



University of Kelaniya – Sri Lanka

Centre for Distance and Continuing Education

Faculty of Commerce and Management Studies

Bachelor of Business Management (General) Degree Second Year Examination (External) – 2024

June – 2026

BMGTE 2065 – Organization Theory and Design

Number of Questions: Eight (8)

Time: Three (03) hours

Answer any **five (05)** questions only

Question No. 01

- (a) Why is the study of organizational theory and design important for modern organizations? Discuss how knowledge of organizational theory helps managers improve organizational effectiveness and performance.

(10 Marks)

- (b) Explain the relationship between contextual dimensions and structural dimensions of an organization. Illustrate your answer with suitable examples.

(10 Marks)

(Total 20 Marks)

Question No. 02

ABC Manufacturing (Pvt) Ltd. is a Sri Lankan manufacturing company that started 15 years ago with only 15 employees. The founder personally supervised employees and made all key decisions. Due to business growth, the company now employs over 300 employees and has established separate departments such as Human Resources, Finance, Production, Marketing, and Quality Assurance. To manage its operations, the company introduced formal rules, procedures, reporting relationships, and

multiple management levels. Most decisions require approval from top management. Recently, employees have complained about slow decision-making, excessive paperwork, poor communication between departments, and limited opportunities to contribute new ideas. Department managers also feel they have insufficient authority to handle operational issues independently. As a result, the company has become less innovative and slower to respond to market changes.

- (a) Using organizational structure concepts, analyse the current organizational structure of ABC Manufacturing (Pvt) Ltd. Discuss the advantages, and disadvantages of the structure adopted by the company.

(10 Marks)

- (b) Recommend a more suitable organizational structure for ABC Manufacturing (Pvt) Ltd. Justify your recommendation by explaining how it would improve communication, decision-making, innovation, and organizational effectiveness.

(10 Marks)

(Total 20 Marks)

Question No. 03

- a). Describe the stages of the organizational life cycle, explaining the key characteristics, management style, and challenges associated with each stage. Illustrate your answer with an example of an organization that has progressed through these stages.

(10 Marks)

- b). Organizations may experience decline due to internal and external challenges. Explain how an organization can prevent moving into the decline stage.

(10 Marks)

(Total 20 Marks)

Question No. 04

- a). Discuss the different forms of inter-organizational relationships, such as strategic alliances, partnerships, joint ventures, and organizational networks, using suitable examples.

(10 Marks)

- b). Discuss the benefits and challenges of maintaining inter-organizational relationships. In your answer, explain how such relationships can contribute to organizational success while also creating managerial and operational difficulties.

(10 Marks)

(Total 20 Marks)

Question No. 05

- (a) Explain the concept of *environmental uncertainty* in organizations. Discuss the major factors that contribute to environmental uncertainty, using relevant organizational examples.

(10 marks)

- (b) “Organizational structure should be aligned with the level of environmental uncertainty.” Critically discuss this statement by explaining how organizations should adjust their structure under conditions of low, moderate, and high environmental uncertainty. Support your answer with suitable examples.

(10 marks)

(Total 20 Marks)

Question No. 06

- (a). Critically compare *core technology* and *non-core technology* in organizations. In your answer, explain their meanings and key characteristics of them.

(10 Marks)

- (b). Explain the concept of Technological Complexity with a suitable Model.

(10 Marks)

(Total 20 Marks)

Question No. 07

- (a) Explain the stages of international development of an organization. In your answer, discuss the key characteristics of each stage and illustrate your answer with relevant organizational examples.

(10 Marks)

- b) Critically examine the structural models used by international organizations, explaining the key characteristics, advantages, and limitations of the major structural models, using relevant organizational examples.

(10 Marks)

(Total 20 Marks)

Question No. 08

- a). Explain the key characteristics of organizational culture and discuss how different types of organizational culture influence organizational structure, and organizational effectiveness, using relevant examples.

(10 marks)

- b). Discuss the main contemporary issues organizations are facing which affect their structure and design.

(10 Marks)

(Total 20 Marks)