis of all company's data. As the person in-charge of the division, she realised that any decision made at company's headquarters concerning expansion, opening, closing or retention of a branch, promotion or termination of an employee was always informed by recommendations generated from analysed data. The scientific approach had given the company great competitive advantage over its competitors as all decisions were informed by research that targeted to address a particular problem. This had resulted not only to highly committed and loyal employees but also to customers' loyalty. To Fabiana Karley, this approach of management changed her view on the core of organisations performance.

Coming from such a background, Fabiana Karley's approach for work was elimination of all bottlenecks that inhibited productivity, causing delay in completion of projects or loss of clients and standardisation of processes where applicable. Upon taking charge of the office, Fabiana Karley scanned through the company operations and noted that BBCL was not keen on usage of data. Decisions were haphazardly made leading to the company's poor performance and loss of resources. She discussed with the board of directors of BBCL and suggested establishment of Research and Development (R&D) unit whose core mandate was to generate required information based on experiential study. This proposal was approved by the board.

The first assignment for the R&D unit was to establish who were the customers of BBCL. The customers purchasing power was to be classified using the Pareto principle of 80:20. R&D unit was expected to ensure improvement in productivity of employees. There was a major concern that employee turnover rate was high and some employees in the organisation were wrongly placed. Information Communication and Technology (ICT) department was required to establish and implement a system where each project, client and employee's bottom line value could be traced on a continuous basis from a central place.

This was a shift in paradigm of management at BBCL that revolutionised every fibre of operations for it was systematic, productive, results oriented and timely. R&D unit applied exploratory research method to establish the position at BBCL. Within a period of three months, a report was submitted to Fabiana Karley revealing that BBCL's operations could be classified as follows:

- Projects Consortium
- Marketing, Research and Development
- Administration.

Fabiana Karley noted a lot of duplications of duties across the units. Borrowing from experience, she expanded the scope and the terms of reference for the assignment to go deeper and do a feasibility study on approaches that could be established to make the company more productive. She cautioned R&D staff to remain ethical in the whole process and ensure that recommendations are based on data and facts.

Draft report from the R&D unit indicated the following:

- **Projects Consortium:** This formed the backbone of the company's source of funds but faced systemic challenges such as; operated as a section in finance department, was understaffed, employees lacked key skills. It also relied on old manual system in management of projects. R&D team recommended its separations from other areas, equipping employees with necessary skills and installation of modern project management systems.
- **Marketing, Research & Development:** This operated as a small section under finance but rarely achieved any substantial results. R&D recommended establishment of a unit responsible for generation of data and innovations to capture new markets.
- **Administration:** This was a new idea of separating management and administrative work from other operational functions. To trace who is responsible for what, they recommended functional structure of organisation.

Having gone through the findings, Fabiana Karley prepared a comprehensive report which she presented to the board for consideration and approval. The report was approved with minimum changes. One year down the line after implementation of the approved report, BBCL has reinvented itself and all stakeholders appreciate Fabiana Karley's initiatives. In 2023, BBCL was pronounced the best managed company.

### Required

- (a) (i) Explain the term "shift in paradigm" in the context of Baridi Bora Company Limited (BBCL) operations. (2 marks)
- (ii) Analyse **FOUR** advantages of the principle used by Fabiana Karley in carrying out the first assignment. (8 marks)
- (b) Assess **FIVE** applications of Frederick Taylor's theory of scientific management observed at BBCL. (10 marks)
- (c) Discuss **FIVE** benefits enjoyed by BBCL due to formation of new organisational structure as recommended by the research and development unit findings. (10 marks)
- (d) Fabiana Karley required the research and development team to behave in a certain way.
- Citing **FIVE** reasons from the case study, justify this requirement. (10 marks)
- (Total: 40 marks)**

### QUESTION TWO

- (a) Explain **FIVE** roles of entrepreneurship in economic development of a country. (5 marks)
- (b) Examine **FOUR** limitations of quantitative approach to management. (4 marks)
- (c) Evaluate **THREE** sources of power in an organisation. (6 marks)
- (Total: 15 marks)**

### QUESTION THREE

- (a) Describe **THREE** positive effects of organisational politics. (3 marks)
- (b) Discuss **FOUR** merits of group decisions. (4 marks)
- (c) Examine **FOUR** characteristics of bureaucracies as identified by Max Weber. (8 marks)
- (Total: 15 marks)**

#### QUESTION FOUR

- (a) You have been invited to offer advisory to a management class in topics of project management.

Identify **FOUR** characteristics of a project management that you will cover. (4 marks)

- (b) Explain **FIVE** benefits that may accrue to an entrepreneur upon registering a trademark. (5 marks)

- (c) In the context of marketing management, analyse **THREE** bases of segmenting the consumer market. (6 marks)

**(Total: 15 marks)**

#### QUESTION FIVE

- (a) Highlight **FIVE** benefits of budgeting as a control measure of an organisation. (5 marks)

- (b) Explain **FIVE** characteristics of transformational leadership. (5 marks)

- (c) In reference to the ADKAR model of change management, describe **FIVE** main goals to which one can base their change management. (5 marks)

**(Total: 15 marks)**

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**LEADERSHIP AND MANAGEMENT**

**MONDAY: 19 August 2024. Morning Paper.**

**Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**

**PEAKVERTEX COMPANY LIMITED (PCL)**

Peakvertex Company Limited (PCL), a mid-sized manufacturing company, has been experiencing a decline in market share and profitability over the last five years. The company is known for its high-quality products, but it is struggling to innovate and adapt to changing market demands. Staff turnover rate is high with low employee morale and a noticeable lack of communication and collaboration across departments.

The board of directors has recently appointed Authur Mabuso as the new Chief Executive Officer. Arthur has a reputation for leading successful organisational transformations from his previous appointments in other companies. His leadership is predominantly transformational, characterised by his strong vision, inspirational communication and focus on employee development. He believes in creating a culture of innovation, empowerment and accountability.

Upon joining PCL, Arthur conducted a comprehensive analysis of the company's operations, market position and employee satisfaction. The following issues were identified:

- Outdated product lines and lack of innovation.
- Siloed departments with poor inter-departmental communication.
- Low employee engagement and high staff turnover.
- Inefficient processes and lack of clear direction.

Arthur's first major initiative was to launch a company-wide transformation programme dubbed "PCL revamped", aimed at revitalising the company's culture, processes and market research. The programme includes the following components:

- Implementing cross-functional teams to drive product innovation and improve market responsiveness.
- Implementing leadership training programmes to develop current and future leaders within the organisation.
- Introducing initiatives to boost employee morale, such as recognition programmes, flexible work arrangements and open forums for feedback.
- Streamlining operations by adopting new technologies and improving workflow efficiencies.
- Implementing a client feedback loop to continuously improve service quality and strengthen client relationship.

However, Arthur faces the following challenges in implementing "PCL revamped":

- Resistance to change from long standing employees.
- Aligning the diverse goals and expectations of various stakeholders.
- Maintaining operational stability while executing major changes.
- Ensuring quick adoption of new technologies and processes.
- Balancing short-term and long-term strategic goals.

Within the first six months, PCL revamped has shown promising results. Early innovations from the hubs have led to the development of two new product lines which are yet to be launched into the market. Employee engagement scores have improved and there is a noticeable increase in collaboration across departments. However, some resistance remains and Arthur is working on addressing these issues through continued communication and support.

**Required:**

- (a) Explain **FIVE** objectives of innovation hubs in the context of “PCL revamped”. (5 marks)
- (b) Suggest **FOUR** potential strategies that Arthur could use to overcome resistance to change among the long standing employees. (4 marks)
- (c) Analyse **FOUR** potential long-term impacts of the “PCL revamped” programme on the company’s culture and market position. (4 marks)
- (d) Evaluate **THREE** roles of leadership development in the success of “PCL revamped”. (6 marks)
- (e) Discuss **THREE** roles of client feedback in enhancing PCL’s service quality and client relationship. (6 marks)
- (f) Explain **THREE** differences between “strategic goals” and “operational goals” in the context of PCL. (6 marks)
- (g) Highlight **FOUR** ways in which the Chief Executive Officer may address the challenge of balancing short-term operational needs with long-term strategic goals. (4 marks)
- (h) Advise the Chief Executive Officer and his team on **FIVE** alternative pricing strategies that the company could adopt when introducing the new products. (5 marks)

**(Total: 40 marks)**

**QUESTION TWO**

- (a) Describe **FIVE** factors that are reshaping and redefining management in modern day organisations. (5 marks)
- (b) Discuss **FIVE** benefits of application of Henry Fayol’s administrative theory to a modern organisation. (5 marks)
- (c) Analyse **FIVE** factors that have led to a shift towards quantitative thinking and decision making in many organisations. (5 marks)

**(Total: 15 marks)**

**QUESTION THREE**

- (a) Explain **FIVE** limitations associated with management that over rely on micro-environmental factors in decision making. (5 marks)
- (b) Identify **FIVE** circumstances under which compromise can be used as a strategy in conflict resolutions. (5 marks)
- (c) Discuss **FIVE** benefits of understanding the conditions under which managers are required to make decisions. (5 marks)

**(Total: 15 marks)**

**QUESTION FOUR**

- (a) Explain **FIVE** challenges encountered by managers during formulation stage of organisational strategic direction. (5 marks)
- (b) Illustrate **FIVE** different stages of the project life cycle. (5 marks)
- (c) Explain **FIVE** benefits of segment evaluation before development of marketing information. (5 marks)

**(Total: 15 marks)**

**QUESTION FIVE**

- (a) Discuss **FIVE** ways through which organisations could enhance entrepreneurial development culture amongst employees. (5 marks)
- (b) Theories of change enhance the likelihood of successful change initiatives by addressing challenges, engaging stakeholders and aligning the organisation with its strategic objectives.  
  
With reference to the above statement, describe **FIVE** roles of theories of change in an organisation. (5 marks)
- (c) Analyse **FIVE** ways that can be applied by organisations to manage employee performance. (5 marks)

**(Total: 15 marks)**

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**CPA ADVANCED LEVEL**

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**LEADERSHIP AND MANAGEMENT**

**MONDAY: 22 April 2024. Morning Paper.**

**Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**

**HAVANNA TECHNOLOGIES ENGINEERING LTD. (HTEL)**

Havanna Technologies Engineering Ltd. (HTEL) is a 30-year-old family-owned manufacturing company with 250 employees. The company manufactures spare parts for the aviation industry. The immediate president of HTEL is Harold Barelli, an Italian who joined the company from the smaller enterprise in 2019. Harold Barelli aspired to be a great leader who would leave a rich legacy in the aviation industry.

Before Harold, the only other president of HTEL was the founder and owner of the company, Mark Lewis. Mark stepped down from the leadership of HTEL after reaching retirement age in accordance with the company's policies. During his tenure, HTEL was bureaucratic and had a traditional and rigid organisational structure. Mark made most of the strategic decisions many times overstepping his Board of Directors. Despite his style of management, the company had a very rich hierarchical organisational culture.

After taking over from Mark Lewis, Harold embarked on transformation of HTEL to a modern company. He believed in involving employees in decision making as much as possible. Though he was a people's person, Mark seemed not to have the right skills mix required of a Chief Executive Officer (CEO) of HTEL. He was however convinced that new technologies and advanced management techniques could make HTEL one of the best manufacturing companies in the country. To this end, Harold created a vision statement that was displayed throughout the company. The two-page statement which had a strong democratic tone, described the overall purpose, direction and values of the company.

During the first three years of Harold's tenure as president, a major process re-engineering took place at the company. This was designed by Harold and selected few of his senior managers with the help of some consultants. The consultancy firm was not competitively sourced and had done no similar work before. One of the intentions of the re-engineering process was to implement an advanced organisational structure to facilitate achievement of the new HTEL vision. Drastic Changes were made in the organisation. These changes affected all members of staff and how they worked. As part of the changes, the organisation structure was flattened and some offices merged. Some of the changes gave employees more control but less in some instances, where employees should have been given more power. There were some situations in which individual workers reported to three different bosses and other situations in which one manager had far too many workers to oversee.

Rather than feeling comfortable in their various roles at HTEL, some employees began to feel uncertain about their responsibilities and how they contributed to stated goals and vision of the company. Though the CEO had good intentions for the company, the re-engineering process did more harm than good. The overall effect was a precipitous drop in worker morale and productivity. In the midst of all the changes, the vision that Harold had for the company was lost. The instability that employees felt made it difficult for them to support the company's vision. Employees at HTEL complained that although the mission statement was displayed throughout the company, no one understood the direction the company was going.



To the employees at HTEL, Harold was an enigma. Harold claimed to be democratic in his style of leadership, but he was arbitrary on how he treated people. He acted in a non-directive style towards some people and he showed arbitrary control towards others. He wanted to be seen as a hands-on CEO, but he delegated operational control of the company to others while he focused on external customer relations and matters of the board of directors. At times, Harold appeared to be insensitive to employees' concerns. He wanted HTEL to be an environment in which everyone could feel empowered, but he often failed to listen closely to what employees were saying. He seldom engaged in open, two-way communication. HTEL had a long, rich history with many unique stories, but the employees felt that Harold either misunderstood or did not care about that history. Four years after arriving at HTEL, Harold stepped down as president after his operations officer ran the company into a large debt and cash flow crisis. His dream of building HTEL into a world-class manufacturing company was never realised.

**Required:**

- (a) Harold Barelli believed to possess a certain leadership style.  
Drawing evidence from the case study, discuss **FIVE** characteristics of this leadership style. (10 marks)
- (b) Examine **FIVE** drawbacks to HTEL from its wide span of control. (10 marks)
- (c) For each function of management, explain Harold Barelli's inadequacies. (10 marks)
- (d) Harold Barelli failed as a leader, resulting to his stepping down as the president of HTEL.  
Discuss **FIVE** skills that Harold Barelli would have acquired, in order for him to become an effective leader. (10 marks)
- (Total: 40 marks)**

**QUESTION TWO**

- (a) Outline **FIVE** benefits of intrapreneurship to an organisation. (5 marks)
- (b) Explain **FIVE** features of management. (10 marks)
- (Total:15 marks)**

**QUESTION THREE**

- (a) Highlight **FIVE** benefits of developing a project plan. (5 marks)
- (b) Discuss **FIVE** barriers to successful enterprise culture. (10 marks)
- (Total:15 marks)**

**QUESTION FOUR**

- (a) Explain **FIVE** obstacles to change management. (5 marks)
- (b) Explain **FOUR** situations where McGregor's theory X is least applicable in an organisation. (4 marks)
- (c) Outline **SIX** advantages of functional organisational structure. (6 marks)
- (Total:15 marks)**

**QUESTION FIVE**

- (a) Explain **FIVE** factors that might influence the staffing function in a multinational company. (5 marks)
- (b) Enumerate **FIVE** weaknesses associated with the management function of organising. (5 marks)
- (c) Describe **FIVE** challenges encountered by digital companies when developing marketing mix for their products. (5 marks)
- (Total:15 marks)**

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**LEADERSHIP AND MANAGEMENT**

**MONDAY: 4 December 2023. Morning Paper.**

**Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**

**MWANANCHI WOOD AND ROOFING PRODUCTS LIMITED (MWRPL)**

Mwananchi Wood and Roofing Products Limited (MWRPL) started its operations in the year 2011 as a partnership business run by Peter and Patrick. Both partners were accomplished entrepreneurs and were officials of the County Chamber of Commerce which greatly assisted its members in generating business ideas. The partnership converted into a private company in the year 2015 as a result of significant business growth. Peter and Patrick were the first directors of MWRPL. When the partnership converted into a private company, the directors moved their head office from Murungaru, a small town in Nyandarua County to Nairobi City.

The two were involved in the day to day running of their company though they were board members. Peter was the chairman of the board of directors while Patrick was the chief executive officer (CEO). Patrick was responsible for operations in the company, Peter was responsible for leadership, marketing and human resource in addition to carrying out the chairman's role. This at times brought about confusion in the company leading to bad decisions.

Due to the complexities associated with the shift from partnership to a company and the confusion in decision making, MWRPL hired the services of Mamlaka Management Consultancy (MMC) to assist in establishing working structures and recruitment of relevant key personnel. Before the consultants came on board, the business had a workforce of 67 employees, a few working on permanent basis while majority were engaged on temporary contracts.

The Consultants analysed the defunct partnership business to establish strengths and weaknesses and recommended a divisional structure. They also advised that all the employees who were retained by the business after conversion into a company for them to change their mindset. MMC also recommended to MWRPL to recruit new employees in order to fill identified skills gap. The consultants insisted that the staff recruited be apt in intuition, technology, data collection, analysis and dissemination of information to ensure decisions in the company were mainly arrived at scientifically. The new employees were to focus on both internal and external matters affecting the company.

The company's main objective as stated in its Memorandum of Association was to offer wood and roofing products in the country. MWRPL segmented its market by offering tailor made solutions to two classes of customers; furniture for home owners and roof construction for the construction industry. The company adopted diverse marketing as its primary marketing strategy.

Most of the company's operations took a job shop approach. For each segment, the company worked on one project at a time before moving to the next project. Project scheduling skills were necessary to the production managers so as to ensure customer orders were completed on time. This ensured high levels of customer satisfaction.

To continuously improve the quality of its products, MWRPL invested heavily in technology and customer service. A slogan was devised and circulated "*think and delight the customer*". Improved quality of its products and services has resulted into lowering of the production cost. As compared to the competitors, the market now prefers MWRPL's products due to quality and affordability.

The company diversified its services to capture new customers and markets. In year 2021 and after carrying out an environmental analysis, MWRPL noted an opportunity through its research and marketing department and included solar appliances in its products offering. This targeted low-income earners in rural areas who were not connected to the national electricity power grid.

By mid-2022, the demand for the wood products and roofing services had exponentially expanded with the company's clientele being spread in all the 47 counties in the country. MWRPL has since expanded its operations and services and has opened branches in all East African Countries. The company has future plans of opening branches in West African countries.

**Required:**

- (a) Explain why the following are important to MWRPL:
- (i) Internal analysis. (2 marks)
  - (ii) External analysis. (2 marks)
- (b) The County Chamber of Commerce assisted its members in generating business ideas.
- Discuss **FIVE** techniques that could have been used by the members to generate business ideas. (10 marks)
- (c) Analyse **FIVE** characteristics of the organisational structure recommended by Mamlaka Management Consultancy (MMC). (5 marks)
- (d) Despite being board members, Peter and Patrick were involved in the day to day running of their company leading to bad decisions.
- With reference to the above statement, analyse **FOUR** inhibitors to effective decision making. (8 marks)
- (e) MWRPL adopted diverse marketing as its primary marketing strategy.
- Propose to MWRPL, **SEVEN** strategies that they could use while developing a diverse marketing campaign. (7 marks)
- (f) MWRPL's production managers were expected to possess project scheduling skills in order for them to be effective.
- Highlight **SIX** contents they could have included in their project schedules. (6 marks)
- (Total: 40 marks)**

**QUESTION TWO**

- (a) Enumerate **FIVE** characteristics of transactional leadership style. (5 marks)
- (b) Explain **FIVE** challenges associated with delegation of duties. (5 marks)
- (c) Suggest **FIVE** demerits of charismatic leadership in an organisation. (5 marks)
- (Total: 15 marks)**

**QUESTION THREE**

- (a) Explain **FOUR** triggers of change in an organisation. (4 marks)
- (b) Describe **FIVE** shortcomings of Abraham Maslow's theory of motivation. (5 marks)
- (c) Outline **SIX** ways in which a business organisation could use macro environment to its advantage. (6 marks)
- (Total: 15 marks)**

**QUESTION FOUR**

- (a) Examine **FIVE** aspects of Mary Parker Follett's management theory. (5 marks)
- (b) Discuss **FIVE** elements of the marketing mix. (10 marks)
- (Total: 15 marks)**

**QUESTION FIVE**

(a) Examine **FIVE** benefits of contingency theory of leadership to an organisation. (5 marks)

(b) Assess **FIVE** benefits of proper planning in an organisation. (10 marks)

**(Total: 15 marks)**

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**LEADERSHIP AND MANAGEMENT**

**MONDAY: 21 August 2023. Morning Paper.**

**Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**

**MARINA COMPANY LIMITED (MCL)**

Marina Company Limited (MCL) is a multinational company whose headquarters are in New Delhi, India. The company established its offices in Kenya in the year 2012 and currently operates in 15 other countries across the globe. The company specialises in solar technology and offers alternative power solutions in remote areas where main electric power cannot be accessed easily. The vision of MCL is “to power the world and bring comfort to the forgotten”.

The company manufactures most of the appliances centrally in India and then ships them directly to its global markets. At the initial stages of establishment, MCL collaborated with technical institutes to train technologists who assembled and maintained the appliances. The company’s after-sale service approach has boosted its customer base globally. Any major repair was referred back to New Delhi.

In the year 2013, MCL hired a business analyst to carry out a worldwide business analysis with the aim of identifying countries where new offices could be set up. This decision would be based on a wide variety of factors. Globally, MCL customers were classified according to geographical regions. Africa region was the largest, with MCL present in five countries. The company had enjoyed monopoly status in the countries where it operated for a long period of time.

From the year 2018, competition has been building up where some companies have been able to offer more advanced and better products. This has led to MCL’s bottom line being impacted adversely. The competitors’ products are imported as a complete portable set, and do not require local assembly. The marketing model used by competitors borrows heavily on multi-level marketing and therefore embraced by MCL customers. Perception associated with companies such as MCL which sell in large quantities undermines quality selling. The competitors introduced new modes of selling including hire purchase and loaning for the appliances. These modes were quickly adopted by customers.

Peter Quick joined MCL in the year 2020 as the head of sales, Africa region, at a time competition was very stiff and the financial position of the company was very low. Major customers that had remained loyal to MCL were shifting their loyalty. By the year 2021 the competition grew exponentially as new entrants joined in with cheaper and more technologically advanced appliances.

Khan Ho, the global operations general manager, whose office is in New Delhi, planned for a brainstorming workshop in the year 2022 for all the regional sales heads to advise on the way forward. The regional sales managers were required to provide scientific responses to the problem, guided by facts and the unique challenges in each of their regions. Khan Ho expected that the workshop would yield remedies to the effects of fierce competition and the way forward would be arrived at.

In preparation for the workshop, Peter Quick and his team carried out an in-depth internal and external analysis of MCL, studied the competitors’ strengths, customers behaviour, market volatility, competitors and products differentiation. In the analysis, it was undisputable that some of MCL’s appliances were unique and effective in the market.

To enable him understand the reasons behind the customers shift in loyalty, Peter Quick purchased some of the competitors’ products and shipped them to the company’s main laboratories in India for detailed analysis of their constituent parts. The laboratory report revealed that 70% of the competitors’ products comprised of MCL’s products components. The only major differentiating factor was the logo, colour and packaging. Most of the competitors were

buying MCL's products, adding on a few improvements, re-branding, packaging and selling the products in the market as their own.

In his presentation, Peter Quick noted that the assignment was complex and weighty. To enable him have a logical presentation during the workshop, he classified his findings in the following categories: marketing strategies, production and operations, human resource, ethics and morals, and legal issues.

The workshop recommended certain measures to be undertaken. These measures included:

- To broaden the customer base
- Top management to implement e-marketing strategy
- The company to re-classify their customers according to products
- MCL to reduce cost for their products
- Litigation and court action against companies that had used MCL's patent illegally.

By the beginning of this year, the company's bottom line had started showing a positive increase. Customers were trickling back in and it is expected that by the end of the year, the company will have regained its lost market share.

**Required:**

- (a) Discuss **THREE** possible reasons why MCL engaged the services of a business analyst. (6 marks)
- (b) Evaluate **FOUR** internal factors that could have played part in impacting on MCL's bottom-line. (8 marks)
- (c) Examine **FOUR** ways in which MCL could apply Michael Porter's generic competitive strategies to regain its competitive advantage. (8 marks)
- (d) (i) Identify the leadership style applied by Khan Ho in the case. (1 mark)
- (ii) Analyse **FOUR** characteristics of the leadership style applied by Khan Ho in (d) (i) above. (8 marks)
- (e) (i) Explain the type of thinking that Peter Quick used, to address the problem. (1 mark)
- (ii) Analyse **FOUR** steps followed in the thinking process described in (e) (i) above. (8 marks)
- (Total: 40 marks)**

**QUESTION TWO**

- (a) Summarise **FIVE** approaches in project management. (5 marks)
- (b) Discuss the process of developing marketing information for a new product. (10 marks)
- (Total: 15 marks)**

**QUESTION THREE**

- (a) With regards to organisation structures, explain **FIVE** objectives of departmentalisation. (5 marks)
- (b) Elton Mayo and his team found a way to improve productivity by creating a healthy team spirit environment between workers and supervisors labeling it "Hawthorne Effect".

In view of the above statement, describe **FIVE** features of the Hawthorne Experiments. (10 marks)

**(Total: 15 Marks)**

**QUESTION FOUR**

- (a) According to A.H Cole, "Entrepreneurship is the purposeful activity of an individual or group of associated individuals, undertaken to initiate, maintain or increase profit by production or distribution of economic goods or services."

With reference to the above definition, highlight **SEVEN** obstacles which inhibit development of entrepreneurship in Kenya. (7 marks)

- (b) With regard to planning as one of the aspects of management, examine **FOUR** types of plans. (8 marks)
- (Total: 15 marks)**

**QUESTION FIVE**

- (a) Max Weber's model of bureaucracy is based on legitimate and formal system of authority.
- With reference to the above statement, summarise **FIVE** characteristics of bureaucratic organisations. (5 marks)

- (b) Explain **FIVE** strategies that leaders could apply to increase their leadership influence in an organisation. (5 marks)

- (c) Outline **FIVE** reasons why organisations conduct baseline surveys before implementing a new project. (5 marks)
- (Total: 15 marks)**

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**CPA ADVANCED LEVEL**

**CIFA ADVANCED LEVEL**

**CCP ADVANCED LEVEL**

**LEADERSHIP AND MANAGEMENT**

**MONDAY: 24 April 2023. Morning Paper.**

**Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**

**DRILLERS COMPANY LIMITED (DCL)**

Drillers Company Limited (DCL) started as a family business under the name Drillers Agencies in the early 2000s, specialising in drilling water boreholes. The company operated within Kenya's capital, Nairobi and its environs. At the helm of the company, since its inception, was James Shark who diligently steered the company's business. James Shark and his team of highly experienced executives created a huge demand for water boreholes drilling services. This led to employment of many people (mostly professionals) and importation of additional water drilling rigs and other equipment. As the CEO of the company, James Shark won various awards including the CEO of the year award.

In the year 2015, the company fully acquired Brillers Agencies Limited (BAL) which operated in the same area with DCL. The Board of DCL however resolved that the two companies would operate independently and some members of the Board of DCL would sit in the Board of BAL.

Due to his vast experience and successes, the Board of DCL appointed James Shark as the chairman of the newly reconstituted Board of BAL, an added responsibility to that of the CEO's position at DCL. The Board also appointed Engineer Rebecca Ayoo as the Chief Executive Officer (CEO) of BAL. Her rich corporate leadership experience enabled her to spearhead transformative changes in the entire organisation. Within a short period of time, manual processes had been automated and data held in old files digitised. BAL opened four more regional branches and restructured processes to make the company more efficient.

Based on her experience in the water sector, Engineer Rebecca Ayoo recommended to the Board that the company carries out a national study to establish the actual demand for its services based on its strengths and weaknesses. This was to inform further strategic decision making. Vertex Researchers and Consultants (VRC) were hired to carry out the study. When the full report was presented to the Board of Directors, majority of board members were excited, but the chairman, James Shark was hesitant and gave a directive that further analysis be done on every recommendation. The study revealed that there was great demand for services such as waste management, sewerage networks and water supply in major towns in the country since most county governments were not able to meet the high demand for the growing numbers of residents especially in urban areas. The consultants in their report had included a detailed risk assessment matrix, cost benefit analysis, human capital requirements, market demand forecast and proposed implementation strategy for each project.

Another report was presented in a Board meeting six months later and the Board recommended the implementation of the projects in phases based on risk factors and return on investment (ROI) of every project. The chairman was cautious and advised that the company should implement one project at a time. He argued that each project should be given reasonable time before embarking on another one. According to him, every project was to be treated as a cost-centre. He further advised against expanding the company's operations outside its core mandate irrespective of the projected returns. VRC was again engaged to oversee the implementation of the first project. This project included drilling of boreholes in five major towns and distribution of water trucks. The service proved to be very profitable.

Two years after the retirement of James Shark as the Chair of the DCL Board, his predecessor Alex Kim whose risk appetite was higher than that of James Shark convinced the Board to implement all the other projects recommended in both reports. He was able to convince both the Boards of BAL and DCL, the parent company's Board (where he also sat as a director), to extend BAL's operations in two other regions of Africa. This resulted in the opening of regional offices

**CA31, CF31 & CP31 Page 1  
Out of 2**



in West Africa and South Africa. In these two regions, the company operated as Global Drillers Company Limited (GDCL). Engineer Rebecca was against this aggressive move and insisted that the company should remain focused on its core mandate. She was however overruled by her Board. Some Board members started frustrating her efforts at BAL leading to her resignation as CEO of the company.

Last year most counties restructured their services including water supply and waste management. This affected the company's bottom-line negatively that the company could not sustain its branches in the country nor the high number of employees. All the branches outside the country were also struggling to break-even.

Alex Kim has called for a brainstorming meeting for Board of Directors and Management to address the challenges with a view of re-engineering the company's processes.

**Required:**

- (a) State **FIVE** political factors that Drillers Company Limited (DCL) should consider when planning expansion of its operations. (5 marks)
  - (b) Discuss **FIVE** steps that Engineer Rebecca Ayoo could have followed to institute changes at BAL. (10 marks)
  - (c) Vertex Researchers and Consultants in their report to the Board of BAL had included a detailed risk assessment matrix for each project.  
Examine **FIVE** benefits that would accrue to BAL from the preparation of a risk assessment matrix. (10 marks)
  - (d) Propose **FIVE** possible hurdles which BAL was expected to overcome as the business expanded to other regions in Africa. (10 marks)
  - (e) Assuming that you are a Board member of BAL, prepare a **FIVE** point memoranda in support of Alex Kim's idea of re-engineering the company's processes. (5 marks)
- (Total: 40 marks)**

**QUESTION TWO**

- (a) Outline **FIVE** ways in which management may deter unethical behaviour among its employees. (5 marks)
  - (b) Discuss **FIVE** biases which affect effective decision making in an organisation. (10 marks)
- (Total: 15 marks)**

**QUESTION THREE**

- (a) With reference to management:
    - (i) Explain the term "power". (1 mark)
    - (ii) Distinguish between "legitimate power" and "reward power". (4 marks)
  - (b) Examine **FIVE** pricing strategies that an organisation could employ in a competitive market environment. (10 marks)
- (Total: 15 marks)**

**QUESTION FOUR**

- (a) Outline **FIVE** ways in which a leader could play the role of a change agent in an organisation. (5 marks)
  - (b) Explain **FIVE** essentials of a sound motivational system that might aid in reducing high rate of staff turnover in an organisation. (5 marks)
  - (c) Summarise **FIVE** factors that might hinder creativity and innovation in an organisation. (5 marks)
- (Total: 15 marks)**

**QUESTION FIVE**

- (a) Explain **FIVE** benefits of conflicts in an organisation. (5 marks)
  - (b) Discuss **FIVE** techniques of scientific Management as proposed by Fredrick Taylor. (10 marks)
- (Total: 15 marks)**
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**CPA ADVANCED LEVEL**

**CIFA ADVANCED LEVEL**

**CCP ADVANCED LEVEL**

**LEADERSHIP AND MANAGEMENT**

**MONDAY: 5 December 2022. Morning Paper.**

**Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**

**FATUMA APIO**

Fatuma Apio has such a strong leadership presence that it would be difficult to talk about Bora Association of Manufacturers (BAM) without mentioning her name. For close to a decade now, press conferences, newspaper commentaries, trade and investment talks associated with BAM always had a permanent fixture that was its Chief Executive Officer (CEO), Fatuma Apio.

As she exits BAM due to end of her term of service, her charisma as a superstar CEO may become a difficult feat for the incoming CEO, Musa Mapito, to emulate. Fatuma Apio is well known in the manufacturing industry due to her signature look. She dresses in Ankara coats, which are quite uncommon in this part of the world. Fatuma rose through the ranks having joined BAM as the head of policy, research and advocacy in the year 2005. She took over the leadership mantle of BAM in the year 2012 after the Board of BAM pushed out its then CEO, Bakari Mapelu due to lackluster performance. BAM had always been a high performing organisation and the Board felt that Bakari Mapelu lacked the right skill set, decision style and values to steer BAM forward. In Fatuma Apio, the Board saw a leader with the “right package” of skills, values and abilities and a person who could build a strong leadership team in the organisation. To them, Fatuma Apio was an idealist who had an unquenchable thirst for learning and growing. They knew that she would influence the other leaders and employees of BAM to follow suit. This would then result in a healthy organisational culture necessary for the success of BAM. Fatuma Apio believed in and implemented Elton Mayo’s Human Relations Movement Theory at BAM. Without a doubt, Fatuma was a transformational leader.

Fatuma Apio’s farewell party was quite emotional since members of staff felt like one big united family, and her separation with BAM was unimaginable. Fatuma had a knack for recruiting the right staff and developing them to their highest potential. She had what it took when it came to staffing. No wonder BAM became so successful during her tenure to the envy of many organisations. She ensured that BAM had a progressive staffing policy. The policy encouraged employees to have a work life balance. In her final speech, she narrated her experience as a newly appointed CEO where most of her time was spent at the workplace. “I used to work late into the night and during weekends at the expense of my young family. This can be challenging to many of us and requires a lot of discipline and a solid support system. Luckily, I had great support from my husband. I highly discourage such a work ethic. You should always create time for your families. I know of situations where, such a work ethic has led to conflicts at the family level and the repercussions experienced at the workplace,” she told the employees.

As one of the few women CEOs, and just in her 40s, her advice to young women aspiring to be top executives is simply to acquire knowledge and competence, saying it is the best investment one can make. “Knowledge will aid you in making great strides in all the areas you are passionate about. Most importantly, self-discipline and responsibility shall steer you to the right path,” she says. What she likes most about the industry now is that more women are taking up leadership positions than ever before. “Unfortunately, the game is already rigged, particularly on what is expected of women in leadership and their ability to hold such positions,” she added.

Fatuma encouraged women employees of BAM not to be bound by defined spaces. They should shine in their talent and skills to make a difference. “This concept continues to be demonstrated everyday as more women take up C-suite roles, more so in traditionally, male-dominated sectors, such as manufacturing,” she said. Fatuma added that, “BAM started the Women in Manufacturing Programme to provide a space for women to venture into the manufacturing space. We aspire to see more women participate in the sector in senior leadership roles, as owners and founders, and for young girls to see themselves as future industrialists”.

According to her, there were times when the issues she wanted to change took too long to materialise, but she remained steadfast. This taught her to be patient and resilient. “I have learnt that challenges fuel you to become more innovative,” she concluded.

**Required:**

- (a) Fatuma Apio believed in and implemented Elton Mayo’s, Human Relations Movement theory at BAM.  
With reference to the above statement, describe **FIVE** actions that Fatuma Apio may have taken, to implement the theory in her organisation. (10 marks)
- (b) Bernard M. Bass developed the transformational leadership theory in 1985 as a way to describe the psychological mechanisms that are used by leaders.  
With reference to the above statement:
- (i) Explain **SIX** personal traits that Fatuma Apio possesses that enable her to be regarded as a successful transformational leader. (6 marks)
- (ii) Examine **FOUR** elements that make up a transformational leader, which came to be known as the 4 Is. (8 marks)
- (c) Enumerate **SIX** principles that BAM might have taken into consideration while developing a staffing policy. (6 marks)
- (d) Fatuma Apio encouraged BAM employees to always create time for their families to avoid conflicts. Conflicts in organisations also occur between line and staff management.  
With reference to the above statements, assess **FIVE** possible sources of conflict between line and staff management of BAM. (10 marks)
- (Total: 40 marks)**

**QUESTION TWO**

- (a) Identify **FIVE** reasons why a business organisation should write a business plan. (5 marks)
- (b) Organisational success is dependent on the interaction and interdependence of internal and external system components.  
With reference to the above statement, describe **FIVE** components of organisational system. (10 marks)
- (Total: 15 marks)**

**QUESTION THREE**

- (a) Explain **FIVE** causes of project failure. (5 marks)
- (b) As a function of management, evaluate **FIVE** principles of organising. (10 marks)
- (Total: 15 marks)**

**QUESTION FOUR**

- (a) Jack Jim, a champion and a well renowned organisational change agent joined PQX company Limited as the Chief Executive Officer when Covid 19 struck the world in 2020.  
In his first week after appointment, he called a meeting for all the top level managers in the company to brainstorm on changes expected in PQX Company Limited in order for the company to remain afloat.  
**Required:**
- (i) Explain the term “change agent”. (2 marks)
- (ii) Analyse **THREE** issues that the meeting might have addressed. (3 marks)
- (b) Evaluate **FIVE** strategies leaders might apply in organisations to increase their leadership influence. (10 marks)
- (Total: 15 marks)**

**QUESTION FIVE**

- (a) Describe the ADKAR change management model. (5 marks)
- (b) Explain **FOUR** challenges associated with group decision making. (4 marks)
- (c) Summarise **SIX** benefits that may accrue to an organisation from registering a trademark of their invention. (6 marks)
- (Total: 15 marks)**

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**CPA ADVANCED LEVEL**

**CIFA ADVANCED LEVEL**

**CCP ADVANCED LEVEL**

**LEADERSHIP AND MANAGEMENT**

**MONDAY: 1 August 2022. Morning paper.**

**Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**

**XYZ COUNTY**

In a week's time after the conclusion of the general elections, Baridi Joto, popularly known as BD will be declared as governor elect of XYZ County by the electoral body since he was unopposed. He is the only gubernatorial candidate unopposed in the country.

BD will be taking over the leadership of the XYZ County at a time when nothing seems to work at the county. The county has been greatly mismanaged by the outgoing governor, Kipenda Pesa with his team. The population, especially in the two major towns of XYZ County, Kipeo and Makao has been declining at an alarming rate as many people have been migrating to other towns outside XYZ County in search of better prospects. Kipenda Pesa's government has been highly bureaucratic and incompetent. His wife appears to wield more power than the governor and she influences how the county government is run. County employees follow her orders unquestionably to avoid trouble. Several large scale manufacturing plants in the county closed down while others have relocated to the neighbouring counties where the business environment is conducive. This has resulted in an increase in unemployment levels that further led to high crime rate in the county.

Many residents described Kipenda Pesa as a "lame duck" who could not make a decision without consulting his wife. As a result of the chronic bad decisions regarding the governance of XYZ County, the county is currently dysfunctional. Garbage is all over the streets, residents have no access to essential drugs in the county hospitals, educational facilities and county roads are dilapidated and some businesses have closed down due to high cost of doing business. Residents of XYZ county have become poorer under Kipenda Pesa's reign. It is against this backdrop that Baridi Joto (BD), a renowned economist and consultant with an international organisation was approached by some opinion leaders to contest the position of governor and rescue the county. All the aspirants who had been nominated by their respective political parties stepped down in BD's favour.

BD has promised to offer visionary leadership in the county. Towards this course, he has developed a manifesto that if implemented, water shortages, bad and impassable roads, lack of drugs in hospitals, children dropping out of schools will be a thing of the past. He has promised to pay all the pending bills owed to XYZ County's suppliers which run into billions of shillings. Pending bills have really affected small scale suppliers especially those who had borrowed money from financial institutions on the strength of local purchase orders and local service orders issued by the county. Many of them have closed down their businesses while others have seen their businesses auctioned.

BD has promised to develop a county integrated development plan (CIDP) six months after he assumes office which will address most of the social problems faced by the residents of the county. Currently, there are no recreational facilities in the county. County staff are demotivated due to meagre and delayed salaries. They have been bearing the brunt of various jokes from their peers in other counties especially when they meet in county forums. BD will have to work extremely hard to ensure that the county staff work as one united team in his endeavour to return the lost glory of the county. He has a daunting task of completing projects which were half-way abandoned by his predecessor due to inadequate budgetary allocation and misuse of funds. BD inspires hope and everyone in XYZ County, including children are looking up to him to deliver them from many years of bad leadership.

**Required:**

- (a) Kipenda Pesa ran a highly bureaucratic county government.

With reference to the above statement, evaluate six drawbacks of bureaucracy that could have contributed to the ills at XYZ County. (12 marks)

- (b) Kipenda Pesa's wife wields a lot of power and county employees follow her orders unquestionably.

(i) Identify Kipenda Pesa's wife's source of power. (1 mark)

(ii) Discuss six disadvantages of the use of power identified in (b) (i) above with respect the county government's office. (12 marks)

- (c) Many small scale suppliers closed down their businesses or have seen their businesses auctioned due to failure of XYZ County to clear their pending bills.

Explain two external environment factors or aspects that might have contributed to the closure of businesses in XYZ County. (4 marks)

- (d) (i) State BD's leadership style. (1 mark)

(ii) Examine five qualities of the leadership style stated in (d) (i) above. (10 marks)

**(Total: 40 marks)**

**QUESTION TWO**

- (a) Enumerate seven distinguishing features between a "project" and a "programme". (7 marks)

- (b) Assess four advantages of functional organisational structure to an organisation. (8 marks)

**(Total: 15 marks)**

**QUESTION THREE**

- (a) Discuss four characteristics of an effective control system. (8 marks)

- (b) (i) Explain the term "decision making". (2 marks)

(ii) Summarise five steps of the decision making process. (5 marks)

**(Total: 15 marks)**

**QUESTION FOUR**

- (a) Examine four types of delegation of authority in an organisation. (4 marks)

- (b) With reference to organisational change, explain the following:

(i) Reactive change. (2 marks)

(ii) Proactive change. (2 marks)

- (c) Enumerate three types of marketing strategies. (3 marks)

- (d) Discuss the four strategic roles of leaders. (4 marks)

**(Total: 15 marks)**

**QUESTION FIVE**

- (a) With reference to product development, explain the following terms:

(i) Creativity. (2 marks)

(ii) Innovation. (2 marks)

(iii) Invention. (2 marks)

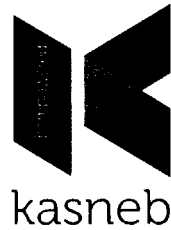
- (b) A great leader has to be someone who can identify and strike the right balance between what are usually two opposing ideas.

With respect to the above statement, explain five of these balances. (5 marks)

- (c) Summarise four qualities of an effective leader. (4 marks)

**(Total: 15 marks)**

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**CPA ADVANCED LEVEL**

**CIFA ADVANCED LEVEL**

**CCP ADVANCED LEVEL**

**LEADERSHIP AND MANAGEMENT**

**MONDAY: 4 April 2022. Morning paper.**

**Time Allowed: 3 hours.**

**Answer question ONE and any other FOUR questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**

**BEV MODI**

Bev Modi was an entrepreneur who turned into an intrapreneur due to demands of the environment he worked in. Modi was instrumental in formation of Eclly Ltd. (EL), a company that was established to manufacture and sell computing devices. EL built personal computing kits amongst other computing devices which were initially hand built by Wizzy Kiwanuka. As one of the founders of EL, Bev Modi stewarded the company as the Chief Executive Officer (CEO) from 1976 to 1980 before he was fired by the Board. He returned to EL five years later in the same capacity.

By the time of his death, in the year 2015, Modi had transformed EL, a company that was in a very weak financial position into the most profitable technology company in the region. Modi practised pacesetter style of leadership and many are the times he could be heard telling his employees to keep up. He rewarded his top 20% performers highly while at the same time let go of the bottom 10% of the employees. This created a high intensity environment in the organisation. Modi was a proponent of getting involved in the job of employees who were capable and competent.

Unlike founders of most technology companies, Modi had neither engineering experience nor business training. After all, he dropped out of college after only one semester. During his first stint as the CEO of EL, Modi was just a figurehead. He was a CEO without real power since the company was run by other executives and investors. The lesson he learnt after watching his replacement run down EL was to trust his own beliefs and values and completely disregard the conventional views on how to run a company, including the traditional duties of a CEO.

Modi delegated a lot of his duties to members of his executive team, most notably his second in command and eventual successor, Paul Rop. This enabled him to focus on what he was best at; creating products, recruitment of new staff and marketing. In one of the many interviews with the media, Modi commented that he spent most of his time on forward looking issues while his top executives assisted him with non-strategic assignments. In addition to being a strategist, Modi was effective as a transformational leader.

Modi had a hands on approach to product design which was arguably the favourite part of his job. He often went to the industrial design lab to spend time with the design team and would give his opinion and guidance on their prototypes. Product review sessions took up most of his workday. He tested new products and gave imperative feedback to the development team.

During his second tenure as the CEO of EL, the company experienced transformational change due to the implementation of guiding principles for change in the organisation as well as breakthrough in new technologies. Modi was a leading change management proponent and he significantly contributed to EL's alteration of business model, philosophy and business approach. As a transformational change agent, Modi introduced an executive development program where prospective executives of EL were trained on interpreting their surroundings and reacting when their power or safety was challenged. At EL, it was generally agreed that what differentiates leaders is not so much their philosophy of leadership, their personality, or their style of management, rather, their internal "action logic" - how leaders interpret their surroundings and react when their power or safety is challenged.

**Required:**

- (a) (i) Bev Modi turned from an entrepreneur to an intrapreneur. In the context of the case, explain the term “intrapreneur”. (1 mark)
- (ii) Before starting the business, Bev Modi and other founders had to generate a business idea which resulted to manufacturing and selling of computing devices.
- Examine six methods the founders might have used to generate the above business idea. (12 marks)
- (b) In his second tenure as the CEO of EL, Bev Modi used the pacesetting leadership style to steer EL towards achieving its goals.

**Required:**

- (i) Explain the term “pacesetting leadership style”. (2 marks)
- (ii) Describe three prerequisites that had to have been put in place at EL for the pacesetting leadership style to work well. (3 marks)
- (c) Using five of Mintzberg’s management roles, discuss how the managers of EL could improve their performance. (10 marks)
- (d) At EL, prospective executives went through an executive development program.

Examine six ways of leading and action logics that could have been included in the program’s curriculum. (12 marks)

**(Total: 40 marks)**

**QUESTION TWO**

- (a) Highlight six characteristics of a systems approach theory of management. (6 marks)
- (b) Outline four organisational causes of resistance to change. (4 marks)
- (c) Summarise five arguments against using monetary incentives to motivate staff. (5 marks)

**(Total: 15 marks)**

**QUESTION THREE**

- (a) With reference to aspects of management, explain the following terms:
- (i) Power. (2 marks)
- (ii) Authority. (2 marks)
- (iii) Accountability. (2 marks)
- (iv) Responsibility. (2 marks)
- (b) Highlight seven assumptions of McGregor’s Theory X. (7 marks)

**(Total: 15 marks)**

**QUESTION FOUR**

- (a) Examine three skills required by managers at different levels of management. (6 marks)
- (b) A leader’s primary responsibility involves accomplishing the tasks for which the group or organisation exists.
- With reference to the above statement, identify five methods that a leader may employ towards achieving the desired results. (5 marks)
- (c) With respect to emotional intelligence skills, distinguish between the terms “self-awareness” and “self-regulation”. (4 marks)

**(Total: 15 marks)**

**QUESTION FIVE**

- (a) Using appropriate illustrative examples, explain four decision making styles. (8 marks)
- (b) (i) With reference to planning, distinguish between “specific plans” and “directional plans”. (4 marks)
- (ii) Highlight three arguments against formal planning. (3 marks)

**(Total: 15 marks)**

**QUESTION SIX**

(a) With reference to planning, discuss five steps in goal setting. (10 marks)

(b) Some organisations enjoy a fairly stable world while others face growing uncertainty.

With reference to the above statement:

(i) State two variables that determine the level of uncertainty in the environment. (2 marks)

(ii) Highlight three strategies organisations might use to reduce environmental uncertainty. (3 marks)

**(Total: 15 marks)**

**QUESTION SEVEN**

(a) Trust or lack of trust is an increasingly important issue in modern organisations.

With reference to the above statement:

(i) Explain the term “trust in leadership”. (2 marks)

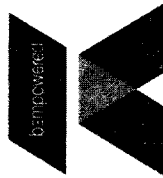
(ii) Discuss four ways in which leaders could build trust with their followers. (8 marks)

(b) Outline five characteristics of a project. (5 marks)

**(Total: 15 marks)**

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**CPA ADVANCED LEVEL**

**CIFA ADVANCED LEVEL**

**CCP ADVANCED LEVEL**

**LEADERSHIP AND MANAGEMENT**

**WEDNESDAY: 15 December 2021.**

**Time Allowed: 3 hours.**

**Answer question one and any other four questions. Marks allocated to each question are shown at the end of the question.**

**QUESTION ONE**

**MAXCOM LTD. (ML)**

Maxcom Ltd. is a prominent company in cement production and has been in business for over ten years controlling the market almost in a monopolistic way. The company has project managers in its six branches with each branch employing approximately eighty workers. The Chief Executive Officer of Maxcom Ltd. has twice been voted as the best performer in the corporate sector category in various award ceremonies. For managerial positions, the company recruits higher than average persons with formal training and who have experience in respective fields. It is also compulsory for new heads of department to be coached and mentored by other senior managers. The Chief Executive Officer of Maxcom Ltd. always encourages branch and departmental heads to embrace the firm's culture of adopting transformative leadership approach in order to gain employee commitment. The company's culture and ethical leadership practice is further emphasised during leadership trainings organised for managers and departmental heads during every financial year.

In the last one year, Maxcom Ltd. has faced unpredictable challenges where more firms have joined cement production hence reducing its market share. Due to this competitive pressure, the company has embraced the latest technology to try and reduce the cost of production and shift from labour intensive to capital intensive approach. As a consequence, the manpower in most of the company branches has been reduced, a process that is painful for managers and employees. The overall aim of restructuring is to maintain clarity and consistency in pursuing the company's vision while still being competitive in a highly charged political environment.

**Required:**

- (a) Suggest five reasons why the leadership of Maxcom Ltd. (ML) seems to be spearheading the company in the right direction. (5 marks)
- (b) Discuss how the branch and departmental heads of ML could apply transformative leadership style to gain employee commitment. (10 marks)
- (c) In order to control the cost of production, ML shifted from labour intensive to capital intensive strategy.  
Explain the costs that ML might have incurred during the restructuring process. (5 marks)
- (d) In most organisations, employees resist change especially when their jobs are at risk.  
Examine five strategies that the management of ML could have adopted to overcome resistance to change. (10 marks)
- (e) Assess five ways in which the political environment under which ML was operating could have influenced leadership and management practices at ML. (10 marks)

**(Total: 40 marks)**



## QUESTION TWO

- (a) (i) With respect to foundations of management, differentiate between “scientific management approach” and “behavioural management approach”. (4 marks)
- (ii) Explain six applications of the scientific management approach in the manufacturing sector today. (6 marks)
- (b) Describe five steps involved in decision making. (5 marks)
- (Total: 15 marks)**

## QUESTION THREE

- (a) Good leadership entails continually renewing an organisation’s direction, structure and capabilities to serve the ever changing needs of external and internal customers.
- With reference to the above statement, discuss the three stages in Kurt Lewin’s change model. (6 marks)
- (b) Examine four factors that a marketing team could consider while selecting an advertising media to use in an international market. (8 marks)
- (c) With reference to project closure, explain the term “project termination by integration”. (1 mark)
- (Total: 15 marks)**

## QUESTION FOUR

- (a) Discuss the importance of leadership as a function of management. (7 marks)
- (b) Communication is an important tool in project management.
- With reference to the above statement, explain four factors that may lead to the failure of a project. (8 marks)
- (Total: 15 marks)**

## QUESTION FIVE

- (a) With reference to enterprise management, define the following terms:
- (i) Innovation. (1 mark)
- (ii) Invention. (1 mark)
- (iii) Creativity. (1 mark)
- (b) Analyse four arguments against management as a profession. (4 marks)
- (c) Discuss four approaches to ethical decision making. (8 marks)
- (Total: 15 marks)**

## QUESTION SIX

- (a) Highlight five drawbacks of using a matrix structure in an organisation. (5 marks)
- (b) Suggest six ways in which “controlling function” and “planning function” are interrelated in an organisation. (6 marks)
- (c) Workforce diversity is a recent trend which in some instances is a legal requirement.
- With reference to the above statement, explain four considerations to be done during staffing. (4 marks)
- (Total: 15 marks)**

## QUESTION SEVEN

- (a) Explain five features of bureaucracy as advanced by Max Weber. (5 marks)
- (b) Assess five stages of the project life cycle model. (10 marks)
- (Total: 15 marks)**
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**CPA ADVANCED LEVEL**

**CIFA ADVANCED LEVEL**

**CCP ADVANCED LEVEL**

**LEADERSHIP AND MANAGEMENT**

**December 2021.**

**Time Allowed: 3 hours.**

**Answer question one and any other four questions. Marks allocated to each question are shown at the end of the question.**

**QUESTION ONE**

**EFD LTD.**

EFD Ltd is a cross-listed electric power distribution company. The company is planning to diversify into renewable and clean energy sources. When JL took over as CEO in 2020, EFD was a traditional, hierarchical, command-and-control workplace – a bureaucratic organisation. This is one of the few businesses in the region that is still able to operate a traditional company that provides control and stability. At the top of the organisational structure (below the board of directors) is the CEO and senior management. In the middle of the structure are middle managers and lower-level managers and at the broad base are employees. At EFD, top management make all the major decisions which are communicated to middle-level and low-level management. These managers must then implement the decisions among the rank-and-file workers. However, input is required or solicited from employees though ultimate authority rests with top management.

Through a preliminary study report on current management practices at EFD, JL is amazed by the primary advantage of a traditional organisation structure in 21<sup>st</sup> Century. It keeps decision-making authority in the hands of a few people within the business and in doing so, it eliminates confusion among employees about who is in charge and provides a clear message about what workers are expected to accomplish in the performance of their duties. Other key findings of the study are as follows:

1. A bureaucratic context as found in EFD is characterised by job specialisation which enables employees to have a well-defined rules of productivity.
2. When the bureaucratic approach is implemented effectively, the impersonal nature of interactions that are established leads to a number of benefits. Equality is emphasised and stressed; friendships do not influence decisions that are made; and, the rules and regulations ensure that there are precise instructions for job functions and expectations.
3. Top managers in this company are in a position to make tough decisions although guided by efforts of the respective workforce.
4. Employees are empowered to make decisions without fear of the consequences as the decisions they make correspond to what the managers want.
5. The lines of communication are open, giving the organisation an opportunity to develop, and involving all the employees in the decision making process.
6. The idea of job specialisation brings some benefits to the organisation as it generates efficient, repetitive workflow.
7. Each department has particular powers enabling managers to monitor their employees more easily and ensuring that they stick to their tasks.
8. The employees are conversant of what is expected of them and what their powers are within the organisation.
9. The managers are organised into hierarchical levels where each level of management is in charge of its employees and overall performance.
10. Bureaucratic power is extremely autocratic and strict observance to rules may prevent the implementation of appropriate measures required to accomplish organisational objectives.
11. Employees hired get promoted based on their unskillfulness – a proficient manager will continue to be promoted until the moment they are incapable thus remaining to that position until they retire or die.
12. Due to the applicable rules and regulations, there is less autonomy to act or make personal decisions.

13. Adapting to change in this type of organisation is very challenging – it takes time to come up with new rules, regulations and strategies to the new contexts that have transformed.
14. The employment to an office and the management of the various levels in this organisation are based exclusively on the grounds of technical proficiency.
15. Bureaucratic rules and regulations seem to be obstructive when unexpected situations occur.
16. In a subsequent strategy meeting with all the managers, JL makes the following observations:
17. That there are certain elements of management which are timeless, but environmental shifts also influence the practice of management.
18. That in recent years, rapid environmental changes have caused a fundamental transformation in what is required of effective managers.
19. Technological advances such as social media and mobile apps, the rise of virtual work, global market forces, the growing threat of cybercrime, and shifting employee and customer expectations have led to a decline in organisational hierarchies and more empowered workers which calls for a new approach to management that may be quite different from managing in the past.

A decision is made during the meeting that instead of trying to promote ideas and innovations through traditional structures, EFD should align its structure in such a way that ideas and innovations can prosper. A committee of five members drawn from the three levels management is formed to study the shift from the traditional management approach to the new management competencies that are essential in today's environment.

**Required:**

As a member of the strategy committee you are required to provide data by answering the following questions that relate to your terms of reference and in the context of the above case:

- (a) Through secondary research, identify and explain five management competencies that are becoming crucial in today's face-paced and rapidly changing world. (10 marks)
  - (b) Compare and contrast Max Weber's bureaucratic theory and systems thinking in the context of management of an organisation. (10 marks)
  - (c) Illustrate the process of how managers use resources to attain organisational goals through the functions of planning, organising, leading and controlling and briefly explain each function. (10 marks)
  - (d) Advise the CEO of EFD on sources of leader power and the tactics that leaders use to influence others especially in time of organisational change. (10 marks)
- (Total: 40 marks)**

**QUESTION TWO**

- (a) Briefly discuss how social, political, economic and technological forces in the broader society influence organisations and the practice of management over time. (8 marks)
  - (b) Prior to opening a business, an entrepreneur should prepare a business plan.  
  
Outline the key characteristics that successful business plans generally share. (7 marks)
- (Total: 15 marks)**

**QUESTION THREE**

- (a) There are many benefits of franchising but there are also a number of drawbacks.  
  
List and briefly explain the advantages and disadvantages of franchising. (7 marks)
  - (b) Using the balanced scorecard approach, illustrate and briefly explain how managers use strategy maps to align organisation goals. (8 marks)
- (Total: 15 marks)**

**QUESTION FOUR**

- (a) The competing concepts under which organisations have conducted marketing activities include the selling concept and the marketing concept among others.  
  
Compare the main features of the selling and marketing concepts.
- (b) The 4 Ps of marketing are the key elements that must be united to effectively foster and promote a brand's unique value and help it stand out from competition.

Differentiate those elements which have withstood the test of time and examine how they apply to digital marketing. (8 marks)

**(Total: 15 marks)**

#### **QUESTION FIVE**

(a) Analyse the key dimensions of the classical, administrative and political models of decision making. (7 marks)

(b) Evaluate the benefits of the following innovative decision making approaches:

(i) Brainstorming. (2 marks)

(ii) Evidence-based decision making. (2 marks)

(iii) Engaging in rigorous debate. (2 marks)

(iv) Avoiding groupthink. (2 marks)

**(Total: 15 marks)**

#### **QUESTION SIX**

(a) Every organisation must change and innovate to survive.

Assess why many people prefer the status quo and tend to resist change. (7 marks)

(b) Managers can use specific strategies to overcome resistance and more smoothly put changes into action.

Discuss five successful methods for dealing with resistance to change indicating the circumstances under which each method is appropriately used. (8 marks)

**(Total: 15 marks)**

#### **QUESTION SEVEN**

(a) The four phases of project management have distinct qualities but they overlap.

Provide an overview of each phase and the activities involved. (9 marks)

(b) Differentiate between “project report” and “project appraisal”. (6 marks)

**(Total: 15 marks)**

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