



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

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MAIN EXAMINATION

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MAY- AUGUST 2021

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SCHOOL OF BUSINESS

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DEPARTMENT OF GRADUATE BUSINESS STUDIES

REGULAR/EVENING/ODEL PROGRAMME

CFI 619: CASES IN FINANCIAL MANAGEMENT

Date: AUGUST 2021

Duration: 3 Hours

INSTRUCTIONS: Answer ALL FOUR Questions

Q1. Consider the following two companies which are familiar to you; East African Portland Cement Company and Bamburi Cement Company. The two companies are in the same industry yet they have encountered successes and failures in unequal measures.

Required: Explain the factors that have contributed to the success or failure being experienced by each of the companies. **(20 marks)**

Q2. Read the attached case; "One Hundred Years in Prison For \$126 Million Fraud", and answer the following questions.

(a). Are qualified intermediaries legitimate businesses? **(4 marks)**

(b). Okun tried to avoid federal currency reporting requirements by instructing his employee to cash two checks: one for \$5,200 and one for \$9,800, so as to stay under the \$10,000 cash reporting requirements and then ship the \$15,000 cash to his personal yacht in the Bahamas. Briefly describe the local currency reporting requirements and briefly describe the purpose of these requirements.

(4 marks)

(c). Giving reasons, explain to what extent you would support the local MPs debating on a motion to remove currency reporting requirements? **(4 marks)**

(d). How does the Okun case compare to other cases in the local news lately? **(4 marks)**

(e). What are the ethical issues in this case? **(4 marks)**

Q3. Read the case titled; “Pacific Health Care: What should the Controller do?” and answer the following questions.

(a) Does anyone benefit personally if Amanda’s request is met? Does this matter?
(5 marks)

(b) In considering the broad ethical issues, who is harmed by Amanda’s plan?
(5 marks)

(d) What should Tim do? What are his obligations to Pacific? To Pacific’s clients? To the accounting profession? **(10 marks)**

Q4. Read the case titled; “Where Should General Motors Go from Here?” and answer the following questions.

(i). What caused the decline and loss of the competitive edge at General Motors?
(7 marks)

(ii) How will the bankruptcy and restructuring help the company to survive and thrive?
(7 marks)

(iii) What part did management style and focus have on General Motors decline?

(6

marks)

DET MAY 2021