



**University of Kelaniya - Sri Lanka**

*Centre for Distance and Continuing Education*

**Faculty of Commerce & Management Studies**

Bachelor of Business Management (General) Degree First Examination (External) – 2021

October - 2023

**BMGT E 1015 - Principles of Management**

No. of Questions: Eight (08)

Time: 03 hours

Answer five (05) questions **including question No. 01.**

**Answering for question no: 01 is compulsory.**

**Question No. 01**

Read the bellow mentioned hypothetical case and answer the questions asked there after:

**'Melani's Hunches'**

'Melani, the owner of a company with 50 employees, has hired you to take over the General Manager (GM) position, so that she can focus on other business matters and strategies. This is due to finding solutions for the negative impacts of the economic downturn across the globe on her business. As the GM, you recently found out that the company had forecasted an overall revenue drop of 10 percent over a period of ten months since last January due to the impacts of the bad economic conditions. Further, five employees were found to leave the company during this period. Melani had also predicted that the costs of health care on the organization were also to increase by 11 percent. She had further planned to cut welfare benefits entirely and having her employees work for her on a contract basis, instead of being full time employees.

With this information, having investigated the records and situations properly, you identified that the company's revenue had declined by 18 percent during the last ten months' period and 12 employees had left the company. Further, company's health care cost had risen by 16 percent. You as the GM has further found out that decisions to cut welfare benefits and asking employees to work contract basis have negatively affected to both employees' retention and company's sales.

As the GM, you further have identified that the company's predictions have not been based on proper evidence and the strategies had been developed mainly based on Melani's biases and few other senior managers' predictions.

Melani had left the high school in the middle of her education thinking that focusing on her business is more important than studying further. The senior managers, she recruited for finance, marketing, HR and production are also have experience in their fields, but not achieved higher studies. The recently left employees are mainly the newly recruited executives and managers who have obtained their first degrees and few of them are having master's degrees as well.

Though, you had initially discovered above mentioned information, still you have no idea to correctly figure out what the company's real problem is and what solutions to be given.

You are asked to answer the given questions below:

a) Considering the consequences, described in the case, identify what problem/s the company currently faces.

**(08 Marks)**

b) What is the root cause/s that have created the problem/s that you identified in question 'a' above? Justify your answer.

**(10 Marks)**

c) As the GM of the company, explain your advice to do company's planning and strategy selection.

**(10 Marks)**

**(Total 28 Marks)**

**Question No. 02**

- a) Provide a classification for organizational environment by describing at least two items in each environmental segment, using an example.

**(06 Marks)**

- b) Explain SWOT analysis using an example to show at least three (03) of; strengths, weaknesses, opportunities, and treats of a selected organization.

**(12 Marks)**

**(Total 18 Marks)**

**Question No. 03**

‘Different managers have to play different roles in organisations and that they should possess different skills and competencies’.

Do you agree with the above statement? Justify your answer.

**(18 Marks)**

**(Total 18 Marks)**

**Question No. 04**

- a) Why does planning becomes the heart of the management? Explain with examples.

**(09 Marks)**

- b) Using examples appropriately, show the use of strategic, tactical and operational plans in an organization.

**(09 Marks)**

**(Total 18 Marks)**

**Question No. 05**

- a) Why is controlling important to carry out management process successfully?

**(05 Marks)**

- b) What are the differences among ‘feedforward’, ‘feedback’ and ‘concurrent control’?

**(05 Marks)**

- c) Explain briefly the controlling process using an example.

**(08 Marks)**

**(Total 18 Marks)**

**Question No. 06**

- a) What is leadership?

**(04 Marks)**

- b) Explain charismatic leadership by providing real-world examples.

**(06 Marks)**

- c) Every manager becomes a leader based on the power that comes with the position. Do you agree with this statement? explain

**(08 Marks)**

**(Total 18 Marks)**

**Question No. 07**

- a) List four (04) benefits of employee motivation.

**(04 Marks)**

- b) Briefly explain intrinsic and extrinsic motivation with examples.

**(06 Marks)**

- c) Describe Herzberg's two-factor theory of motivation and explain how managers can use this theory to improve employee job satisfaction and motivation.

**(08 Marks)**

**(Total 18 Marks)**

**Question No. 08**

- a) List four (04) characteristics of effective communication.

**(04 Marks)**

- b) What are the primary objectives of communication in an organization?

**(06 Marks)**

- c) Identify barriers to effective interpersonal communication and explain how to overcome those barriers.

**(08 Marks)**

**(Total 18 Marks)**