

KENYA SCHOOL OF LAW



EXAMINATION FOR ADMISSION  
TO THE ROLL OF ADVOCATES

**ATP 106: LEGAL PRACTICE MANAGEMENT**

TUESDAY 26<sup>TH</sup> NOVEMBER, 2013

DURATION: 3 HOURS

**Instructions to Candidates**

- (a) Candidates should answer FOUR Questions
- (b) Answer ONE question from each of the THREE sections and a FOURTH question from any section
- (c) All questions carry 15 marks each.
- (d) Marks shall be lost for illegibility

PLEASE TURN OVER

## SECTION 1: COMMERCIAL ACCOUNTS

### QUESTION ONE

- (a) Clearly explain the usefulness of accounting to practicing advocates **(5 Marks)**
- (b) The following is a trial balance extracted from the books of Otieno and Kioko, a firm of practicing advocates as at 31 October 2012:

**Otieno and Kioko Advocates**  
**Trial balance**  
**As at 31 October 2012**

	Sh.	Sh.
Capital account		204,000
Disbursements on behalf of clients	12,000	
Drawings	60,000	
Salaries	72,000	
Rent and rates	60,000	
Printing and stationery	35,000	
Postage and telephone	18,000	
Costs charged to clients		250,000
Work in progress on 1 November 2011	36,800	
Clients: for the moneys held on their behalf		24,800
Creditors		27,200
Debtors	78,000	
Sundry office expenses	8,500	
Furniture, fittings and library books	45,000	
Cash at bank:		
Clients' account	24,800	
Office account	<u>55,700</u>	
	<u>506,000</u>	<u>506,000</u>

**Additional information:**

- The uncompleted work on 31 October 2012 was valued at Shs.23,500
- It is estimated that debts amounting to Sh. 5,500 are uncollectible and should be written off.
- Depreciation should be provided at 20% per annum on the book value of the furniture, fittings and library books

**Required:**

- (i) Income and expenditure account for the year ended 31 October 2012. **(5 marks)**
- (ii) Balance sheet as at 31 October 2012. **(5 marks)**

## QUESTION TWO

Najima, Laura and Brenda are partners in an advocate firm. The partners share profits and losses in the ration 2:2:1 respectively. Najima is entitled to a salary of Shs.150,000 per annum; Laura and Brenda are each entitled to a salary of Sh 100,000 per annum. Interest is allowed on capital at the rate of 4% p.a. but is not charged on drawings.

The following balances were extracted from the books at 30<sup>th</sup> April 2011.

		Shs.
Capital accounts		
Najima		300,000
Laura		300,000
Brenda		200,000
Current accounts		
Najima		12,000
Laura		8,500
Brenda	4,000	
Drawings		
Najima		200,000
Laura		200,000
Brenda		140,000
Fees charged to clients		1,420,000
Rent and rates	51,000	
Staff salaries	570,000	
Administration expenses	147,000	
Light and heating	46,000	
Office equipment	240,000	
Provision for depreciation-		
Office equipment		120,000
Debtors	465,000	
Creditors		95,000
Bank	<u>392,500</u>	<u>          </u>
	<u>2,455,500</u>	<u>2,455,500</u>

The following additional information is available as at 30th April 2011;

- (i) Rent and rates include a prepayment of Shs.3,000
- (ii) Administration expenses owing is Shs.4,000
- (iii) Depreciation is provided for office and equipment at 25% p.a. on reducing balance basis
- (iv) One debt of Shs.15,000 is to be treated as bad debt. A provision should also be created for doubtful debts at 4% of the remaining debtors

**Required:**

- (a) Income statement for the year ended 30th April 2011 **(5 Marks)**
- (b) The balance sheet for the partnership as at 30th April 2011 **(5 Marks)**
- (c) Explain the qualitative characteristics of financial information **(5 Marks)**

**SECTION 2: HUMAN RESOURCE MANAGEMENT**

**QUESTION THREE**

- (a) Explain the meaning of the term management. **(2 marks)**
- (b) Managing a law firm entails effective utilization of certain resources. Highlight three (3) main categories of such resources. **(3 marks)**
- (c) Discuss five (5) Human Resource functions to be undertaken by a law firm manager for effective and efficient utilization of employees. **(10 marks)**

**QUESTION FOUR**

- (a) To perform competently at their jobs, new employees should be thoroughly inducted. Highlight five (5) benefits of induction in a law firm. **(5 marks)**
- (b) Every enterprise must continually train and develop employees. With regard to a law firm, explain why this is so, giving at least five (5) reasons. **(10 marks)**

**SECTION 3: OFFICE PRACTICE & RECORDS MANAGEMENT**

**QUESTION FIVE**

- (a) One of the hallmarks of a competitive enterprise is effective reception of clients. With a law firm in mind, outline five (5) characteristics of an ideal reception office. **(5 marks)**
- (b) Office etiquette is an essential component in enabling a positive work environment in an office. Advise new legal assistant inductees on five (5) basic principles of etiquette, highlighting the common areas/situations to be given attention. **(10 marks)**

## QUESTION SIX

- (a) Using alphabetical classification system index the following items as they would appear for filing and list them alphabetically in each case:

### Case 1

Magdale J. Waluvengo  
Augustin Muteti Mulembo

### Case 2

The Law Society of Kenya  
The Bible Society of Kenya

### Case 3

ABC Enterprises  
123 Enterprises

### Case 4

Naikuni Olepolos  
Kinamasy Mcgregory

### Case 5

Mr. Dickson Kiwaru  
Mrs. Dickson Kwara

**(5 marks)**

- (b) "It is essential for a legal practitioner to have good if not excellent communication skills"

Discuss the seven Cs (7Cs) of effective communication.

**(10 marks)**

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