



University of Kelaniya – Sri Lanka

Centre for Distance and Continuing Education

Faculty of Commerce and Management Studies

Bachelor of Business Management (General) Second Year Examination (External) – 2023

April – 2025

BMGTE 2065 – Organization Theory and Design

INSTRUCTIONS

Time : Three (03) Hours

- This paper is comprised of seven (07) questions. Question number one is compulsory.
- Answering Five (05) questions, including question 01,

Question No. 01

Read the case below and answer the given questions.

XYZ Corp

XYZ Corp is a mid-sized technology firm specializing in computing solutions. The company has grown rapidly over the past five years, expanding its workforce from 200 to 1,200 employees. However, with this growth, inefficiencies have emerged, leading to delays in decision-making, decreased employee morale, and difficulties in cross-department collaboration. The company had a traditional, rigid hierarchy with multiple layers of management, slowing down communication and innovation. Also, teams operated independently with minimal collaboration, leading to redundancies in work and misaligned objectives. Further, Surveys indicated that employees felt disconnected from leadership and had limited opportunities for input in decision-making.

Furthermore, if given the chance, most employees stated that they would like to offer suggestions for the organization's improvement. Because the business environment in which this organisation operates constantly changing, decisions must be made quickly to stay competitive.

- a) List the issues identified in this organizational context.

(05 marks)

- b) Propose an appropriate organizational structure and explain how the proposed structure can be used to solve the identified issues.

(15 marks)

(Total 20 marks)

Question No. 02

- a) A system is a collection of interconnected and interdependent parts. Explain the importance of a system approach for an organization and briefly discuss three main parts of a system approach with examples.

(10 marks)

- b) "It is imperative that managers understand the significance of organizational culture to create the right environment within organizations." Describing different cultural types and highlighting the advantages and disadvantageous of culture critically evaluate this statement

(10 marks)

(Total 20 marks)

Question No. 03

- a) Discuss the nature of an organizational structure with low environmental uncertainty.

(05 marks)

- b) explain the environmental uncertainty and changing nature of mechanistic organizational structure.

(05 marks)

- c) Briefly explain an organic organizational structure with an example from the current work context.

(10 marks)

(Total 20 marks)

Question No. 04

- a) What is meant by inter-organizational relationships? (02 marks)

- b) Explain two factors that block the environmental system of a business with examples.

(08 marks)

- c) Briefly explain the below concepts with examples.

i. Business environmental system

ii. Institutionalization

(10 marks)

(Total 20 marks)

Question No. 05

State whether you agree or disagree with the below statements and justify your answer.

- a) Under the global production system, managers produce goods and services within the country.
- b) International geographical structure, provides goods and services locally and internationally.
- c) Organic organizational structure can be used when business environment is stable.
- d) Under different power bases, personal bases are more effective than positional based.

(05 marks* 4 = Total 20 marks)

Question No. 06

- a) State how small organizations differ from large organizations.

(04 marks)

- b) What is meant by organizational decline?

(04 marks)

- c) Discuss the stages of organizational decline with examples.

(12 marks)

(Total 20 marks)

Question No. 07

- a) Shows the interconnection of organizational goals, strategies and structures as a figure.

(04 marks)

- b) Explain the organization's vision, mission statement and operational goals with examples.

(06 marks)

- c) When considering an organization as an open system, explain three characteristics related to its operations with examples.

(10 marks)

(Total 20 marks)