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EXAMINATION FOR ADMISSION TO THE ROLL OF ADVOCATES

REGISTRATION NUMBER:

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CENTRE: Co-operative University JKUAT Kenya School of Law

ATP106: LEGAL PRACTICE MANAGEMENT

Examination Series: April 2026

Date: April 21, 2026

Time: 09:00AM - 12:00PM

Duration: 3 hours

Instructions to Candidates:

- Enter your registration number and tick the exam Centre in the space provided.
- Answer **FIVE (5)** questions; including question **ONE** which is **COMPULSORY**, **ONE** question from each of the Sections and a **FIFTH** question from any Section.
- Question **ONE** carries **20 Marks**. All other questions carry **10 Marks** each.
- Attempt each question in the space provided.
- Answers **MUST** be supported by relevant statutory provisions and case law where required.
- Do not write your name in the booklet.
- Ensure your handwriting is **LEGIBLE**.

FOR EXAMINER'S USE ONLY

Question Number	Examiner		Internal Moderator		External Moderator		Quality Assurer	
	Mark	Initials	Mark	Initials	Mark	Initials	Mark	Initials
1.								
2.								
3.								
4.								
5.								
6.								
Total Marks								



QUESTION ONE

A. The following is an extract of the equity and liability sections of ADH advocates statement of financial position as at 31 December 2025 and 2024.

Equity and Liabilities	31/12/2025		31/12/2024	
	Sh`000	Sh`000	Sh`000	Sh`000
Equity				
Share capital		123,500.00		90,500.00
Share premium		23,500.00		11,400.00
Retained earnings		12,300.00		6,210.00
Revaluation reserves		<u>5,400.00</u>		<u>3,200.00</u>
Total equity		164,700.00		111,310.00
Non-current Liabilities				
12% Bank Loan	10,000.00		3,225.00	
10% Debenture	15,000.00		7,400.00	
Bond	5,450.00	30,450.00	12,400.00	23,025.00
Current Liabilities				
Payables	12,400.00		9,320.00	
8% bank loan	-		13,400.00	
Taxation	7,600.00		4,350.00	
Bank overdraft	2,500.00	<u>22,500.00</u>	1,050.00	<u>28,120.00</u>
Total equity and liabilities		<u>217,650.00</u>		<u>162,455.00</u>

Additional information

1. The firm became a limited entity with the partners` cash proceeds from shares allotted being Sh.2,550,000. The rest of the cash proceeds were from public subscriptions.
2. The profit retained in the year ended 31 December 2025 was Sh.12,200,000.
3. The 8% bank loan had been borrowed on 1st July 2021 for four years and was repaid on 31st August 2025.

Required:

- i. Compute the net cash flow from financing activities for the year ended 31 December 2025. **(6 Marks)**
- ii. Year-end adjustments for accruals and prepayments ensure income statement and statement of financial position reflect transactions and account balances in the relevant period. Explain the two underlying accounting principles/assumptions followed in preparing income statement and statement of financial position respectively. **(2 Marks)**
- iii. Business transactions have to reflect the commercial reality and not the mere legal reality (substance over form). Demonstrate how this principle relates to accounting for interests on capital and drawings in partnership business. **(2 Marks)**

B. Hamisi has just been hired as the human resource Manager of Maziwa Limited located in Nairobi. The company has recently expanded its operations leading to a sharp increase in demand for skilled workers. After a hand-over meeting with the predecessor, Hamisi noted that the company has not conducted a workforce analysis for the last four (4) years. This has resulted in a mismatch between available skills and the needs for expanding company. Apparently, the former manager did not understand clearly the functions of a human resource manager which has led to the current situation. Maziwa is now facing a significant shortage of technical staff and oversupply of administrative staff. As an expert in human resource management, Hamisi has requested you to assist him deal with the issues at hand.

Required:

- i. Explain to him three (3) measures Maziwa Limited can take to address the immediate shortage of technical staff. **(3 marks)**
- ii. Discuss with him two (2) strategies that can be implemented to deal with the surplus of administrative staff. **(2 marks)**

C. XYZ Advocates seeks to reengineer its office practices due to existing gaps and loopholes that have recently seen it lose valuable documents which were destroyed in a fire. The firm has employed you as a manager to be in charge of the reengineering process. After investigation, you discovered that the firm did not have a disaster recovery plan. Immediately, you engaged an expert to assist in setting up a disaster recovery planning guide.

Required:

Describe five items that the expert may include in the guide. **(5 marks)**



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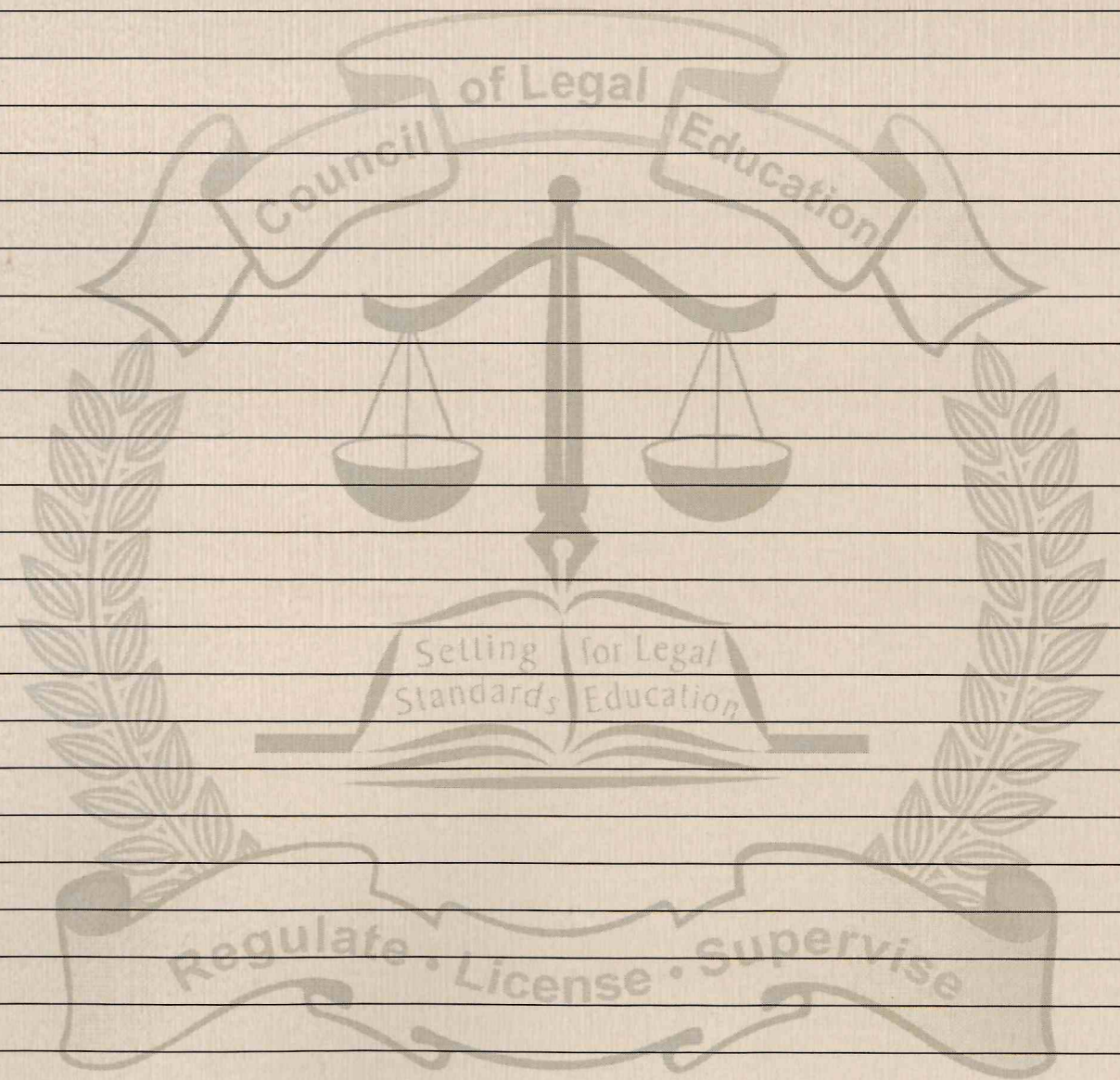
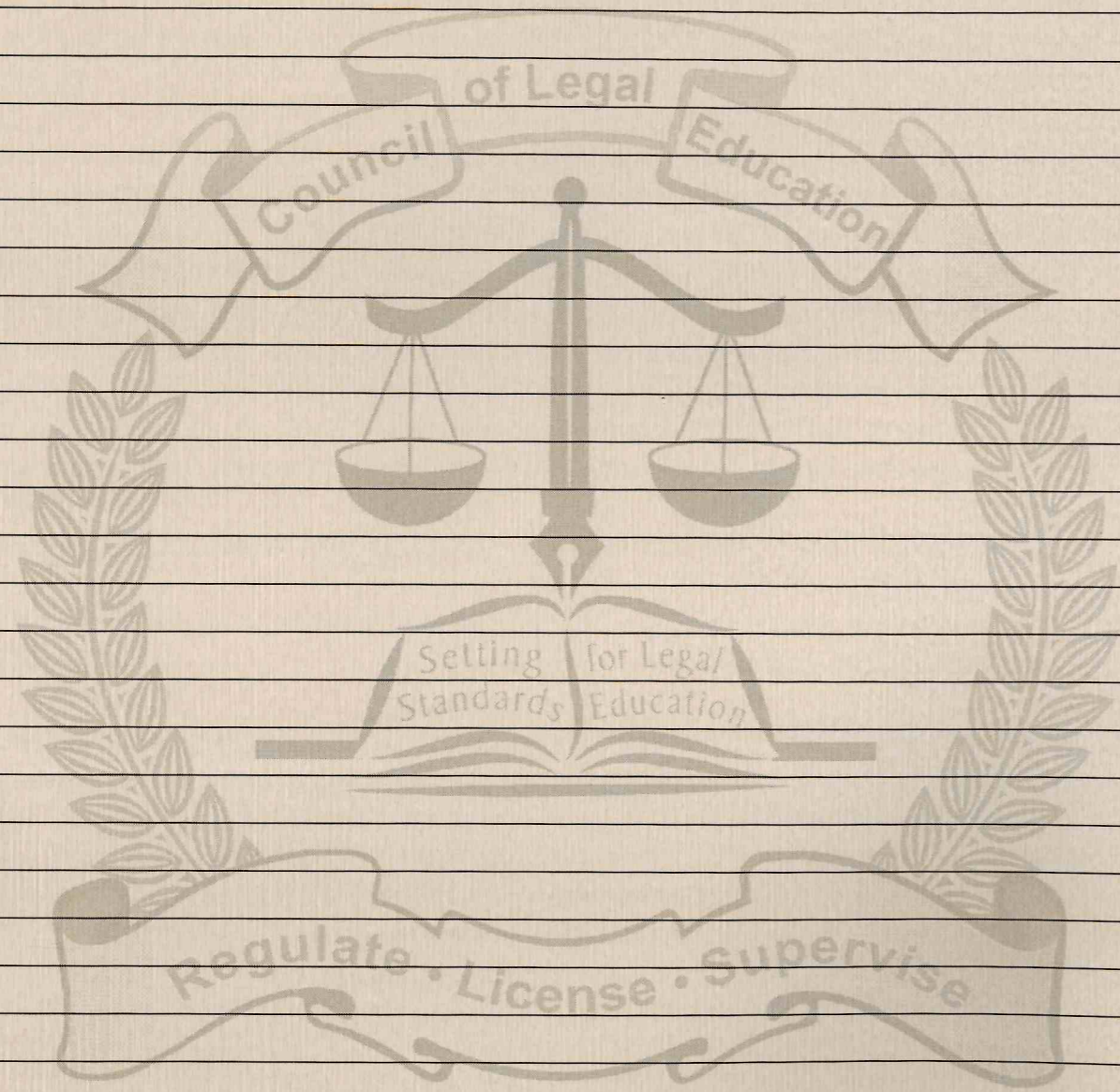
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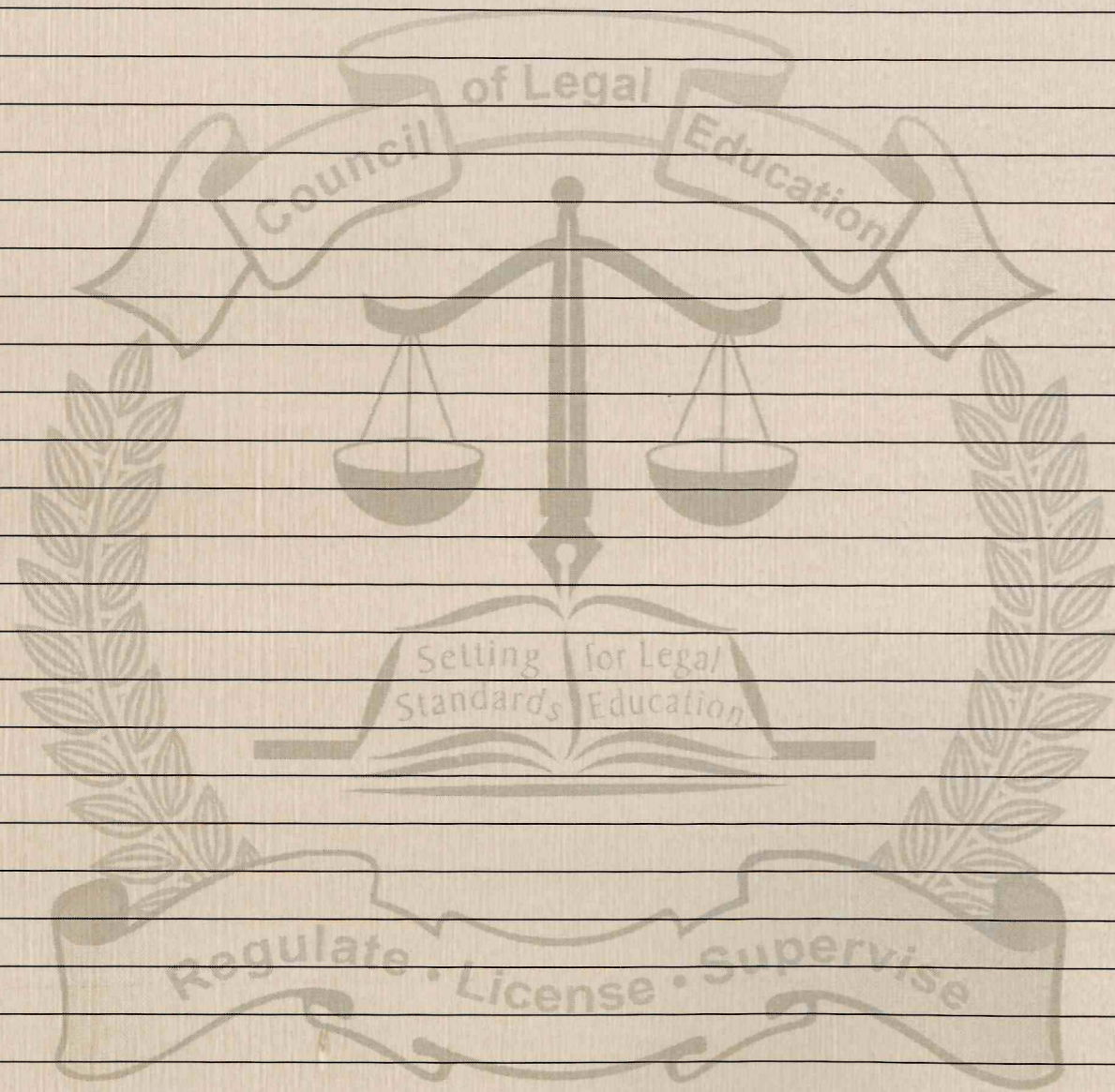
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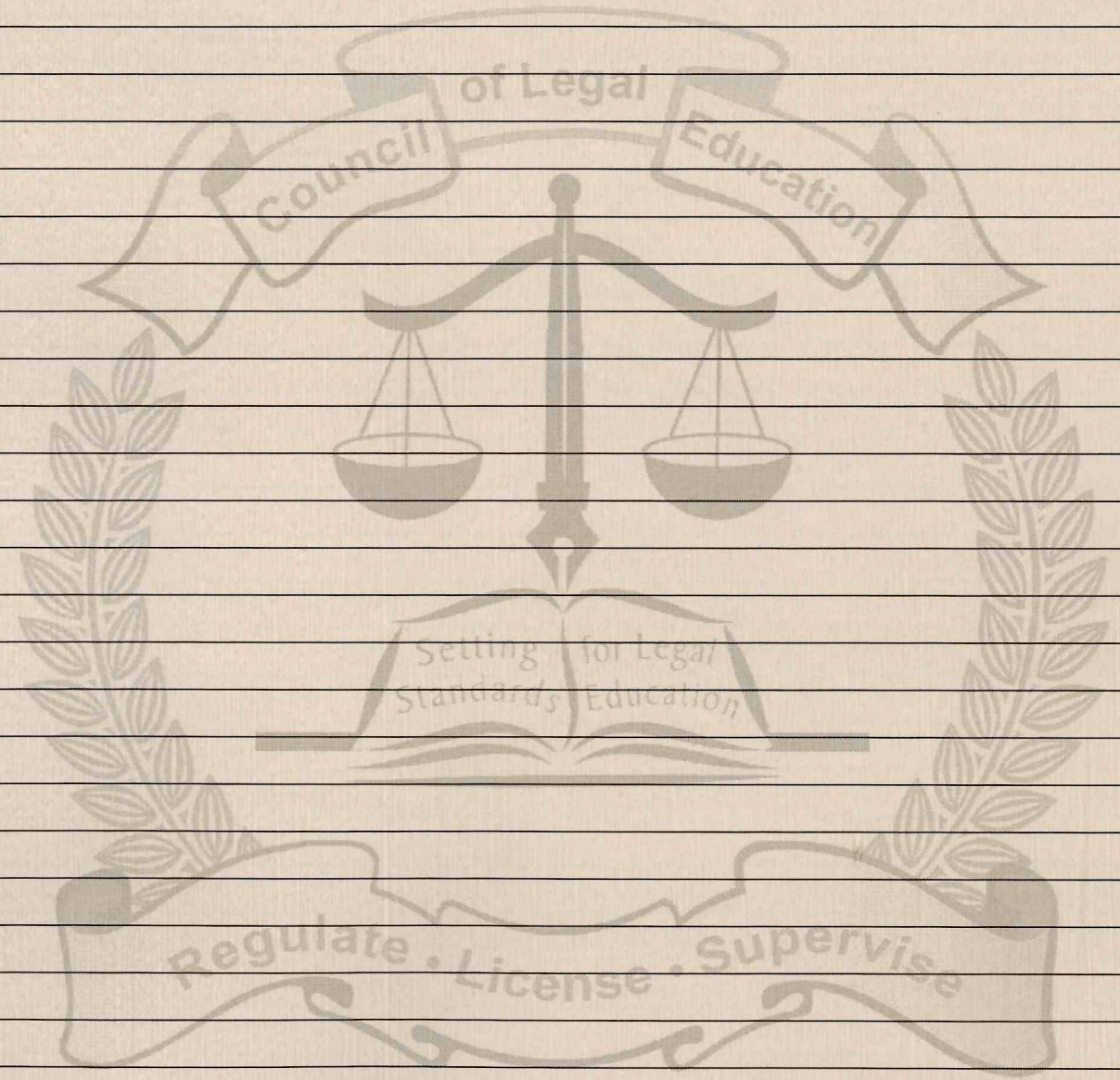
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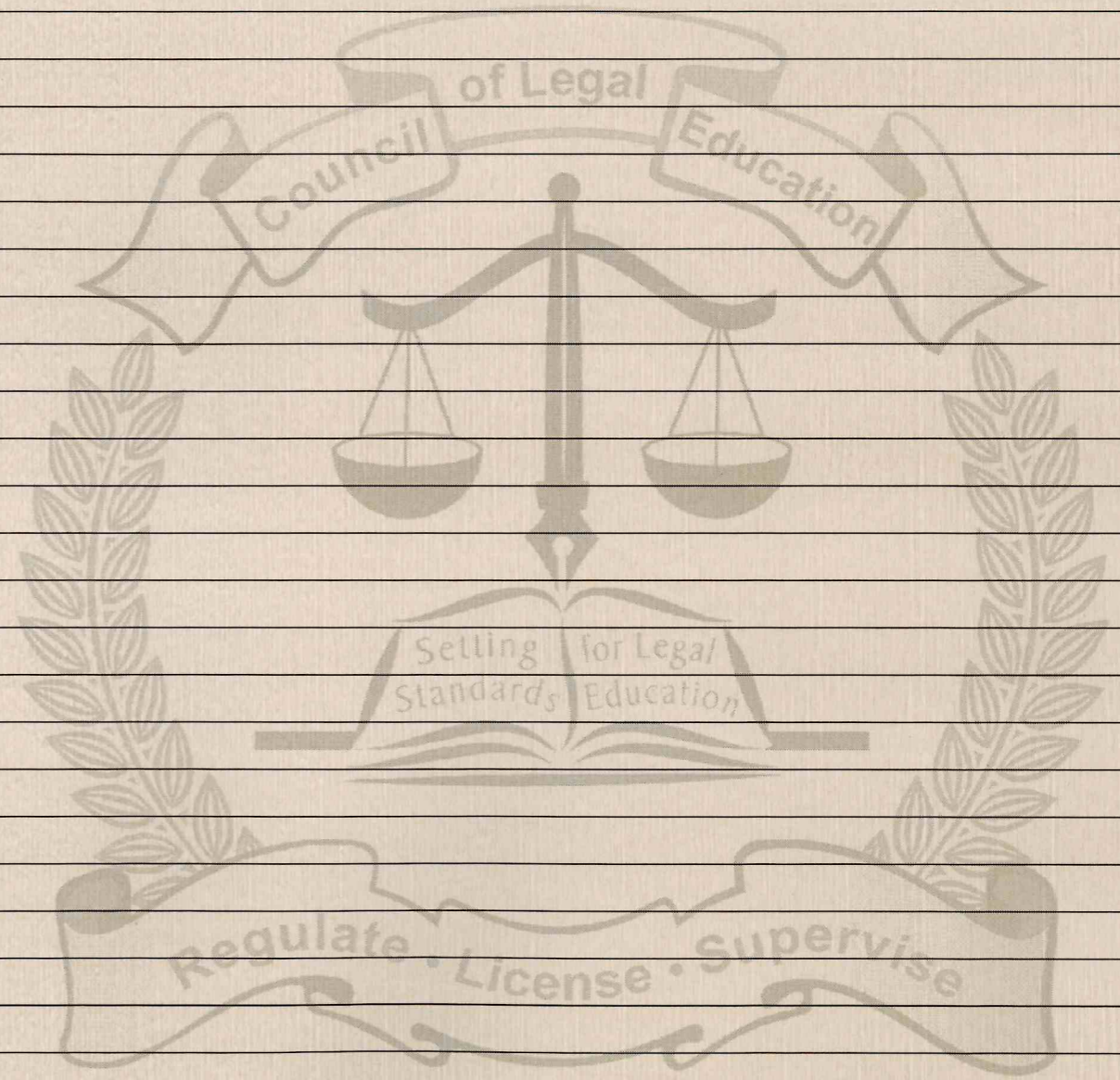
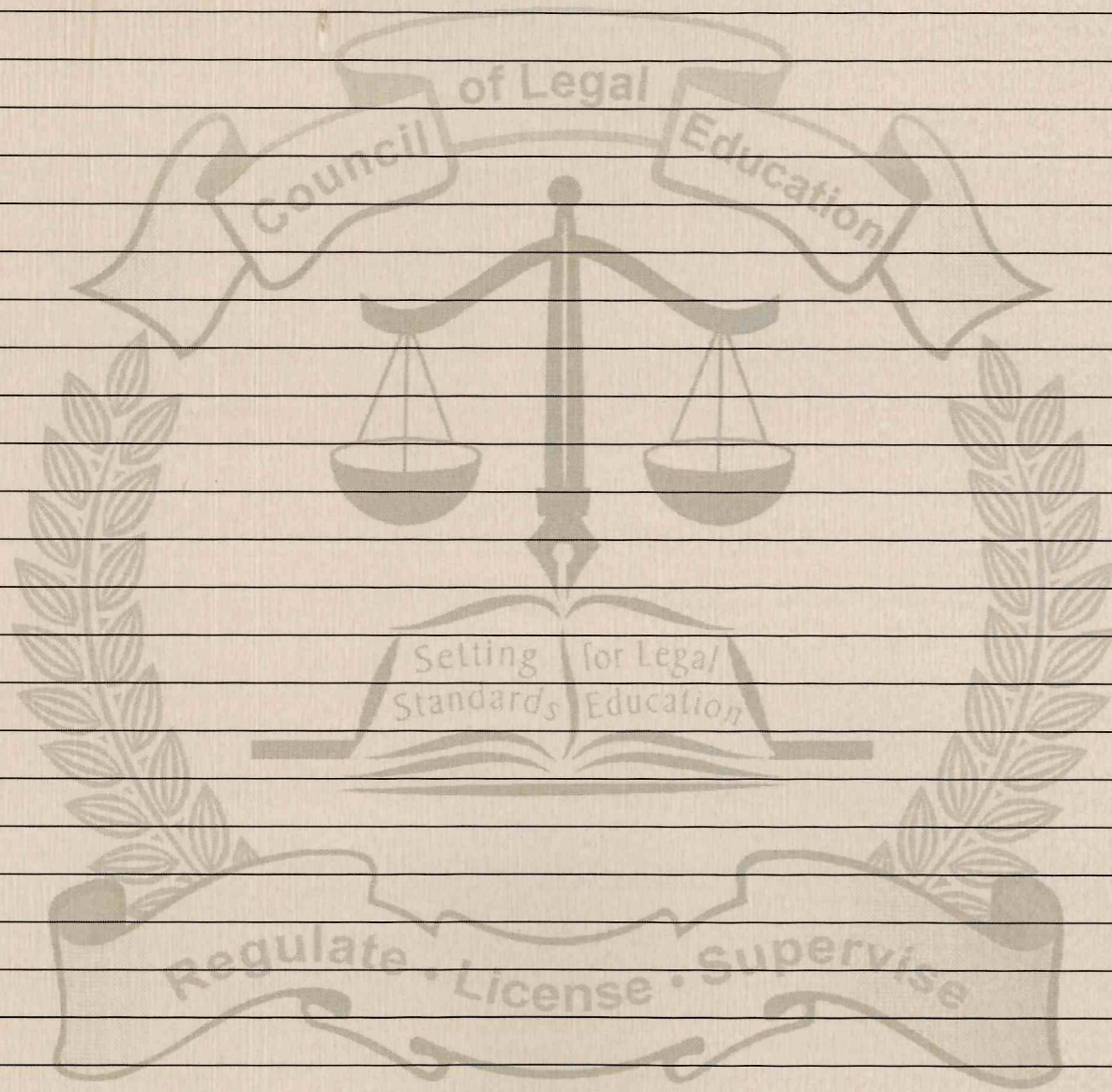
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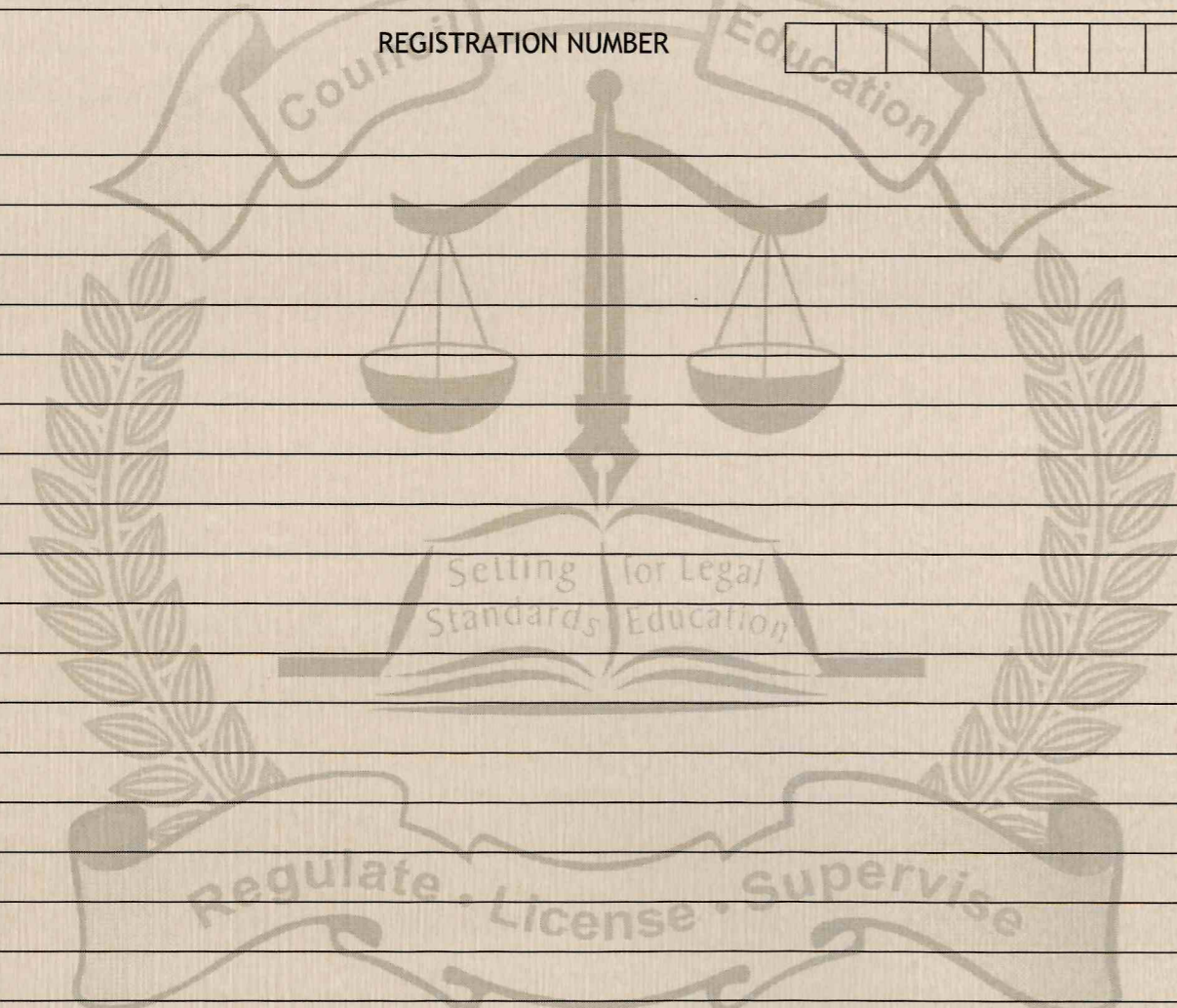
SECTION ONE: OFFICE PRACTICE

QUESTION TWO

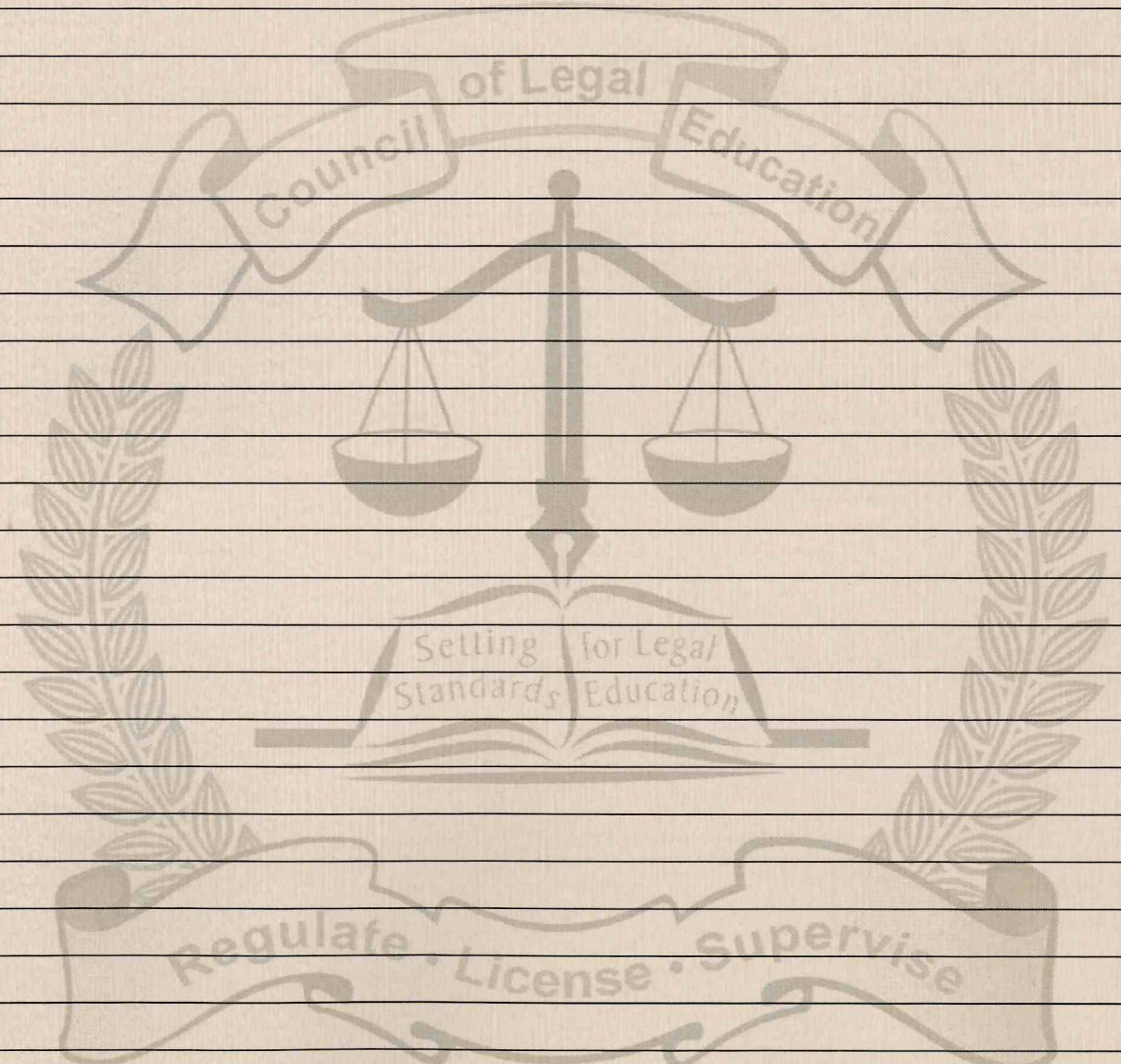
In the recent past, it has been observed that a certain percentage of law firms in the country have reported incidents related to cyber security. The notable increase indicates that law firms are a popular target for cybercrime. This may have been accelerated by the transfer of large sums of money in form of client funds, hence, jeopardizing digital technology in courts and compromising the integrity of court proceedings.

Required

- a) Based on the above, explain five effects of cybercrime in the practice of law. (5 marks)
- b) Elaborate on five measure that may be put in place to mitigate the problem of cybercrime in law practice. (5 marks)

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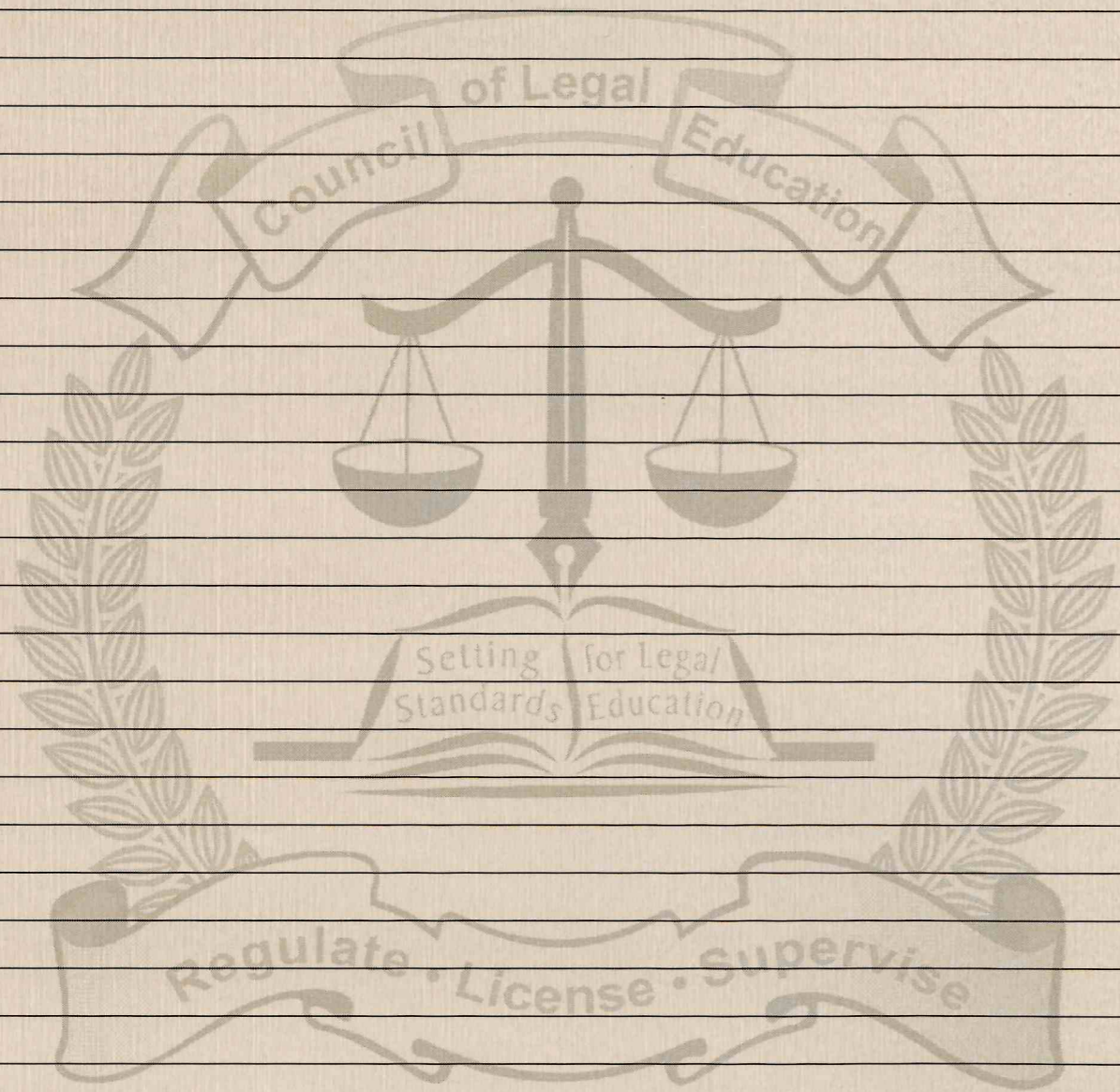
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QUESTION THREE

Clavin & Co Advocates is a 25-year-old medium sized law firm located in Nairobi. The firm recently adopted a document management system in order to create space for its many records. Staff members have been uploading documents in the system. Some administrators felt that the initial documents that the firm begun with, needed to be discarded since they were no longer useful. The partners now feel that a policy on record management is important to guide staff as they undertake this important exercise. You have been consulted by the partners of Clavin & Co to advise them on record management in the firm.

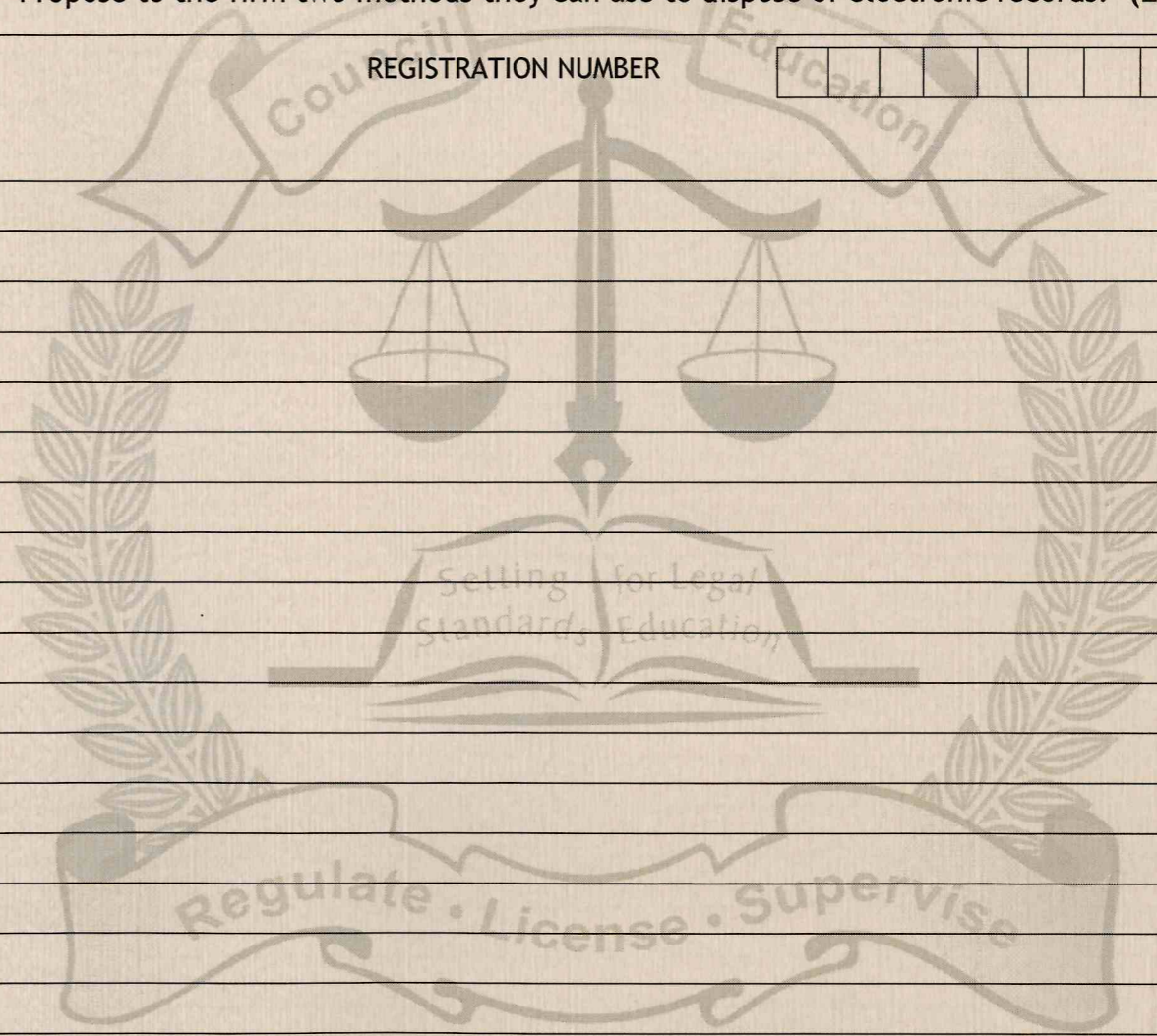
Required

- a) Advise the firm on five principles of proper record management in the firm. (5 marks)
- b) Explain to the partners three factors they must consider in retention of records. (3 marks)
- c) Propose to the firm two methods they can use to dispose of electronic records. (2 marks)

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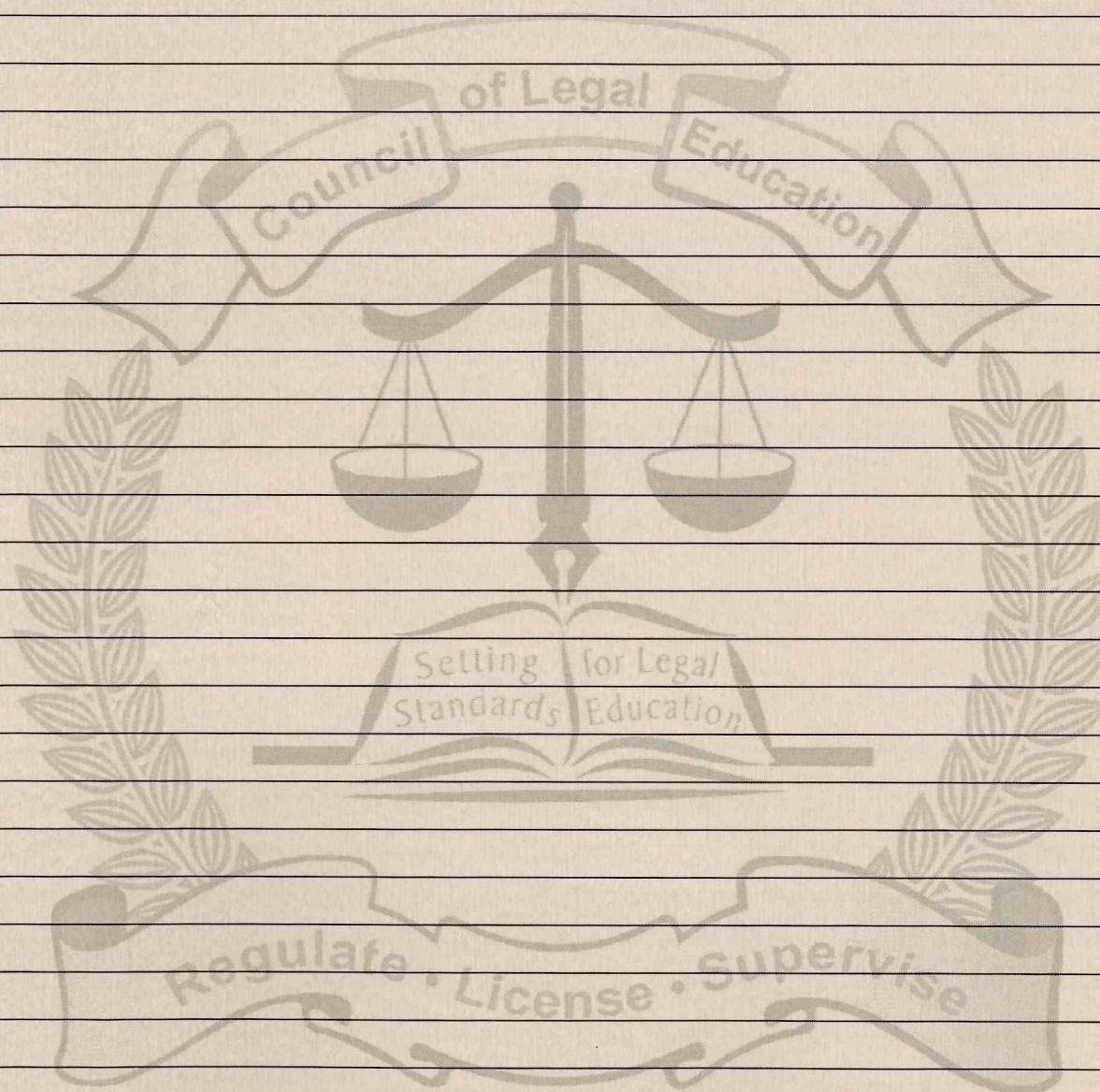
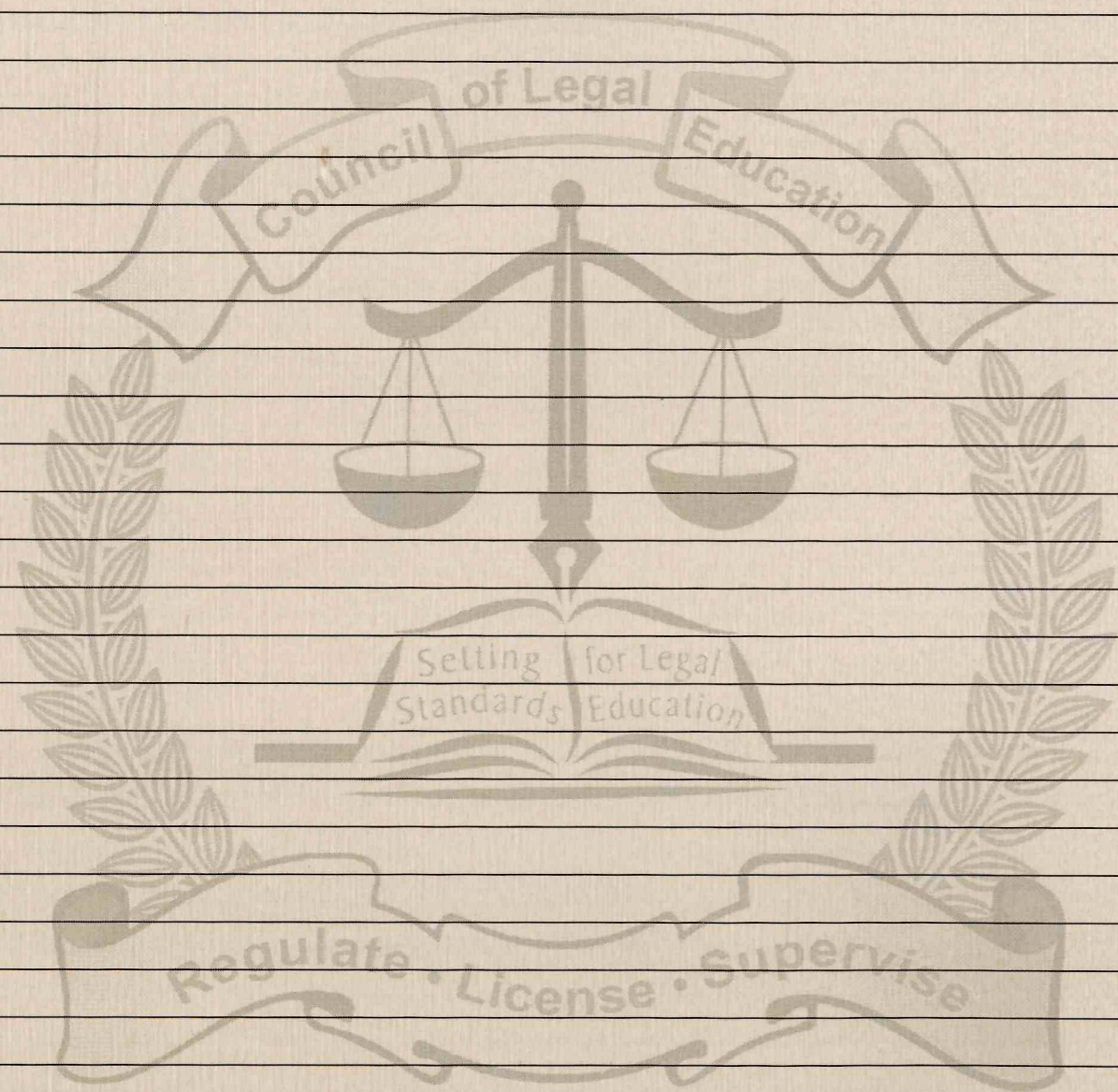
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QUESTION FIVE

Davis & Co, Legal Advisors, a law firm based in Mombasa is undergoing a major organizational restructuring to strengthen its competitiveness in Kenya's legal market. As part of this change, new roles are being introduced within the corporate law and litigation departments to enhance efficiency and meet the growing complexity of client demands. The Human Resource Manager has been tasked with conducting comprehensive job analysis to ensure the job descriptions are clear, accurate, and aligned with the firm's strategic objectives. Methods such as interviews and questionnaire will be used to capture insights from current employees and managers about the evolving requirements of legal practice, beyond defining roles. The Human Resource team faces challenges in building competency models that support professional development, talent retention, and long-term succession. Effective job analysis and redesign will not only improve operational efficiency but also enhance employee satisfaction, motivation, and engagement, thereby ensuring the firm maintains its competitive edge in a demanding market.

Required

- a) Design a job description for the newly created corporate role, applying job analysis techniques. **(5 marks)**
- b) Propose five (5) job redesign strategies to improve job efficiency in the litigation division **(5 marks)**

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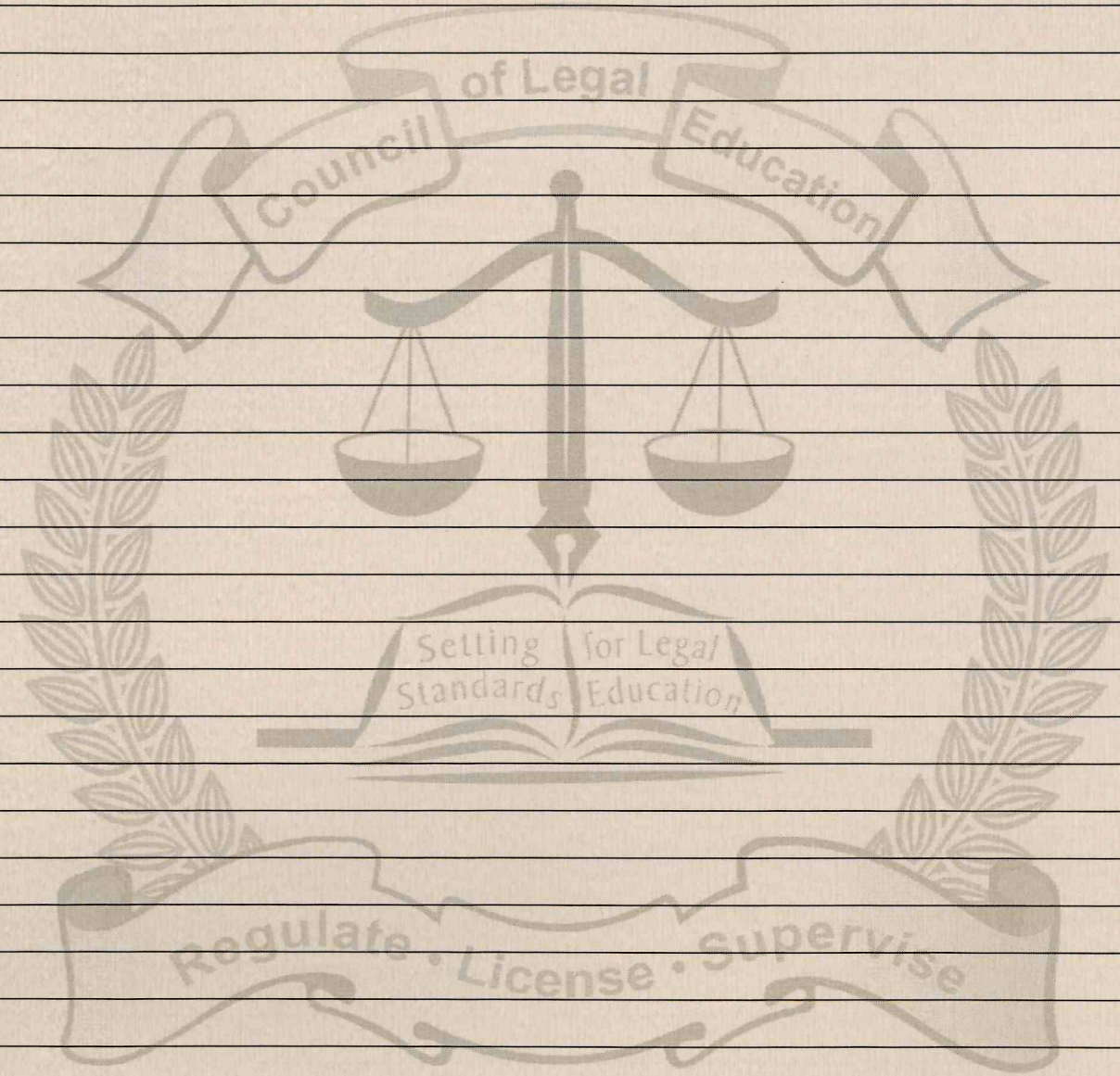
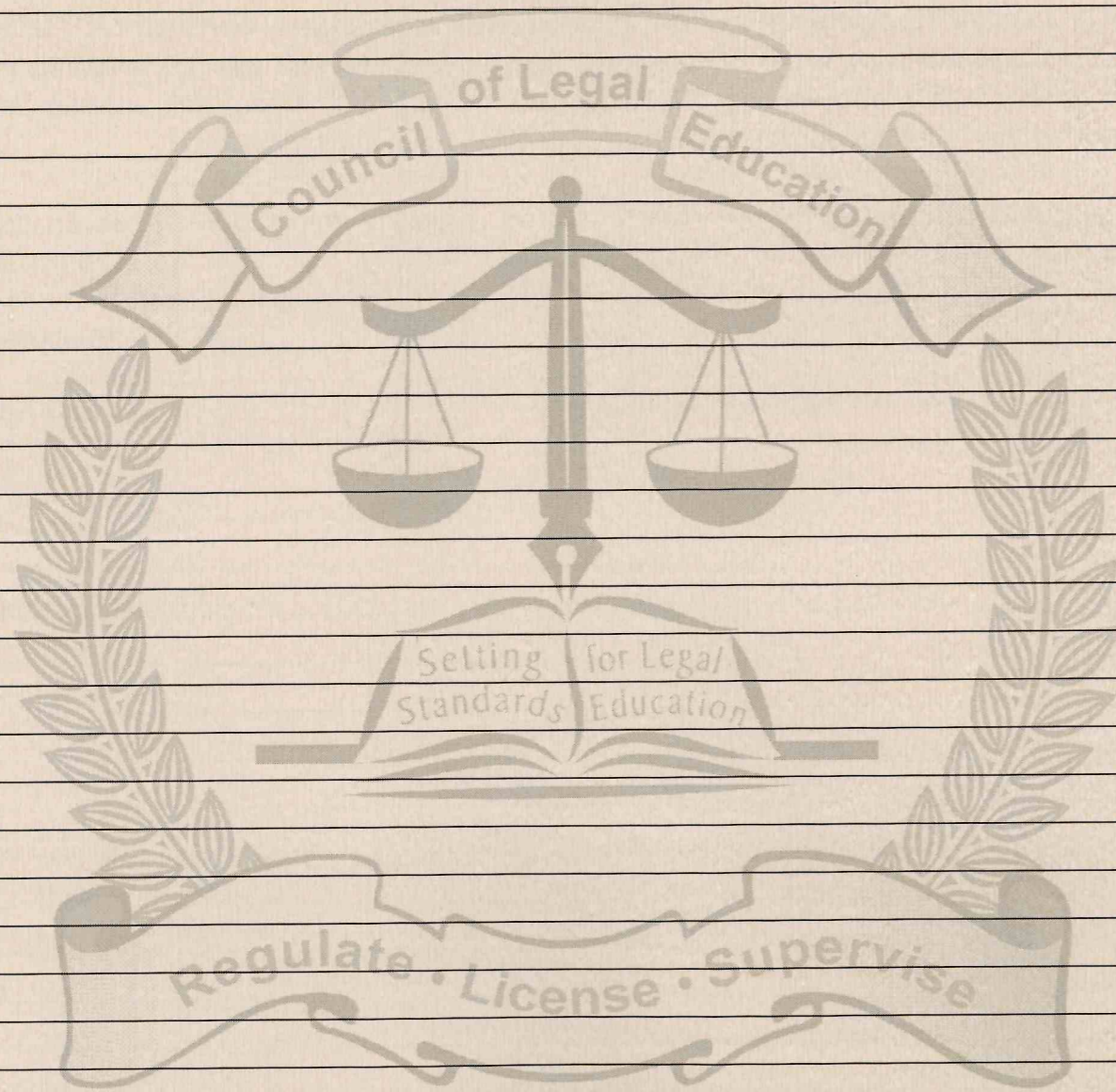
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QUESTION SEVEN

Susan and Peter have been operating as partners in their business which they started 10 years ago, in Maryland town, which is several kilometers from the capital city of the country. Their business has been growing steadily and they are of the opinion of adding capital to expand the business to other towns and if possible, they add another partner. Initially the partners had contributed equal capital, however after some years, Susan added more capital and forced the partners to change the profit or loss sharing ratio to 3:2, which is applicable to date. The following is the trial balance of their business for the year ending 30 September 2025:

	Kshs	Kshs
Capital a/c: Susan		1,500,000
: Peter		1,000,000
Current a/c: Susan		32,560
: Peter	12,680	
Drawing a/c: Susan	84,000	
: Peter	62,000	
Purchases and sales	640,000	1,280,000
Land	1,390,000	
Buildings	900,000	
Accumulated depreciation on buildings as at 1 October 2024		90,000
Motor vehicles	200,000	
Accumulated depreciation on motor vehicles as at 1 October 2024		80,000
Inventory as at 1 October 2024	142,700	
Salary and wages	238,600	
Rent	120,000	
Insurance	40,000	
Bad debts w/o	36,400	
Provision for doubtful debts as at 1 October 2024		12,200
Discounts	24,400	48,200
Debtors and creditors	284,600	327,800
Cash at bank	133,380	
Cash in hand	35,000	
Return inwards	5,000	
Return outwards		3,000
Carriage inwards	15,000	
Carriage outwards	10,000	
	4,373,760	4,373,760

Additional information:

- (i) The closing stock as at 30 September 2025 was valued at a cost of Shs. 156,300
- (ii) The entity charge depreciation for the assets as follows:
 - Buildings: 2.5% on cost.
 - Motor vehicles: 20% on cost.



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