



University of Kelaniya – Sri Lanka

External Examinations Branch

Faculty of Commerce and Management

Bachelor of Business Management (General) Degree First Examination – (External) 2009 October 2010

BMGT E 1015 - 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.

Process of Management in Susinidu Industry

Susinidu Industry was consisted of six departments namely Production, Quality Control, Marketing, Human Resource Management, Finance and Supplies and each department was headed by a manager serving under the direction of General Manager. The chairman of the Industry was functioning as the Head of the institution and the Board of Directors. There were three products manufactured by the organization and the tasks of each products were handled by the Production Department.

Employees of the organization got the instructions regarding performance of their duties directly from the respective manager. However there were certain situations where employees used to get instructions with regard to performing their jobs from a manager attached to a different department. The manager handling the function of Quality Control used to give instructions to employees attached to Human Resource Management Department concerning disciplinary matters of his employees although this subject was under the control of Human Resource manager. Similarly there were situations where Financial Manager, Supplies Manager or Production Manager used to give directions to the employees attached to other departments when such managers had some interest on a particular subject matter. The only problem arisen in this regard was that when the General manager took up a subject matter of such nature the manager in charge of that subject was not aware of it and he had to get a clarification from the manager who gave

instructions on a particular aspect. Nevertheless this practice did not influence the effective functioning of management process of the organization.

The chairman had a system of getting a feedback on the performance of employees through grapevines and it was observed that most of the decisions taken for improving performance based on the information received through grapevines were successful.

The organization did not take any interest to monitor information relevant to the similar products manufactured by other organizations and the services provided by such manufacturers since there was no problem with regard to marketing, quality of products or any other functional areas of the organization. Nevertheless the Chairman had a system of receiving information through customers' complains and it was effectively used for improving quality of products and sales.

The organization earned a high level of profits compared to other business firms producing similar products available in the market. There were no specific targets set for production or sales and the Board of Directors were always satisfied with the profits earned by the organization.

Having reviewed the progress made so far by the organization the Board of Directors at its last meeting decided to appoint a management consultant to study the status quo of the organization, and to get a report on the process of management operating in the organization at present and also to seek his recommendations for continuation of the same process in the future as well.

Answer the following two questions assuming that you have been appointed as the management consultant and all the facts stated above have been undoubtedly revealed to you.

(a) Explain the management problems existing in the above organization and the solutions you recommend for solving them stating very clearly the principles of management relevant to each aspect of the problems and recommended solutions.

(20 marks)

(b) What is your comment about the existing Departmentalization of this organization (Answer this question in terms of principles of management relevant to Departmentalization)

(08 marks)

- (02) "Management is the attainment of organizational goals in an effective and efficient manner through planning, organizing, leading and controlling organizational resources"
Richard L. Daft
Make a clarification on key ideas/ concepts given in this definition of management summarizing all the fundamental aspects relating to them.
(18 marks)
- (03) "An important determinant of the manager's job is hierarchical levels. The other major difference in management jobs occurs across the organization."
(a) Describe the levels of management along with examples and responsibilities of managers at each level.
(09 marks)
(b) Explain in detail horizontal differences in management jobs citing examples.
(09 marks)
- (04) "While Frederick W. Taylor known as the father of scientific management was concerned with improving efficiency and work methods for individual workers. Henry Fayol one of the theorists behind the Administrative approach of Management was more concerned with how the entire organization should be arranged for efficient operations."
Discuss whether you can justify the above statement explaining contributions made by Frederick W. Taylor and Henry Fayol to the Scientific Management and General Administrative theories of Management respectively.
(18 marks)
- (05) Write short notes on **3 topics** out of the following
(Short notes should be written in such a way that relevant management concepts are clarified)
(a) Interpersonal Communication and Organizational Communication
(b) Social Obligation and Social Responsiveness
(c) Positive Deviations and Negative Deviations
(d) Organizational Mission and Vision
(e) Problems and Decisions
(f) Open systems and Closed systems
(3x6 = 18 marks)

(06) "Management by objectives (MBO) is a method where by managers and employees define goals for every department, project and person and use them to monitor subsequent performance."

(a) Explain the major activities that must occur in order for MBO to be successful

(09 marks)

(c) Discuss benefits of MBO and problems with MBO

(09 marks)

(07) (a) Explain the factors influencing the amount of centralization and decentralization

(09 marks)

(b) Contrast Mechanistic and Organic organizations.

(09 marks)