

**National University of Computer & Emerging Sciences, Karachi**  
**Fall-2022**

**School of Computing (BSCS, BSSE, BSCY, BSAI)**

**Mid Term 1**

**28<sup>th</sup> September 2022, 08:30am – 09:30 am**

<b>Course Code: CS4001</b>	<b>Course Name: Professional Practices in IT</b>	
<b>Instructor Name:</b> Dr. Rauf Ahmed Shams, Dr. Fahad Sherwani, Ms. Sheharbano, Ms Saeeda, Ms. Mubashra Fayyaz, Mr. Shoaib Rauf		
<b>Student Roll No:</b>		<b>Section No:</b>

**Instructions:**

- Return the question paper and make sure to keep it inside your answer sheet.
- Read questions completely before answering. There are **9 questions, 2 sides on 1 page**.
- In case of any ambiguity, you may make assumption. But your assumption should not contradict any statement in the question paper.
- All answers must be in the bullets, 'no paragraph', be precise and up to the point.
- All questions carry equal marks.
- You are not allowed to write anything on the question paper (except your ID and section).

**Time:** 1 hour.

**Max**

**Marks:** 45 Marks

**Case Study: Intuit Pakistan**

Four Recent graduates of FAST got an opportunity to acquire a franchise of Intuit global in Pakistan. The four members agreed to register the company as a Sole Proprietorship. Mr. Ahmed, out of the four, registered the organization against his personal profile. The company has no liabilities with the global Intuit and will act as an independent organization. However, they

have to share the 20% of the annual profit with the global Intuit for using their brand name. Intuit India successfully achieved the best workplace status over the period of years as presented in the case earlier. Now Intuit Pakistan has multiple challenges to deal with.

The CEO or Owner of the Intuit Pakistan i.e Mr. Ahmed had a proven track record for technology development and operational excellence. Mr. Ahmed has the strength to perceive the problem at its core, to design/implement and operationalize the IT System by his own hands. He never gets satisfied until he works on every part of the code. Being a perfectionist, he does not believe in diversity. He graduated from FAST and during his FYP he had some bad experiences regarding the diversity as a leader of the team. He was part of a vibrant team that had an ability to deal with the solution accordingly. All the four members of the team had great analytical skills and had good confidence to challenge Mr. Ahmed regarding his project plans and decisions he made upon his excellent technical skills and hands on experience of project development. Mr. Ahmed believed that the 'team' always kept challenging and arguing unnecessarily for the lifetime of the FYP. Mr. Ahmed could not understand why the team was arguing even though the system is deployed and in execution without having any glitches. The reason he found is the diverse nature of the team.

Intuit Pakistan has a team strength of 25 personnel and they have to scale till 200 employees next year. The IT projects demand a radical growth in the team with perfectional capabilities. During the hiring of the team, Mr. Ahmed led all the interviews and followed the strategy of hiring good technical people that seems similar to his own professional attitude. All the promotions and appreciations are only allowed after his personal screening and recommendations.

## **Questions**

1. According to the above-mentioned case 4 recent graduates got an opportunity to acquire a franchise of Intuit global in Pakistan and register it as a Sole Proprietorship. Explain why it would be wise (or, alternatively, why you think it would not be wise) to form yourselves as a Sole Proprietorship company.

## **Advantages of a sole proprietorship**

### **1. Affordable and simple**

The advantages of a sole proprietorship are simplicity and affordability, particularly when [registering with Ownr](#). But, there are a few things you need to decide before you [register as a sole proprietor](#).

## **2. You have freedom and flexibility**

Freedom and flexibility of running your business as a sole proprietorship are included in this business structure. The process of registering as a corporation is longer and costlier, and business operations as an incorporated business are also more complicated.

As a sole proprietor, you aren't [restricted to complicated and strict regulations](#). This is particularly attractive to small proprietors who don't have the labour to continually ensure these strict guidelines are adhered to and carry them out. Sole proprietors also have all the decision-making freedom.

## **3. Less paperwork**

No business owner wants extra paperwork, so some people prefer to register as a sole proprietorship rather than incorporate their business. With incorporation, it's mandatory to file yearly documentation. With less paperwork also comes less overhead costs of a bookkeeper who is familiar with the legalities of incorporation and securities laws.

Simply put, less paperwork means you can spend more time developing your unique business strategy to help prevent any hiccups down the road.

## **4. Simpler income tax**

Taxes as a sole proprietorship (also considered self-employment taxes) are a lot simpler. As a sole proprietor, there are certain tax advantages that come with [small business deductions](#).

For a small business that uses their own home as a business base, part of housing costs, including utilities, internet, and such, can be written off. This helps reduce personal taxes and possibly even result in a tax refund when you file your personal tax return. You don't get this advantage with corporations.

## **5. Say hello to lower business fees**

Fees for registering as a sole proprietorship business structure are decidedly lower when compared to an incorporated business, which is among the most attractive advantages.

As a sole proprietor, you and your business are not separate legal identities and in some cases, registering your sole proprietorship business is not necessary. However, if you use a different name than your personal legal name for your proprietorship business, registration is necessary.

Many sole proprietors choose to register their business name regardless of their regional requirements to put the most professional foot forward possible.

## **6. Straightforward banking**

Just like taxes, dealing with complicated banking is a hassle. The beautiful thing about this form of business is banking simplicity. You can choose to keep your personal chequing account as your business account, but you may kick yourself at tax time when you have to separate expenses. In this case, it's advisable to open a separate [business bank account](#). This can be done quite easily, inexpensively, and even online!

How's that for straightforward?

## **7. Simplified ownership**

A sole proprietorship is as simple as it gets in terms of business structure. It's a single owner making the decisions, taking responsibility, and controlling all aspects of the business. For many small business owners, this is ideal as there isn't the risk of discord between owners of corporations or partnerships. Simply put, a sole proprietor isn't at risk of losing control.

### **Disadvantages of a sole proprietorship**

#### **1. No liability protection**

Among the drawbacks of this type of business entity is personal liability. You are solely responsible for all the financial aspects of your business. This means all debts and any litigation fall on your shoulders. This puts your own money at risk as your personal assets are exposed. In this case, having separate business insurance is a good idea.

This is among the primary [differences between sole proprietorship and incorporation](#) that can be concerning. With incorporation, there is a limited liability that rests solely on the business as a legal entity.

#### **2. Financing and business credit is harder to procure**

As a business entity, you may have a harder time securing financing and [business credit](#) than a corporation. An incorporated business is eligible for government funding and [can raise funds](#) fairly easily. A sole proprietorship generally can't. Part of the reason for this is that an incorporated business has a legal distinction that a sole proprietor doesn't.

#### **3. Unlimited liability**

Among one of the biggest disadvantages of a sole proprietorship is unlimited liability. This liability not only spans the business but the business owner's personal assets. Debt collectors can

access your savings, property, cars, and more to see a debt repaid. When you register your business, it's important to look into insurance as a precaution.

#### **4. Raising capital can be challenging**

While sole proprietorship startup costs are low, difficulty raising capital can limit growth and possibly even run you in the red for a little while. Because you're personally liable for business debts, it's also your responsibility to foot the bill for suppliers, overhead and labour costs, and so on. This is one of the significant disadvantages of sole proprietorships as business owners' personal assets are limited or tied up in the business.

#### **5. Lack of financial control and difficulty tracking expenses**

Because financial reports aren't usually required as a regular part of doing business and one person plays the role of accountant, manager, marketer, and strategist all in one, sole proprietors sometimes find themselves letting financial business transactions slide.

This can cause a significant lack of financial control and risk blending these transactions with personal income, making keeping track of expenses a challenge. In these cases, profits and losses can go unaccounted for, and tax time will be even more difficult.

**Marking scheme: 3 points on correctly asserting that 'sole proprietorship is incorrect' and 'partnership deal / limited company' would be there. 2 Marks will be awarded if reasons are provided in any of the cases.**

**2. Mr. Ahmed, registered the organization against his personal profile and never welcomed diversity. But after a few years of successful operation, Mr. Ahmed is ready to take the big step of hiring his first employee. Assuming you don't disagree with his initial decision to remain in sole proprietorship, how does this new addition affect his choice-of-entity concerns?**

New addition of Hiring employees won't affect the choice of entity concerns the ownership will remain the same.

**Marking scheme: If the above answer then 5/5. Otherwise if provided reasons/argument then 2 marks will be awarded.**

**3. In the case of Intuit Pakistan registered as a Partnership firm then how are you going to introduce an exit plan? What are the needs of having exit plans in any partnerships?**

When a firm makes a 'takeover bid', it offers to buy out the shareholders of the second firm. Managers of the second firm will usually put-up resistance, as they are likely to lose their jobs.

Shareholders of the second firm are likely to accept the offer if it is sufficiently attractive. In contrast,

a merger is the voluntary union of two companies where they think they will do better by Amalgamating.

(PLZ remove the answer if you find the provided one appropriate otherwise we have to sit again and argue)

**Note: Dr. Fahad, Shoaib Rauf, Mubashara and Rauf, we disagree with the answer provided against the question 3. The question asked about the exit plan it's not about the merger or acquisition of the company. According to us the answer would be the following:**

**How to introduce an exit plan:** In partnership deals we should add the clauses explicitly referring to certain scenarios regarding the exit plan for instance what if someone is taking exit before reaching the break even, if someone wants equity out of the existing assets etc.

**Needs of the exit plan:** If there wouldn't be clauses included in the partnership agreement then there will be dispute and contention will arise among the partners about the distribution of profit, equity, and liabilities.

**Marking scheme: 2.5 Marks for each answer.**

**4. According to the case, Mr. Ahmed never welcomed arguments from his team members, how can it impact the working environment of his company? (Mention from the shared material)**

- The culture of listening to the employees was changed at google that impacted the employee employer relationship in negative way:
- Listening to the employees creates a sense of trust and confidence among employees(Ask Vijay : Anonymous feedback).
- Employees' voices can bring in innovation, Mr. Ahmed never welcomed arguments that lacked innovation and thought from a different perspective at his company. (Laszlo's interview)
- Listening to the voice of your team members can be life saving as in Case study of Mount Everest the main cause of failure of the mountain climbing was not allowing the team members to give their arguments.
- Lack of ownership and irritation may arise among the team members

**Marking scheme: '4 Marks will be awarded for any of the 3 points' and 5/5 for any exceptional comment or all the 5 points are provided.**

**5. Will scaling up affect Mr. Ahmed's roles and responsibilities/work load? Is scaling possible in this working environment?**

As Mr. Ahmed's company has a flat kind of structure where he is involved in every phase and aspect of the product development and checks everything himself. There will be a huge increase in his roles and responsibilities.

Scaling is not possible in this kind of structure unless he creates a proper hierarchy and trust some managers who manage their teams instead of everyone directly reporting to Mr. Ahmed. (Seith organization).

Note: if students would have mentioned any (possible) improvement based on the Google or case documents and they answered then he will be awarded marks on the following criteria

**Marking Scheme: two parts of the question**

**I. Yes definitely it will have an impact on Mr. Ahmed will be in a further worsen situation.**

**li. if organizational culture updated according to the provided cases then yes otherwise not possible**

**2.5 Marks for each point**

**6. Recently Mr. Ahmed attended a seminar "Diversity is Positive", that made him think about including diversity in his organization. Support his thought by listing down 3 points where diversity can bring positive changes in Intuit Pakistan.**

Hiring employees from diverse backgrounds in Intuit Pakistan can bring individual talents and experiences in suggesting ideas that are flexible in adapting to fluctuating markets and customer demands. (culture at google)

Diverse workforce in Intuit Pakistan can be very useful in dealing with complex issues by observing the scenario in multiple perspectives and interpretations.(culture at google)

Diversity will allow innovation in the creative processes.

**Marking: 1.5 marks for each, 5 for exceptional**

**7. How and why the 'values' are important for the employees and employer? share your reason and example. (Shoaib Rauf)**

ANS: To build the workplace a Great place to work, both employer and employee are equally responsible. From Employer point 3 things are most important

**Employer:** Training and workshops for their professional and social development, **Establishing culture of listening, accepting diversity, delegating ownership, making inclusive and open**

**communication, appreciation and reward, recognition, health and safety, security**  
Rehabilitation program for disable people.

**Employee:** in case that employer would have their values then the right employees will become part of the team. Otherwise there will be a problem of incompatibility and will arise in conflicts in future.

Example : Google set their value for instance democratic web, don't be evil etc.

**Marking: 3 Marks for any two values of employee and employer and 2 marks for example and reasons**

8. According to the BCS Code of Conduct what are the violations in the conduct of Ahmed? What behavior can you suggest Ahmed to adapt so that he does not violate BCS Code of Conduct?

- I. Duty towards profession, relevant authority and professional competency and integrity.
- li. Inclusive culture, embracing diversity, listening, delegating authority

**Marking: If two points of any of the three are provided then 2 marks will be awarded.**

**3 marks on the suggestion.**