

**INSTRUCTIONS TO CANDIDATES:**

1. All questions are compulsory.
  2. Answer in English and begin each question on a new page.
  3. Clearly number your answers as per the question numbers in the paper.
  4. Apply relevant accounting, auditing, taxation, and ethical frameworks.
  5. Support your answers with practical examples, professional reasoning, and calculations wherever applicable.
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**SECTION A – CASE STUDY QUESTIONS**

**(Total: 40 Marks)**

**Answer all questions. Each question carries 20 marks.**

**Question 1 – Audit and Assurance (20 Marks)**

You are the audit senior assigned to lead the external audit of CleanCare Medical Supplies, a company that experienced rapid expansion in the last two years. The company introduced a new inventory management system mid-year and had significant fluctuations in supplier accounts. During the audit planning phase, management appeared defensive about disclosing system issues.

**Required:**

- a) Identify the key audit risks in the scenario.
  - b) Explain the procedures you would perform to address the audit of the new inventory system.
  - c) Discuss the ethical responsibilities of the auditor in the event of limited cooperation from management.
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**Question 2 – Corporate and Business Strategy (20 Marks)**

BrightWave Ltd., a mid-sized tech company, is evaluating whether to enter the African market with its cloud-based payroll software. The Board has requested an assessment of strategic options, external risks, and a roadmap for expansion.

**Required:**

- a) Conduct a PESTEL analysis for BrightWave Ltd. in the context of African market entry.
  - b) Identify two strategic options using Ansoff's Matrix.
  - c) Recommend one strategy with justifications based on strategic alignment and risk.
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**SECTION B – DESCRIPTIVE ESSAY QUESTIONS**

**(Total: 60 Marks)**

**Answer all questions.**

**Question 3 – Financial Management (15 Marks)**

Explain the concept of the Weighted Average Cost of Capital (WACC).

How does WACC influence corporate investment decisions? Illustrate with a hypothetical example showing a company's decision-making process for a capital budgeting project.

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**Question 4 – Taxation (15 Marks)**

Discuss the principle of residence-based taxation versus source-based taxation.

Explain the implications for multinational companies operating in jurisdictions with double tax treaties, and outline common methods used to avoid double taxation.

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**Question 5 – Performance Management (15 Marks)**

Critically evaluate the Balanced Scorecard as a strategic performance management tool.

Discuss its four perspectives and how they contribute to organizational success. Provide a real-world example or a hypothetical illustration.

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**Question 6 – Governance, Risk & Compliance (10 Marks)**

Define corporate governance.

Explain the roles and responsibilities of the Board of Directors in promoting ethical conduct, transparency, and risk oversight within an organization.

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**End of Paper**