

COUNCIL OF LEGAL EDUCATION.



**EXAMINATION FOR ADMISSION
TO THE ROLL OF ADVOCATES.**

ATP 106: LEGAL PRACTICE MANAGEMENT.

FRIDAY 12TH JULY, 2019.

DURATION: 3 HOURS.

Instructions to Candidates

- (a) This paper contains **Five (5) printed pages** including the cover page, with a total of **Seven questions**.
- (b) Candidates **MUST** answer **FIVE** questions.
- (c) **Question ONE** is compulsory and carries **20 marks**.
- (d) **All other questions** carry **10 marks each**.
- (e) Candidates **MUST** answer **ONE** question from each of the **Sections** and a **FIFTH** question from any **Section**.

PLEASE TURN OVER

QUESTION ONE

- (a) "When a delinquent employee is going to be punished, the type of punishment should be commensurate with the severity of the omission or misconduct"
- (i) Assuming you are the human resource manager of a leading law firm, discuss five types of punishment you could recommend to your law firm. (5 marks)
- (ii) At a meeting of the managing partners of a medium-sized law firm, one of the partners proposed that employee promotion should be based on seniority. Two of the partners argued that promotion should be based on merit rather than seniority.

Discuss the arguments for and against using seniority as a basis of promotion. (5 marks)

- (b) Traditional budgeting systems are incremental in nature and tend to focus on cost centres. Activity Based Budgeting (ABB) links strategic planning to the overall performance measurement aimed at continuous improvement.
- (i) Explain the weakness of traditional incremental budgeting systems. (3 marks)
- (ii) Describe the main features of activity based budgeting system and comment on its advantages. (2 marks)

- (c) Ongil and Company Advocates is a large law firm located in the country of Euboria. The firm has over 2000 employees on a full time basis. It has a policy of training newly recruited employees on the specific core functions of the firm as well as client management. The partners however do not believe in training front office staff as they unanimously agree that front office is a non-core function of the firm.

A long serving front office manager recently left the organization and the firm replaced her with a recent graduate of Business Administration. They have since experienced many complaints from clients. In the words of one of their major clients "I called all day and when I miraculously got through, the lady on the other end hang up the phone instead of transferring me to my lawyer".

The firm was also recently in trouble when a client's file went missing. This was however not a surprise to the employees because in recent meetings they raised concern that it takes too long to retrieve clients' documents.

Advise the firm on five important functions of the front office in a large law firm. (5 marks)

SECTION A - COMMERCIAL ACCOUNTS

QUESTION TWO

The following balances were extracted from the books of Joseph and Mary Advocates as at 31 December 2018.

	Kshs.
Cash at Bank	
Client Account	49,600
Office Account	114,400
Furniture, Fittings and Library Books	90,000

Sundry office expenses	17,000
Debtors	156,000
Creditors	54,400
Clients for the money held on their behalf	49,600
Work in progress on 1 June 2018	73,600
Costs charged to clients	500,000
Postage and telephone	36,400
Printing and stationery	70,000
Rent and rates	120,000
Salaries	144,000
Drawings	120,000
Disbursement on behalf of clients	24,000
Capital accounts	408,000

The following additional information is also provided:

- i) Depreciation is provided at 20% per annum on cost of furniture and fittings.
- ii) Debtors amounting to Kshs.11,000/- are considered to be bad debts and should be written off.
- iii) Work in progress on 31 December 2018 was valued at Kshs.47,000/-.

Required:

- (a) Trial balance as at 31 December 2018. (2 marks)
- (b) Income Statement for the year ended 31 December 2018. (4 marks)
- (c) Statement of Financial Position for the year ended 31 December 2018. (4 marks)

QUESTION THREE

Alex and John Advocates received their bank statement for the month of June 2018. At that date the bank balance was Kshs.706,500/- whereas their cash book balance was Kshs.2,366,000/-. The Accountant investigated the matter and discovered the following discrepancies:

- i) Bank charges of Kshs.3,000/- had not been presented to the bank.
- ii) Cheques drawn by Alex & John Advocates had not been presented to the bank totaling Kshs.22,500/-.
- iii) He had not entered receipt of Kshs.26,500/- in the cash book.
- iv) The bank had not credited Alex and John Advocates with receipts of Kshs.98,500/- paid into the bank on 30 June 2018.
- v) Standing order payments amounting to Kshs.62,000/- had not been entered into the cashbook.
- vi) In the cashbook Alex and John Advocates had entered a payment of Kshs.74,900/- as Kshs.79,400/-.
- vii) A cheque for Kshs.15,000/- from a debtor had been returned by the bank marked "refer to drawer" but had not been written back into the cash book.
- viii) Alex and John Advocates had brought forward the opening cash balance of Kshs.329,250/- as a debit balance instead of credit balance.
- ix) An old cheque payment amounting to Kshs.400,000/- had been written back in the cash book but the bank had already honoured it.
- x) Some Alex and John Advocates customers had agreed to settle their debts by paying directly into their bank account. Unfortunately, the bank had credited some deposits amounting to Kshs.832,500/- to another customer's account. However, acting on information from his

customers, Alex and John Advocates had actually entered the expected receipts from the debtors in his cash book.

Required:

- (a) Adjusted cash book balance as at 30 June 2018. (5 marks)
- (b) A bank reconciliation statement as at 30 June 2018. (5 marks)

SECTION B - HUMAN RESOURCE MANAGEMENT

QUESTION FOUR

"Until Human Resource Professionals produce hard and clear measures of their value to improve performance, it is perhaps no surprise they are perceived as making only a marginal contribution to organizational effectiveness."

- (a) As the Human Resource Manager of a modern law firm, discuss five methods of measuring the effectiveness of the Human Resource function. (5 marks)
- (b) Discuss the key human resource challenges that Human Resource Managers in a progressive law firm face today. (5 marks)

QUESTION FIVE

You are the new head of human resource in a medium-sized law firm. The Managing Partner mentions to you that the firm has experienced difficulties in attracting qualified candidates for employment as associates.

- (a) Discuss five steps that a law firm can take to attract qualified candidates. (5 marks)
- (b) Discuss five factors that a human resource manager must consider when drafting a recruitment advertisement. (5 marks)

SECTION C - OFFICE PRACTICE

QUESTION SIX

May works for a large law firm employing over 3000 people both male and female in the capital city of the country of Aboria. She has confided in you, her lawyer, about the sexual advances she has been enduring from her immediate boss and she feels she does not have a way out because she desperately needs her job to support her siblings' education needs. You have probed deeper to understand the situation she is in and ascertain her best cause of action.

- (a) Explain two forms of sexual harassment that you may need to consider. (4 marks)
- (b) Explain three factors that you need to consider to ascertain that May works in a hostile work environment caused by sexual harassment. (6 marks)

QUESTION SEVEN

Arthur apologized to the court one Tuesday morning after arriving late to represent one of the largest clients of Arthur & Artor Advocates firm, one of the largest law firms in Kenya. He needed to print an important document but the firm was in a crisis of printing paper that morning. From the onset of the formation of the firm, the partners had unanimously agreed that they did not need a purchasing department since they were not a manufacturing firm. With the growth of the firm however the rate of consumption of office supplies had overwhelmed the front office manager. The partners have decided to hold a crisis meeting to discuss this challenge and come up with solutions for the future.

- (a) Explain the importance of having a purchasing policy at Arthur & Artor Advocates. (4 marks)
- (b) Explain three main objectives of proper stock control at Arthur & Artor Advocates. (6 marks)

END