



University of Kelaniya - Sri Lanka
Centre for Open and Distance Learning



Faculty of Commerce and Management Studies

Bachelor of Business Management (General) Degree

First Year Examination (External) - 2008

BMGT E 1015/ BMG 13015/ BMG 102.1 – Principles of Management

No. of Questions: 07

Time: 03 hours

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

(01) Read the following case and answer the questions given at the end.

Butterfly Insurance Public Limited Company

Butterfly Insurance Public Limited Company, one of the recognized Insurance companies leading in life insurance and surpassing its fund of Rs. 15 billion accounted its market share of 25% on the basis of gross written premium in the last year. The company has introduced a ground breaking concept of Health Policy designed to cater to the entire family. Considering the achievements so far made by the organization and the targets set for future the company decided to reorganize training and Development function. This function is presently supervised by the Human Resource Manager. According to the reorganization it should be managed by a training and Development Manager specifically appointed for this purpose.

The Board of Directors of the company has decided to conduct following programmes, workshops seminars, and to take other steps specified below.

(a) **Programme for grading the levels of competency**

Under the programme designed for competency grading around 3000 insurance advisors should be trained at three levels through a certification programme as follows.

- I A programme for competency grading should be conducted for certifying Insurance advisors which requires 15 days or 120 hours, with the emphasis on knowledge of insurance products.
- II A programme for competency grading should be conducted for certifying Professional advisors who undergo 30 hours of additional training with the emphasis on providing financial solutions

III A programme for most advanced grading should be conducted for certifying master advisors which includes training for additional 24 hours aiming to benefit entrepreneurs.

These gradings require final examination as well as performance grading. With implementation of the certification the company expects to differentiate salesforce by skill, learning and professionalism to give customer confidence that they are dealing with the best.

(b) **Conducting Workshops**

A series of workshops should be conducted by international quality award winners in an effort to inculcate best practices and share their specialized knowledge with other team members. They are expected to be conducted at the district level.

(c) **Conducting Seminars**

Seminars should be conducted for the advisors serving in each district for development of team spirit.

(d) **Other steps to be programmed**

- I All activities relating to training and Development of advisors serving throughout the country should be directed by the Training and Development Manager.
- II In addition to the above programmes and activities scheduled, it has been decided to identify training needs of the advisors based on the information provided by the Marketing Department. However, it is expected that Training and Development Manager also should collect some data directly from some of the potential clients selected by him for the purpose of identifying training needs of advisors and it would be a continued process.
- III It is also expected to organize training programmes for the advisors continuously taking into account the changes taken place in the dynamic environment and the necessity of updating their knowledge and skills.

Assuming that you have been appointed as the Training and Development Manager

- (a) explain how you will take actions for **organizing the Training and Development function on the basis of the basic elements of organizing specified in Principles of Management.**

(23 marks)

- (b) Clarify how you are going to put **management by exception** into practice.
(05 marks)
- (02) "Henry Mintzberg has stated that what managers do, can best be described by looking at the roles they play at work." Explain the validity of this statement with practical examples describing the roles of a manager.
(18 marks)
- (03) (a) Define the concept of planning
(06 marks)
(b) Describe the purposes of planning
(06 marks)
(c) Describe the characteristics of well designed goals established in a plan
(06 marks)
- (04) (a) What is meant by motivation
(02 marks)
(b) Describe the three needs proposed by McClelland and explain briefly how they could be applied for motivation of employees.
(08 marks)
(c) Explain intrinsic rewards and extrinsic rewards comparing each other and citing examples.
(08 marks)
- (05) "Organizations need both management and leadership if they are to be effective"
Make a critical evaluation of this statement describing distinctions between Managers and leaders.
(18 marks)
- (06) Write short notes on the following :
(a) Vertical communication and Horizontal Communication
(06 marks)
(b) Effectiveness and Efficiency (Explain with examples)
(06 marks)
(c) An organization's External Environment
(06 marks)
- (07) "Having an effective control system can help ensure that an organization achieves its goals. Implementing a control system, however is a systematic process that generally proceeds through some steps"
Describe the control process paying attention to the above statement.
(18 marks)