

COUNCIL OF LEGAL EDUCATION.



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

ATP 106: LEGAL PRACTICE MANAGEMENT.

WEDNESDAY 26TH JULY, 2017.

DURATION: 3 HOURS.

Instructions to Candidates

- (a) This paper contains **Six 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) Shadrack Otieno has recently been appointed as the Finance Manager of Nyaga & Associates Ltd., a law firm based in Mbita County in the country of Isidor.

The finance department is headed by a finance director and consists of finance manager and eleven accountants. The eleven accountants have been working for Nyaga & Associates for several years but because they did not have the needed qualification, they were not considered for the vacant position of a finance manager.

Though a good accountant, Shadrack has challenges interacting with his team of accountants and many complain that they have had little social contact with him. For official communication he hardly relies on oral communication but instead sends memoranda and places instructions on the notice board as the main method of conveying information to his team. These new ways of conveying information have not been received well by the members of the department and have resulted in numerous complaints channeled to the Finance Director regarding Shadrack's inability to communicate effectively.

After discussion with Shadrack, the Finance Director has ascertained two reasons for Shadrack's reliance on written communication:

- i. Every time he attempts to use meetings as a means of communication, he feels intimidated by many employees with more experience in the system of financial operations used by Nyaga & Associates and the meeting ends up in chaos without accomplishing their stated objectives.
- ii. He uses written word to avoid confusion of his instructions since the employees can refer back to the instructions any time.

As an experienced manager in a law firm, you have been consulted by Nyaga & Associates Ltd to help Shadrack improve his communication skills to the finance team.

- (i) Explain to Shadrack why he should use different styles of communication to improve the working relations in his department. (7 marks)
 - (ii) Discuss with Shadrack the guidelines he could use to conduct effective meetings with members of his department. (7 marks)
- (b) You recently attended a business management seminar during which a renowned Japanese scholar made a presentation on automation in the office. In his presentation the scholar defined office automation as "the varied computer machinery and software used to digitally create, collect, store, manipulate and relay office information needed to accomplish basic tasks and goals."

After the training, your functional manager has asked you to write a report about the seminar explaining the areas of automation in an office highlighting a section on recommendation for the organization.

Write a report to the manager whose body contains notes on:

- (i) Tele-conferencing (2 marks)
- (ii) Electronic mail (2 marks)
- (iii) Word processing (2 marks)

SECTION A - COMMERCIAL ACCOUNTS

QUESTION TWO

The following list of items were extracted from the books of Ondari Advocates as at 31 October 2016:

	Shs.
Cash at Bank:	
Client Account	49,600
Office Account	111,400
Office expenses	17,000
Furniture, fittings and library books	90,000
Debtors	156,000
Creditors	54,400
Client for moneys held on their behalf	49,600
Work in progress on 1 November 2015	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
Disbursements on behalf of clients	24,000
Capital account	408,000

The following information is also provided:

- (i) Depreciation should be provided at 20% per annum on the book value of the furniture, fittings and library books.
- (ii) Bad debt amounting to shs.11,000/- should be withdrawn.
- (iii) The uncompleted work on 31 October 2016 valued at shs.47,000/-.

Required:

- (a) Trial balance (2 marks)
- (b) Income Statement for the year 31 October 2016 (4 marks)
- (c) Statement of financial position as at October 2016 (4 marks)

QUESTION THREE

The following information was extracted from the books of Kamau advocates, which commenced business one year ago.

2016		
Month	Sales (service to client)	Purchase
April	150,000	100,000
May	160,000	110,000
June	160,000	90,000
July	170,000	90,000
August	200,000	80,000
September	200,000	130,000
October	180,000	140,000
November	180,000	60,000
December	200,000	60,000

The following additional information is also provided:

- i. Cash in hand at the end of May 2016 will be shs.150,000/-.
- ii. 60% of the sales proceeds are received in the current month, 30% in the following months and the balance is received two months after sale.
- iii. Supplies are paid one month after delivery of goods.
- iv. Corporate tax for 2015 amounting to shs.20,000/- will be paid on 31st September 2016
- v. Contractor's retention monies amounting to shs.50,000/- will be paid on 30th June 2016.
- vi. The shareholders at their last extraordinary general meeting increased the share capital by shs.70,000/- and the first call of shs.40,000/- will be received in October 2016.
- vii. In October 2016, the company is due to receive shs.20,000/- as compensation for a civil suit.
- viii. The monthly administration expenses amounting to shs.33,000/- include factory depreciation charge of shs.7,000/-.
- ix. Office equipment worth shs.13,000/- will be paid for in November 2016.

Required:

Prepare a cash budget for the period 1st June to 31st December 2016.

(10 marks)

SECTION B - HUMAN RESOURCE MANAGEMENT

QUESTION FOUR

You are the human resource manager of a modern law firm. During the last two years, the firm's profit have been on a downward trend and this has resulted in rumour through a grapevine that the organization is planning to reduce its manpower. The Chief Executive Officer (CEO) has summoned you to his office to discuss the general performance of the employees of the organization, which seems to have slackened over the last few months leading to decline in profits.

The CEO started by saying that the first department to be scrapped was the Human Resource Department because according to him what the department does is clerical work, which could as well be handled by another person.

In addition, getting rid of the Human Resource Department the CEO was of the view that employees were also enjoying too many welfare benefits which he felt were reducing the profits of the organization. In order to cut costs, the CEO directed that all employees' welfare benefits be scaled down.

- (a) Demonstrate five (5) ways to the CEO how Human Resource Department ensures superior performance of an organization. (5 marks)
- (b) Evaluate five (5) benefits of employee welfare services to an organization (5 marks)

QUESTION FIVE

- (a) Imagine you are one of the partners in a start-up law firm and competent in human resource management. You have been tasked with the responsibility of hiring five sales representatives to your law firm.

Describe three (3) appropriate recruitment methods you would use. (6 marks)

- (b) Introducing the new employee who is designated as a probationer to the job, job location, surroundings, organization doctrines and various employees is the final step of employment process. Some organizations do not lay emphasis on this vital function as they view that this function will be automatically performed by the colleagues of the new employees.

Discuss four (4) objectives of an effective orientation/induction programme in a progressive law firm. (4 marks)

SECTION C - OFFICE PRACTICE

QUESTION SIX

You attended a training on “organizing for success” to help you start and manage your law firm. The facilitator emphasized particularly on the following paragraph:

“When planning to establish a law-firm, plans for the office partition, accessibility and adequacy of space must be given due consideration. Often the lawyer continues with the initial layout even when the business grows large enough resulting into a cramped up office. Such a work station might curtail the growth of the law firm and might not be a conducive working environment for the employees”

- (a) Discuss five symptoms that would indicate that you have outgrown your business space. (5 marks)
- (b) Discuss five health and safety measures that are important to a law firm. (5 marks)

QUESTION SEVEN

Filing is the process of classifying and arranging records so that they can be obtained without delay. Where classification entails the basis of arrangement in a folder.

- (a) Explain two characteristics of a good filing system. (2 marks)
- (b) You recently started a law firm. Discuss five factors that would influence the choice of your filing system. (5 marks)
- (c) Explain three methods you can use to classify documents in your law firm. (3 marks)

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