WEST AFRICAN SENIOR SCHOOL CERTIFICATE EXAMINATION

BUSINESS MANAGEMENT

PAPER 2 — CASE STUDY AND ESSAY

2017

Time Allowed: 2 hours | Answer four questions in all

Answer Question 1 (the Case Study) and any three other questions. All questions carry equal marks. Write your answers in the answer booklet provided.

QUESTION 1 — CASE STUDY

Read the following case carefully and answer the questions that follow.

HOME TOUCH BANK LIMITED

The Home Touch Bank Limited was established in 2009 in Freetown, Sierra Leone. Its aim was to provide a wide range of financial services to the newly established fishing and processing companies located in the coastal towns of Shenge and Tombo and other local fishing communities. Between 2010 and 2014 the bank recorded high profits. Its reputation as a provider of variety of banking services soared. Customers were particularly delighted with the conditions attached to overdraft and concessionary loans in the purchase of fishing inputs.

The increase in demand for the bank's products made the directors introduce a decentralization policy so that customers could be better served. Branch managers were allowed to take all decisions without referring to Head Office except on critical matters. Customers' requests were promptly attended to. The average waiting time to serve customers was significantly shortened. As a result of quick decision-making at the various branches, efficiency in service delivery was enhanced.

In 2015, the Board of Directors of the bank decided to take over most of the decisions made by branch managers. The branch managers were now to refer to Headquarters any loan request above ten thousand leones for approval. All concessionary loans were also to be approved by the Head Office. By the end of 2015, the branch offices started experiencing a drop in their customer level and staff turnover increased. Competition increased sharply as a result of three new banks that entered the market.

(a) (i) Explain decentralization.

(ii) State three benefits that the bank derived from decentralization.

(b) List four services that could be provided by the bank.

(c) State three factors that contributed to the initial success of Home Touch Bank Limited.

(d) Suggest three recommendations that will help revive Home Touch Bank Limited.

QUESTION 2

(a) What is a product?

(b) State and explain any four reasons for the failure of a new product.

QUESTION 3

Explain the following documents used in international trade:

(i) Bill of Lading

(ii) Certificate of Origin

(iii) Consular Invoice

(iv) Indent

QUESTION 4

(a) What is a cheque?

(b) Identify and explain the parties to a cheque.

(c) Outline three essential features of a valid cheque.

QUESTION 5

(a) Explain three reasons for the failure of public corporations.

(b) State and explain three advantages of limited liability companies.

QUESTION 6

(a) What is leadership?

(b) Explain three types of leadership style.

(c) Explain three sources of power available to a leader.

QUESTION 7

(a) Explain the term economic integration.

(b) Distinguish between common market and economic union.

(c) Explain three causes of globalization.

QUESTION 8

(a) What is corporate social responsibility?

(b) State and explain four ways in which a business can be socially responsible.

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