

COUNCIL OF LEGAL EDUCATION



EXAMINATION FOR ADMISSION  
TO THE ROLL OF ADVOCATES

**ATP 106: LEGAL PRACTICE MANAGEMENT**

WEDNESDAY 7<sup>TH</sup> DECEMBER, 2016

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 Sections A,B, and C and a **fifth** question from any Section

PLEASE TURN OVER

## QUESTION ONE

- (a) Highlight the following concepts and for each explain their implication in the preparation of financial statements.

- (i) The going concern concept
- (ii) Business entity concept
- (iii) Materiality
- (iv) Realization

(8 marks)

- (b) While developing sound human resource policies, management should ensure that the policy will service the immediate purpose and be sustainable in the future. Imagine you are a human resource manager of a modern law firm.

Highlight six (6) characteristics of a sound human resource policy.

(6 marks)

- (c) Mr. Kamau is one of the partners in Kamau & Otieno Associates a law firm based in Nairobi. Currently the firm has eight partners. Kamau is not only a lawyer but is also a certified public accountant with many years' experience. For this reason he works full time in the firm and is in charge of finance and administration.

The partners have summoned Kamau for the second time in two weeks. The deadline for preparing the budget was two weeks ago and todate Kamau has not produced the budget. This is slowing down allocation of funds to various functions of the firm and straining the cost leadership strategy of the firm.

What is perplexing the partners is that Mr. Kamau is hardworking, comes to work early and leaves very late and works on most weekends. In an attempt to gather more information one of the partners inquired from an accountant in the Finance Department what the problem was. The accountant promptly replied "Mr. Kamau does not believe in delegation"

- (i) Explain to Kamau the importance of delegation.
- (ii) Why do you think most managers fear delegation?

(3 marks)

(3 marks)

## COMMERCIAL ACCOUNTS — S. A.

## QUESTION TWO

Wamalwa and Kamene have been in practice for several years. They share profit/losses equally. The following information is also provided:

**WAMALWA & KAMENE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER ~~2015~~ 2014**

Shs.(000)

Shs.(000)