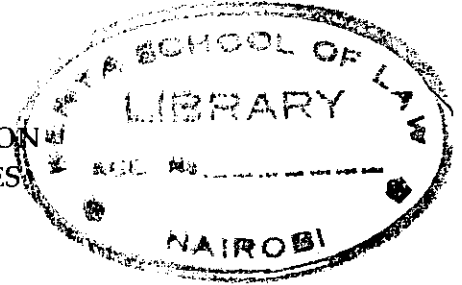


COUNCIL OF LEGAL EDUCATION



EXAMINATION FOR ADMISSION
TO THE ROLL OF ADVOCATES



ATP 106: LEGAL PRACTICE MANAGEMENT

TUESDAY 9TH NOVEMBER, 2010

DURATION: 3 HOURS

Instructions to Candidates

- (a) Answer ONE question from each of the THREE sections and a FOURTH question from any section
- (b) All questions carry 15 marks each.
- (c) Marks may be lost for illegibility

PLEASE TURN OVER

SECTION 1: HUMAN RESOURCE MANAGEMENT

1. (a) One of the most common selection tools used in organisations all over the world is Panel Interviews. Briefly:
- (i) Describe this method of selection;
 - (ii) Explain the strengths of this method;
 - (iii) Discuss the challenges associated with this method. **(8 marks)**
- (b) There is increasing awareness and practice of information convergence in organisations. For example many organisations are adopting the use of intergrated information systems to guide their operations. A Human Resource Information System is in many organisations, part of their integrated information system.
- Briefly outline the advantages and disadvantages of using a Human Resource Information System. **(7 marks)**
2. (a) Define the term placement. **(2 marks)**
- (b) Discuss the advantages of having a formal induction programme. **(6 marks)**
- (c) " A transfer refers to a lateral movement of employees within the same grade, from one job to another." Justify the need for this. **(7 marks)**

SECTION 2: COMMERCIAL ACCOUNTS

3. Kirwa and Maina are in partnership sharing profits and losses equally. The following is their trial balance as at 30th June 2009.

	Dr. shs	Cr. Shs
Capital:		
Kirwa		350,000
Maina		295,000
Current accounts:		
Kirwa		13,060
Maina		2,980
Drawings (cost 900,000)		
Kirwa	64,000	
Maina	56,500	
Building (cost 900,000)	660,000	
Fixtures at cost	110,000	
Provision for depreciation (fixture)		33,000
Debtors and Creditors	162,430	251,500

Sales and purchases	854,160	1,236,500
Stock (30 th June 2008)	419,790	
Carriage outwards	12,880	
Discount allowed	1,150	
Loan interest	40,000	
Office expenses	24,160	
Salaries and wages	189,170	
Bad debts	5,030	
Bank loan		400,000
Provision for doubtful debts		4,000
	-----	-----
	2,596,040	2,596,040
	=====	=====

Additional information

1. Stock as at 30th June 2009, shs.650,000
2. Expenses accrued: Office expenses shs.800; wages shs.1,500
3. Depreciate: fixtures at 10% reducing balance method; building at 12% straight line method.
4. Reduce provision for bad debts to shs.3,200
5. Partnership salary, shs.1,500 to Kirwa
6. Interest on drawings, Kirwa shs.1,500, Maina shs.1,100
7. Interest on capital accounts, 10%

Required

Trading, profit and loss appropriation account, for the year ended 30th June, 2009 and a balance sheet as at that date.

(15 marks)

4. (a) The bank reconciliation process is a critical part of the accounting function and internal controls.

Required:

Briefly describe the steps involved in the bank reconciliation process.

(5 marks)

- (b) Tiger Wools' bank balance as per the cashbook for the month of October 2010 was a debit balance of shs.4,500,000. The bank statement for the same month showed a different balance.

On close examination, the following was discovered:

(i) Unpresented and uncredited cheques

Schedule 1 - Unpresented cheques

Cheque No.	Amount '000'
0045	1,200
0048	1,000
0052	500

Schedule 2 - Uncredited Cheques

Cheque No.	Amount '000'
4112	800
7014	1,500

- (ii) A cheque received from W. William, shs.250,000 and debited in the cashbook was dishonoured.
- (iii) A cheque issued to a supplier, shs.225,000 was recorded in the cashbook as shs.252,000.
- (iv) The bank statement revealed the following:

	'000'
Bank charges	5
Direct credit (K. Kioko)	300
Insurance standing order	40

Required:

- (a) An updated cashbook
- (b) A bank reconciliation statement as at 31st October 2010.

(10 marks)

SECTION 3: OFFICE PRACTICE AND RECORDS MANAGEMENT

5. (a) No business firm or industry can exist effectively without an office. Discuss the importance of an office (give five points). **(2 marks)**
- (b) One of the functions of an office is to design forms for use in the same office or others. List and explain the purpose and advantages of use of forms in an office. (give 5 points) **(5 marks)**
- (c) Define the following terms as used in office practice
- (i) Customer care
- (ii) Internal customer **(2 marks)**
- (d) Explain why the customer is important to any organisation. (give ten points)

(6 marks)

COUNCIL OF LEGAL EDUCATION



EXAMINATION FOR ADMISSION
TO THE ROLL OF ADVOCATES

AUGUST/SEPTEMBER 2010

LEGAL PRACTICE MANAGEMENT

Instructions

- (a) Answer ONE question from each of the THREE sections and a FOURTH question from any section
 - (b) All questions carry 15 marks each
 - (c) Marks may be lost for illegibility
 - (d) Time allowed is 3 hours
-

SECTION 1: HUMAN RESOURCE MANAGEMENT

1. You are a management consultant who has been contracted to advise Nzombe, Mbabaji & Co. Advocates. The Law firm has been in existence for 10 years within which time its workforce has increased from 5 to its current employee strength of 63.

The firm is considering setting up a Human Resource Department but two of its partners are not fully convinced that the department is necessary.

You are required to give a brief convincing presentation to the partners. The presentation should explain how the HR Department will add value to the firm.

(15 marks)

2. (a) Recruitment of employees in an organisation can be done internally or externally.

Discuss two advantages and two disadvantages of each approach.

(8 marks)

- (b) At the end of a training programme it is advisable to conduct a summative evaluation of the exercise. Using 4 examples justify the importance of such an evaluation.

(4 marks)

- (c) Discuss any 3 factors that influence one's choice of career.

(3 marks)

SECTION 2: COMMERCIAL ACCOUNTS

3. The following balances were extracted from the books of Keengwe Magara, a sole trader for the year ended 30 September 2008:

	Kshs.
Capital	8,760,000
Drawings	900,000
Accounts receivable	1,356,000
Accounts payable	1,626,600
Sales	6,669,000
Purchases	3,141,600
Returns inwards	108,300
Returns outwards	164,100
Wages and salaries	1,410,000
Discounts allowed	74,400
Discounts received	127,800
Inventories, October 2007	1,900,200
Bank balance	792,300
Cash in hand	42,600
Lighting and power expenses	141,600
rats	74,400
Office buildings	1,950,000
Fixtures and fittings	432,000
Motor vehicles	4,800,000
Purchase of stationery	46,800
Sundry expenses	19,200
Insurance	180,000
Provision for bad and doubtful debts	199,500
Motor vehicle running expenses	115,800
Bad debts written off	21,600
Postage and telephone	40,800

Notes:

- o Inventories as at 30 September 2008 amounted to Kshs.1,320,000
- o One quarter of power and lighting was for personal use of Mr. Keengwe Magara
- o Depreciation is to be provided for as follows:
 - 10% on fixtures and fittings
 - 20% on motor vehicles
 - 5% on office buildings
- o Rates prepaid amounted to Kshs.19,200
- o Insurance unexpired amounted to Kshs.3,000
- o Provision for bad debts at the end of the year equals to 10% of trade debtors

Required:

Income and expenditure statement for the year ended 30 September, 2008 and a balance sheet as at that date.

(15 marks)

4. (a) On 30 June 2009, the cashbook of Wamaitha showed a debit balance of Kshs.89,468 which did not agree with the bank balance. Subsequently the following discrepancies were revealed.
- (i) A cheque of Kshs.31,084 paid to George Onyango was recorded in the cashbook as Kshs.30,184
 - (ii) Bank commission charges of Kshs.16,956 and bank interest charges of Kshs.10,910 had been entered on the bank statement but not in the cashbook
 - (iii) A cheque of Kshs.2,931 received from a debtor had been dishonoured
 - (iv) A cheque of Kshs.1,510 paid to a creditor had been entered twice in the cash book
 - (v) Cheques deposited amounting to Kshs.189,560 were not recorded in the bank statement
 - (vi) Cheques amounting to Kshs.39,580 had not been presented for payment
 - (vii) An amount of Kshs.21,010 had been deposited directly into the bank by a customer
 - (viii) A standing order of Kshs.1,500 had been paid by the bank

Required:

Bank reconciliation statement

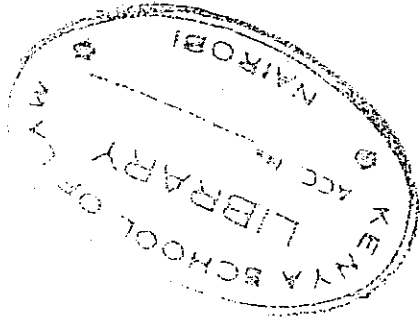
(8 marks)

- (b) Explain the following concepts in connection with partnership accounts
- (i) Partnership salaries
 - (ii) Current accounts
 - (iii) Loans and advances
 - (iv) Profit and loss sharing ratio
 - (v) Appropriation accounts

(7 marks)

SECTION 3: OFFICE PRACTICE AND RECORDS MANAGEMENT

5. (a) Write and explain briefly the formal procedure of preparing mail for despatch through the post office (give 10 points) (7½ marks)
- (b) Name and explain ten important pieces of equipment found in an effective registry office. (7½ marks)



COUNCIL OF LEGAL EDUCATION

EXAMINATION FOR ADMISSION
TO THE ROLL OF ADVOCATES

DECEMBER, 2009

LEGAL PRACTICE MANAGEMENT



Instructions

- (a) Answer ONE question from each of the THREE sections and a FOURTH question from any section
- (b) All questions carry 15 marks each
- (c) Marks may be lost for illegibility
- (d) Time allowed is 3 hours

SECTION 1: HUMAN RESOURCE MANAGEMENT

1. Define Human Resource Planning and discuss the importance of this process in any organization. (15 marks)

2. The functions of a human resource manager may be divided into two namely:
 - (a) Managerial functions; and
 - (b) Operational functionsUsing common examples distinguish between managerial functions and the operational functions of the human resource manager. (15 marks)

SECTION 2: COMMERCIAL ACCOUNTS

3. (a) Explain why a credit balance on a bank statement represents an asset to the entity concerned. (4 marks)

- (b) The following is an extract from the cash book (bank column only) of Blessy Kamu, a sole trader, for the month ended 31 January 2007:

	Shs.		Shs.
Balance brought down	703,500	payments	7,760,000
Receipts	7,536,500	balance carried down	480,000
	-----		-----
	8,240,000		8,240,000
	=====		=====

Additional information:

1. The bank statement as at 31 January 2007 showed that the bank account was overdrawn by shs.62,000.
2. Bank charges of shs.17,500 had not been entered in the cash book.
3. A cheque drawn for shs.23,500 had been entered in the cash book as a receipt.
4. A cheque for shs.9,000 had been returned unpaid by the bank but had not been written back in the cash book.
5. The opening balance of the cash book should have been brought down as shs.735,000.
6. Cheques paid to suppliers for shs.107,000, shs.15,000 and shs.185,000 had not yet been debited by the bank.
7. The last pay-in-slip for the month showing a deposit of shs.771,000 had not yet been credited by the bank.
8. The bank had debited a cheque for shs.36,000 by mistake to Blessy's account.

Required:

- (i) Updated cash book as at 31 January 2007. (7 marks)
- (ii) Bank reconciliation statement as at 31 January 2007 (8 marks)

4. The following balances were extracted from the books of Edward Peter, a sole trader as at 1 January, 2003.

	Shs.
Fixed assets	250,000
Stock in trade	42,000
Trade debtors	60,000
Trade creditors	45,000
Balance at bank	36,000
Cash balance	12,000
Bank loan	120,000
Accrued sundry expenses	10,000

The following transactions took place in the month of January 2003:

- January 3: The business made credit sales of shs.850,000 and cash sales of shs.120,000.
- 7: The business purchased goods on credit worth shs.630,000. Further purchases of goods worth shs.80,000 were made and paid for by cheque.
- 10: Debtors paid shs.800,000 less a discount of 2%.
- 14: Fixed Assets were purchased for shs.150,000 and paid for by cheque.
- 16: The proprietor withdrew shs.40,000 from the bank and shs.20,000 from the cash box for personal use.

- 21: Trade creditors were paid shs.600,000 by cheque less 3% discount.
- 23: Salaries and wages amounting to shs.48,000 were paid by cheque.
- 24: Bank loan repayment of shs.20,000 was made by cheque. In addition, interest on bank loan amounting to shs.3,000 was also paid by cheque.
- 27: Sundry expenses for the month of January 2003 amounted to shs.25,000. A sum of shs.28,000 was paid for sundry expenses in the month of January 2003 by cheque.
- 30: A cash deposit of shs.100,000 was made in the bank from the cash account.

Required:

- (a) Relevant ledger accounts (including a three column cashbook) to record the above transactions. (10 marks)
- (b) Trial balance as at 31 January 2003. (5 marks)

SECTION 3: OFFICE PRACTICE AND RECORDS MANAGEMENT

5. Discuss the formal procedure of receiving in-coming mail in an office. (15 marks)
6. (i) Define folio numbers of mail.
(ii) Explain the importance of the folio numbers (15 marks)
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COUNCIL OF LEGAL EDUCATION

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

JULY, 2009

LEGAL PRACTICE MANAGEMENT

Instructions

- (a) Answer **ONE** question from **EACH** of the four Sections
 - (b) All questions carry **15 marks** each
 - (c) Marks may be lost for illegibility
 - (d) Time allowed is **3 hours**
-

SECTION 1: HUMAN RESOURCE MANAGEMENT

- 1. (a) Define the terms recruitment and selection. **(3 marks)**

(b) "An organisation should promote from within because these individuals already know the organization. Discuss the advantages of this statement. **(12 marks)**
- 2. Briefly discuss the steps involved in conducting an induction programme in a systematic way. **(15 marks)**

SECTION 2: COMMERCIAL ACCOUNTS

- 3. The following balances were extracted from the books of Nelly Madiba, a sole trader, Long Walk Enterprises, as at 31 March 2009.

	Shs.
Bank o/d	1,164,800
Cash in hand	49,140
Drawings	1,456,000

Furniture & fittings	1,176,000
Office equipment	1,848,000
Provision for depreciation 1 April 2008	
Furniture & fittings	235,200
Office equipment	462,000
Bad debts	36,400
Advertising	520,520
15% loan	1,400,000
Purchases	14,133,280
Sales	27,385,400
Loan interest 1 April 2008	157,500
Return inwards	218,400
Office expenses	760,760
Delivery expenses	1,164,800
Wages & Salaries	8,010,520
Stock 1 April 2008	3,657,080
Debtors	1,419,600
Creditors	1,160,600
Capital	?

Additional information

1. Closing stock was valued at shs.4,360,720
2. Accrued wages as at 31 March 2009 amounted to shs.251,160
3. A provision for doubtful debts of shs.39,200 is required
4. Interest on loan is paid on a quarterly basis. Interest in respect of the quarter ended 31 March 2009 is outstanding.
5. Madiba withdrew goods for his personal use amounting to shs.252,000
6. Depreciation is to be provided on the reducing balance basis as follows:

Furniture & fittings	20% p.a.
Office equipment	25% p.a.

7. Included in wages and salaries is shs.75,600 paid to employees for repairing Madiba's leaking private residence house roof.

Required

- (a) Trading, profit and loss account [Income statement], for the year ended 31 march 2009.
 - (b) Determination of opening capital [Hint: Use the Accounting Equation] $C=A-L$
4. (a) Citing relevant examples, distinguish between capital expenditure and revenue expenditure.
- (c) Briefly describe the following books of original entry:
- (i) Sales day book
 - (ii) Sales return day book
 - (iii) Purchases day book
 - (iv) Purchases return day book
 - (v) Cashbook
 - (vi) Petty cash book
 - (vii) Journal

SECTION 3: TRUST ACCOUNTS

5. You are the administrator of the Estate of Michael Unoka (Deceased). Prior to confirmation of the grant, one of the beneficiaries of the estate approaches you with a request to loan him a sum of Kshs.200,000/- from the estate to enable him set up a business.

- (a) How would you deal with the request and why (3 marks)
- (b) Show how you would treat the issue in the Memorandum, Schedule of Assets and Cash Account. (9 marks)
- (c) Would your response to the request be different if Michael had died testate? (3 marks)
6. As the personal representative of the Estate of John Kamau, which estate has one tenant for life and two remaindermen, explain how you would apportion the funds described below:
- (a) A sum of Kshs.50,000/- received by John from one of his tenants on the eve of Johns demise.
- (b) A sum of Kshs.500,000/- being proceeds of a life insurance policy paid out upon John's death.
- (c) A sum of Kshs.100,000/- being rent arrears paid by one of John's tenants a day after John's death.
- (d) A sum of Kshs.200,000 being proceeds of coffee sales from John's farm in respect of deliveries made both prior to and after John's death.
- (e) A sum of Kshs.150,000/- received 3 months after John's death being rental income in respect of a lease period after John's death.
- (15 marks)

SECTION 4: OFFICE PRACTICE AND RECORDS MANAGEMENT

7. List and explain five basic or routine functions of an office organization regarding information.
8. Identify and explain ten important factors which you would consider in the process of choosing a new office site.
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COUNCIL OF LEGAL EDUCATION

EXAMINATION FOR ADMISSION
TO THE ROLL OF ADVOCATES

DECEMBER, 2008

LEGAL PRACTICE MANAGEMENT

Instructions

- (a) Answer ONE question from EACH of the four Sections
- (b) All questions carry 15 marks each
- (c) Marks may be lost for illegibility
- (d) Time allowed is 3 hours

SECTION 1: HUMAN RESOURCE MANAGEMENT

- 1. (a) Briefly discuss the role of Strategic Human Resource Management in an organization.
(b) Identify and discuss any four critical components of Human Resource Planning in any business enterprise. (15 marks)
- 2. *The Panel Interview is the most widespread, simplest, and objective selection method in use today.*
Discuss this statement using three other selection methods known to you for comparison purposes. (15 marks)

SECTION 2: COMMERCIAL ACCOUNTING

- 3. Brampton Ltd. has an authorized share capital of 100,000 ordinary shares of £1 each. The company's trial balance as at 30 April 2005 was as follows:

Ordinary share capital, fully paid	£	£
Share premium account		80,000
Plant and machinery at cost		20,000
Motor lorries at cost	76,000	
Debtors and Creditors	114,000	
10% debentures	88,960	
Purchases and sales		50,740
General expenses	326,978	18,000
Bad debts	17,040	466,668
Debenture interest for half year to 31 Oct. 2004	4,800	
Stock at 1 May 2004	15,400	
Discounts received	900	
Bank		3,280
	72,170	

Salaries	31,420	
Insurance	2,600	
Directors' fees	32,000	
Provisions for depreciation		
Plant and machinery		60,000
Motor lorries		52,400
Postage	640	
Profit and Loss account, 1 May 2004		30,760
Provision for doubtful debts, 1 May 2004		<u>1,060</u>
	<u>782,908</u>	<u>782,908</u>

Notes:

- At 30 April 2005
 - Insurance £420 was prepaid
 - Doubtful debts totaled £900
 - Stock totaled £16,500
 - A corporation tax provision of £7,000 is to be made
 - The directors purpose to pay a dividend of 10% to the ordinary shareholders.
- Depreciation is to be calculated on fixed assets at 20% on the reducing balance basis.
- The debenture interest for the second half of the year is to be accrued.

Required

Trading and profit and loss account for the year to 30 April 2005 and a balance sheet as at that date, prepared in a vertical style.

(15 marks)

- The following is the cash book (bank columns) of F king for December 2007:

2007	Dr	Shs.	20X7	Cr	Shs
Dec 6	p pan	2,300	Dec 1	Balance b/d	19,000
Dec 20	c Hook	2,650	Dec 10	J Lamb	3,040
Dec 31	W Britten	3,250	Dec 19	P Wilson	2,610
Dec 31	Balance c/d	<u>16,820</u>	Dec 29	K Coull	<u>370</u>
		<u>25,020</u>			<u>25,020</u>

The bank statement for the month is:

2007	DR	CR	BALANCE
	SH	SH	SH
Dec 1 Balance			19000 O/D
" 6 Cheque		2,300	16,700 O/D
" 13 J Lamb	3,040		19,740 O/D
" 20 cheque		2,650	17,090 O/D
" 22 P Wilson	2,610		19,700 O/D
" 30 Tox: standing order	940		20,640 O/D
" 31 Fray:trders credit		1020	19,620 O/D
" 31 Bank charges	720		20,340 O/D

You are required to:

- a) Write the cash book up to date to take the necessary items into account, and
- b) Draw up a bank reconciliation statement as on 31 December 2007.

(15 marks)

SECTION 3: TRUST ACCOUNTS

5. You are an executor of a will in which the testator has made the following bequests:
- To my dear wife, all the income accruing from my rental property at Karen being Ksh. 50,000/= per month to be paid to her during her lifetime.
 - To my faithful servant and driver John Msafiri, a monthly sum of Ksh.10,000/= for as long as he shall live.

Draw up the Cash Account, Income Account and Special Income Account showing your treatment of the above clauses.

(15 marks)

6. As an administrator of the estate of David (deceased) you have reached the stage of distribution. The estate now comprises the following:

- b) House on LR.No 209/ 12345 Nairobi valued at Ksh.5 million;
- c) Freehold land in Nanyuki valued at Ksh.10 million,
- d) Farm machinery & equipment valued at Ksh.2 million;
- e) Equity shares in various companies valued at Ksh.500,000/=;
- f) Personal effects of the deceased worth Ksh.500,000/=;
- g) Cash in bank Ksh 500,000/=;
- h) Two motor vehicles valued at Ksh.800,000/= each.

In the course of administering the estate you had exercised your powers under section 34 of the Trustee Act in favour of Peter, one of the beneficiaries, to the tune of Ksh.400,000/=. The estate owes Ksh.50,000/= in legal fees and there is an outstanding mortgage debt of Ksh.1million.

Taking into account the intestacy provisions of the Law of Succession Act (Cap.160, Laws of Kenya), draw up the distribution account. Peter has three siblings and David was a widower at the time of his death. No property is to be taken *in specie*.

(15 marks)

SECTION 4: OFFICE PRACTICE AND RECORDS MANAGEMENT

7. a) Define the term "Office" as used in firms/industries, and explain the factors considered when designing an ideal office layout.

- b) List and explain ten purposes of an office for a firm/industry.

(15 marks)

8. a) Discuss the importance of efficient and effective management of records for a firm.

- b) Name three categories of mails which may be found in a well established office, and explain the procedure of processing each category.

(15 marks)

COUNCIL OF LEGAL EDUCATION



EXAMINATION FOR ADMISSION
TO THE ROLL OF ADVOCATES

ATP 106: LEGAL PRACTICE MANAGEMENT

TUESDAY 22ND NOVEMBER, 2011

DURATION: 3 HOURS

Instructions to Candidates

- (a) Answer **ONE** question from each of the **THREE** sections and a **FOURTH** question from any section
- (b) All questions carry 15 marks each.
- (c) Marks may be lost for illegibility

PLEASE TURN OVER

SECTION 1: COMMERCIAL ACCOUNTS

1. Sage and Onion are trading in partnership, sharing profit and losses equally. Interest at 5% per annum is allowed or charged in both capital accounts and current account balances at the beginning of the year. Interest is charged on drawings at 5% p.a. Partners are entitled to annual salaries of: Sage £12000 Onion £ 8000

Required:

From the information given below, prepare the partnership income statement and the profit and loss appropriation account for the year ending 31 December, 2010 and balance sheet as at that date.

Sage and Onion		
Trial Balance as at 31 December, 2010		
	Dr' £	Cr' £
Capital Accounts: Sage		100000
Onion		50000
Current Accounts: Sage		2000
Onion	600	
Cash Drawings for the year: Sage	15000	
Onion	10000	
Freehold premises at cost	50000	
Inventory (1.1.2010)	75000	
Fixtures and fittings at cost	15000	
Purchases and purchase returns	380000	12000
Bank	31600	
Sales and sales returns	6000	508000
Accounts receivable and accounts payable	52400	33300
Carriage Inwards	21500	
Carriage Outwards	3000	
Staff Salaries	42000	
VAT		8700
Office expenses	7500	
Allowance for doubtful debts		2000
Advertising	5000	
Discount Received		1000
Discount Allowed	1200	
Bad Debts	1400	
Rent and business rates	2800	
Accumulated provision for depreciation of fixtures and fittings	_____	3000
	<u>720,000</u>	<u>720,000</u>

At 31 December, 2010

- (i) Inventory was valued at £68000
- (ii) Purchase invoices amounting to £3000 for goods included in the inventory valuation at (i) above had not been recorded.
- (iii) Staff salaries owing £900
- (iv) Business rates paid in advance £200
- (v) Allowance for doubtful debts to be increased to £2400
- (vi) Goods withdrawn by partners for private use had not been recorded and were valued at Sage: £500 Onion £630. No interest is to be charged on these amounts
- (vii) Provision is to be made for depreciation of fixtures and fittings at 10% on cost
- (viii) Interest on drawings for the year to be charged Sage £360, Onion £280.

(15 marks)

2. (a) E Phones had a net income of \$413,000 excluding income tax for the year worth \$217,000.

The balance sheets as at 31/12/11 and 31/12/10 were as follows

E Phones
Balance Sheets 31/12/11 and 31/12/10

	2011 \$	2010 \$
ASSETS		
<u>Current Assets</u>		
Cash	32000	48000
Accounts receivable	32000	40000
Inventory	100000	70000
<u>Long Term Assets</u>		
Investments	0	50000
Land	280000	180000
Equipment	200000	140000
Accumulated depreciation	(53000)	(28000)
 Total Assets	 <u>591000</u>	 <u>500000</u>
 LIABILITIES & STOCKHOLDERS' EQUITY		
<u>Current Liabilities</u>		
Accounts payable	52000	62000
Income tax payable	55000	12000
<u>Long Term Liabilities</u>		
Bonds payable	0	200000

Stockholders' Equity

Common stock	200000	100000
Retained earnings	<u>284000</u>	<u>126000</u>
Total liabilities & stockholder equity	<u>591000</u>	<u>500000</u>

Additional information

- (i) Sold investments in stock costing \$50000 for \$55000 resulting in a \$5000 gain on sale of investment
- (ii) Purchased \$100,000 in land issuing \$100, 000 of common stock payment. No cash was exchanged in the transaction.
- (iii) Purchased equipment for \$60,000 cash.
- (iv) Retired \$200000 balance in bonds at the beginning of the year.
- (v) Declared and paid a cash dividend of \$255000

Required:

Cash flow statement for the period ended 31/12/11

(9 marks)

- (b) XY provides depreciation for its machinery at 20% per annum on cost. It charges depreciation in the year of purchase but no provision is made on the year of sale/disposal.

Financial statements are prepared annually to 31 December.

2005

Jan 1	Bought machine 'A	\$10,000
July 1	Bought machine 'B'	\$6, 000

2006

March 31	Bought machine 'C'	\$8, 000
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2007

October 7	Sold machine 'A' – proceeds	\$5,500
November 5	Bought machine 'D'	\$12,000

2008

February 4	Sold machine 'B' – proceeds	\$3,000
February 6	Bought machine 'E'	\$9,000
October 11	Exchanged machine 'D' for machinery valued at \$7,000	

Required:

- (i) Machinery account 1 January 2005 to 31 December 2008 **(2 marks)**
- (ii) Provision for depreciation account **(2 marks)**
- (iii) Disposal of machinery account **(2 marks)**

SECTION 2: HUMAN RESOURCE MANAGEMENT

3. (a) Like all businesses, Hatari, Msamaria and Mzalendo law firm is concerned about profits for the directors. In business circles profits are sometimes referred to as the "Bottom Line". Hatari, Msamaria and Mzalendo is considering establishing a Human Resource Department but is not fully convinced that the department is necessary. The firm has three partners and 15 employees.

Using the functions of Human Resource Management convince the firm that the department will contribute significantly to their "Bottom Line" (8 marks)

(b) Using examples of approaches used during recruitment and selection distinguish between Human Resource Management and Strategic Human Resource Management. You may tabulate your response to improve clarity. (7 marks)

4. (a) You are a senior partner in your firm with the responsibility of coordinating staff training. Explain the steps you would take to implement a training programme in your firm. (8 marks)

(b) In the context of the new constitution explain the main legal challenges likely to face Human Resource Managers in the new constitutional set up. (7 marks)

SECTION 3: OFFICE PRACTICE & RECORDS MANAGEMENT

5. (a) Your CEO has invited you to his office, where he has been discussing some matters with the General Manager. Then, he asks you, "What is the purpose of a large office for the organization?" (Give him TEN factors). (10 marks)

(b) One of the functions of an Office Manager is to design forms for use in the same office and others. List and explain the purpose and the advantages of using forms in an office. (Give FIVE points). (5 marks)

6. (a) Define the following terms as used in management:

- (i) Office
- (ii) Delegation
- (iii) Staff empowerment
- (iv) Staff motivation
- (v) Customer

(10 marks)

- (b) Identify and explain FIVE administrative functions of an office manager in any organization. (Give TWO points for each of the functions identified above).

(5 marks)

COUNCIL OF LEGAL EDUCATION



EXAMINATION FOR ADMISSION
TO THE ROLL OF ADVOCATES

ATP 106: LEGAL PRACTICE MANAGEMENT

TUESDAY 26TH JULY, 2011

DURATION: 3 HOURS

Instructions to Candidates

- (a) Answer **ONE** question from each of the **THREE** sections and a **FOURTH** question from any section
- (b) All questions carry 15 marks each.
- (c) Marks may be lost for illegibility

PLEASE TURN OVER

SECTION 1: HUMAN RESOURCE MANAGEMENT

1. (a) There are two types of separations (a) voluntary and (b) involuntary.

For each type of separation outline three possible causes giving possible management response to mitigate negative effects on the employees.

(6 marks)

(b) List five career stages in an employee's work life and in each stage indicate one significant aspect of the employee's work life that occurs giving reasons for this occurrence.

(9 marks)

2. (a) Discuss the main methods of selection available to the Human Resource Management of a large organization. For each method highlight the following:

- (i) The process involved
- (ii) Advantages of using the method compared to other methods
- (iii) The demerits of the method compared to other methods
- (iv) Explain the circumstances in which it may be preferable to use the method compared to other methods.

(8 marks)

(b) Explain the meaning of dismissal as a disciplinary method and discuss the circumstances in which dismissal is justifiable in the context of the Employment Act, 2007.

(7 marks)

SECTION 2: COMMERCIAL ACCOUNTS

3. The following trial balance has been extracted from Mr. Juma:

	Shs '000'	Shs '000'
Sales		138,078
Purchases	82,350	
Carriage Inwards	5,144	
Drawings	7,800	
Rent, rates and insurance	6,622	
Postage & Stationery	3,001	
Advertising	1,330	
Salaries and wages	26,420	
Bad debts	877	
Provision for bad debts		130

Debtors and creditors	12,120	6,471
Cash in hand	1,002	
Inventory (1.6.2008)	11,927	
Equipment (at cost)	58,000	
Accumulated depreciation		19,000
Capital		53,091
	-----	-----
	216,770	216,770
	=====	=====

The following additional information was available as at 31st May 2009

1. Rent accrued 210,000
2. Rates prepaid 880,000
3. Shs.2,211,000 of carriage represents carriage inwards on purchases
4. Equipment is to be depreciated at 15% p.a. using straight line method
5. Provision for bad debts is to be increased by 40,000
6. Stock at the close of the business was valued at shs.13,551,000

Required:

Profit and Loss Account of Mr. Juma for the year ended May, 2009 and a balance sheet as at that date.

(15 marks)

4. (a) Explain clearly at least FIVE causes of differences between the cash balance in the cashbook and balances as per the bank statement. Give relevant examples.

(10 marks)

- (b) Expound on each of the following accounting concepts and principles:

- (i) Historical cost concept
- (ii) Going concern
- (iii) Matching
- (iv) Revenue recognition
- (v) Periodicity

(5 marks)

SECTION 3: OFFICE PRACTICE AND RECORDS MANAGEMENT

5. (a) You have been invited by your CEO to an Executive Managers' planning meeting to discuss the purchase of necessary equipment for the firm's very busy registry office.

During the meeting the CEO has asked you to list and explain the uses and advantages of a Franking Machine. (Give ten (10) points)

(7 marks)

- (b) List and explain the purposes of an office in a well established office in the context of a well-established law firm. (Give ten (10) points)

(8 marks)