



# 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) – 2011

December 2013

## **BMGT E 1015 – Principles of Management**

No of questions – 08

Time: 03 Hours

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

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

### Management of an institution of plantation Industry

Chandana having taken over the duties of the post of Managing Director (MD) of an institution dealing with plantation industry visited the 5 plantation Zones of the plantation extending to an area of more than 13000 acres with a view to be aware of the ground situation after elapsing one month of his service in the post. Five plantation Zones were managed by 5 plantation superintendents. On the following day after paying visit to the plantation a meeting was held to discuss the matters arisen consequent to his visit. Matters subjected to the discussion at this meeting are summarized below.

The Plantation Superintendent of Zone No. 5 responding to the issues raised by MD stated that records relating to the extent of the land under his control and details of the field operations carried out therein were not available. He was unable to indicate the progress of the field operations so far carried out as well. However he was of the view that such details shall be available with Field Assistants serving under his supervision. Superintendent of Zone No. 4 said that plantation was not something new to him and he was in this field for more than 25 years. According to him harvest depending on seeds planted was not an amazing factor and output of the plantation can be ascertained at the end of the season. As he pointed out there was no reason for setting targets beforehand and the tonnage of sugar cane harvested were recorded at the factory making it possible to provide data relevant to harvest if necessity arises to do so. Superintendent of plantation Zone No. 3 clarifying the progress of field operations implemented under his control stated that only the labourers were conversant with such details. He further explained that it was they who actually performed the task. He also painted out that harvest was not something decided in advance. It was revealed that no one in the office was aware of the activities for which they were specifically responsible.

MD having observed that Plantation Manager (PM) who was in charge of the entire plantation under whose supervision plantation superintendents operated their activities, was also not aware of the progress of field operations leading to yield a better harvest, raised the issue as to why PM was unable to do something to review the progress of field operations. PM and all plantation superintendents accepted the fact that field operations such as harrowing, furrowing, fertilizing and laying seeds were repetitive in nature. MD asked why at least for such operations no arrangement was made to review progress.

Superintendent of Zone No. 4 informed MD that although he had found some varieties of hybrid seeds no one was interested in using them to yield a better harvest. Other superintendents had no knowledge of such improved varieties of seeds. Some of the Zones were badly in need of fertilizer and nothing had been done in this respect although a stock of fertilizer had reached the stores two weeks before. Most of the plantation superintendents were not aware of the advanced modern scientific methods specifically designed for field operations.

(a) Explain, applying principles and concepts of Management, the managerial issues existing in the above institution.

(14 marks)

(b) Clarify the recommendations you make for resolving the managerial issues so identified, in terms of the principles and concepts of management.

(14 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 -

Discuss how scientific theory of management has emphasised some aspects of above definition of management.

(18 marks)

(03) Select and answer only one question out of the two questions stated under I and II given below.

I Explain why managing stakeholder relationship is important for an organization to adapt to its environment and the steps required to be taken to manage such relationships.

(18 marks)

OR

- II Explain in brief what is meant by direct influence of an organization on the environment and elucidate how an organization can influence its customers, suppliers, regulators and unions citing at least one practical example for each aspect.
- (18 marks)
- (04) Describe Job specialization and Job characteristic approaches applicable for designing jobs and discuss advantages and disadvantages of each approach comparing each other.
- (18 marks)
- (05) "Managerial decision making is assumed to be rational. But most decisions managers make in the real world do not meet the requirements of rationality".
- (a) Discuss the assumptions of rational decision making process.
- (09 marks)
- (b) Explain what is meant by bounded rationality and differentiate it from rational decision making process citing a practical example.
- (09 marks)
- (06) Nethsara functioning as a ready-made garment industry expanded its production recently to meet the demand of its buyers. This industry has a regular set of buyers placing their orders on time. However with the recent expansion programme, the industry found it difficult to supply the items in terms of the orders. It was revealed that no problems existed in obtaining whatever the input required and in utilization of its capacity. However the management consultant advising on the expansion programme of this industry pointed out that the inability of meeting the demand of buyers was due to nonexistence of a controlling process for the production of this industry.

**Question**

Explain in detail the fundamental steps you recommend to take for establishment of a controlling process assuming that you have been called upon to establish a controlling process for the production of this industry

(18 marks)

- (07) Write short notes on three topics out of the following.
- (a) Relationship between the conceptual skills and effectiveness
- (b) Difference between symptoms of a problem and a problem.
- (c) Interrelationship between management functions.
- (d) How manager can become a leader.

(18 marks)

(08) Select and answer only for one question out of the two questions stated under I and II given below.

- (a) (i) What is meant by social equity specified in equity theory of motivation.
- (ii) What are the possible actions an employee may take if he experiences inequity when he compares his outcome and input ratio to the ratio of someone else?
- (iii) What is the most important idea for a manager to remember if he expects to motivate employees applying Equity Theory?

(18 marks)

**OR**

(b) What are the aspects a manager has to take into account in designing motivation techniques on the basis of each motivation theory stated below.

- Mashlow hierachy of needs
- Two factor theory introduced by Herzberg,
- Expectancy theory introduced by Victor Vroom.

(18 marks)