

COUNCIL OF LEGAL EDUCATION



EXAMINATION FOR ADMISSION

TO THE ROLL OF ADVOCATES

ATP 106: LEGAL PRACTICE MANAGEMENT

TUESDAY 6TH AUGUST, 2013

DURATION: 3 HOURS

Instructions to Candidates

- (a) Answer **ONE** question from each of the **THREE** sections and a **FOURTH** question from any section
- (b) All questions carry 15 marks each.
- (c) Marks may be lost for illegibility

PLEASE TURN OVER

SECTION 1: COMMERCIAL ACCOUNTS

QUESTION ONE

David and Jeremy are in partnership as legal practitioners and share profits and losses in the ratio 3:2. Salaries of Sh.100,000/= are paid to David and Sh.150,000/= to Jeremy. Interest on capital is payable at the rate of 5% per annum on the balances at the end of the year. No interest is charged on drawings.

The following balances have been extracted from their books as at 30th April, 2013:

| | Sh |
|---|-----------|
| Fees received from clients | 1,176,000 |
| Administrative Expenses | 287,770 |
| Staff Salaries | 620,000 |
| Drawings: | |
| David | 170,000 |
| Jeremy | 180,000 |
| Interest received | 52,000 |
| Marketing Expenses | 89,000 |
| Office Equipment at cost | 260,000 |
| Provision for depreciation – Office Equipment | 85,000 |
| Capital Accounts: | |
| David | 100,000 |
| Jeremy | 200,000 |
| Current Accounts: | |
| David | 4,200 CR |
| Jeremy | 11,300 DR |
| Debtors | 164,000 |

The following additional information is available at 30th April 2013:

- i) Staff salaries include in error Sh.80,000 salary paid to Jeremy.
- ii) Marketing expenses of Sh.7,500 are prepaid
- iii) Depreciation for office equipment is provided at 20% p.a. on reducing balance basis.
- iv) Debtors contain a debt of Sh8,000 which is considered to be a bad debt. A provision of 5% is to be made against other outstanding debts.

REQUIRED:

- a) The profit and loss and appropriation account for the year ended 30th April, 2013 (11 marks)
- b) The partners' current accounts for the year ended 30th April, 2013 (4 marks)

QUESTION TWO

- a) Clearly explain why practicing lawyers need to keep proper books of accounts (4 marks)
- b) Describe any **FIVE** users of such accounts (5 marks)
- c) Your friend started to practice as a lawyer on 1st January 2009 and has not been maintaining proper books of accounts.

He bought some machines for use in his office. The machinery bought was;

| | |
|-------------------------------|---------------------------------|
| 2009 1 st January: | 1 machine costing Sh.14000 |
| 2010 1 st July: | 2 machines costing Sh.6000 each |
| 2010 1 st October: | 1 machine costing Sh.10000 |
| 2012 1 st April: | 1 machine costing Sh.4000 |

Depreciation is over 10 years, using the straight line method, machines being depreciated for the proportion of the years they are owned.

REQUIRED:

Prepare for him:

- i) The machinery account (2 marks)
- ii) The provision for depreciation account (2 marks)
- iii) The balance sheet extracts for the years 2009, 2010, 2011, 2012 (2 marks)

SECTION 2: HUMAN RESOURCE MANAGEMENT

QUESTION THREE

- a) Distinguish the major selection methods highlighting the most legally defensible of them. (8 marks)
- b) Explain challenges affecting human resource planning on an organization. (7 marks)

QUESTION FOUR

- a) Explain the differences between voluntary and involuntary separations. (5 marks)
- b) Define the term Job Analysis and explain its benefits. (10 marks)

SECTION 3: OFFICE PRACTICE

QUESTION FIVE

- a) Explain **FIVE** characteristics of a well laid out office (10 marks)
- b) Outline any **FIVE** filing classifications which may be used for the records of a large law firm (5 marks)

QUESTION SIX

- a) Briefly discuss **FIVE** qualities of a competent receptionist (10 marks)
 - b) Highlight the measures to be taken to ensure effective and efficient provision of office supplies. (5 marks)
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