

BITS, PILANI – DUBAI
International Academic City, DUBAI
2nd Year – Semester I – 2008-2009
Course – MGTS C 211 – Principles of Management

Component	TEST 1 – Closed Book	Date	9.10.2008
Maximum Marks	75 (weightage 25%)	Duration	50 minutes

Start each section on a fresh page. Ensure that answers are not mixed up between sections.

Section A [25 Marks]

1. Answer in brief: (1x 8 = 8)
 - a) What do you understand by Principle of equity?
 - b) What is a learning organization?
 - c) What is Social responsiveness?
 - d) How ethical decisions are made as per Utilitarian view of ethics?
 - e) Who is called a Whistleblower?
 - f) What is bureaucracy?
 - g) What do you understand by Knowledge management?
 - h) What is workforce diversity?

2. Comment on the following: (4 x 3 = 12)
 - a) Top level managers requires more of technical skill
 - b) The principle of Unity of Direction is mostly required while organizing
 - c) For a corporate paying tax on time is being socially responsible

3. Identify the managerial functions in the following tasks: (1 x 5 =5)
 - a) The production supervisor notifies the various safety measures to be followed strictly with effect from January 1 2009
 - b) The British Government deciding to pump some billion pounds to protect the financial stability of the banks
 - c) The personnel manager taking exit interview of the employees who are quitting the organization
 - d) The marketing manager creating a new unit as after sales service division to look after the customer service
 - e) Amlak and Tamweel, the UAE's two publicly listed mortgage finance companies beginning talks for a possible merger

Section B [25 Marks]

4. Sharon Stanley is the president of Boston Short-term Rentals, a small company that pioneered the concept of providing business travelers with high quality apartments as an alternative to staying in more expensive and often less convenient hotels. Since its start in 1995, her company has grown rapidly and she managed over 200 apartments in 2001 in nine important cities of US – Boston, New York, Washington, Atlanta, Chicago, Las Vegas, Florida, San Francisco and Los Angeles . As the president of a rapidly growing company Ms.Stanley is continually required to make decisions. From the following enlisted tasks that she is required to accomplish, identify Mintzberg's managerial roles that she plays while performing each task: (1 x 11 = 11)
- a) She searches for opportunities to increase revenue by increasing the number of apartments and number of cities
 - b) She is always personally present whenever there is a new opening of hotel apartment by Boston Rentals
 - c) She decides on taking corrective action on the basis of the customer feedback collected and compiled from all the cities.
 - d) She gives priority to keeping her employees updated with continuous training and motivated through performance linked bonus
 - e) She decides how much money has to be spent on refurbishing and upgrading the apartments to maintain their luxury appeal.
 - f) She has to decide the price and terms & conditions of various services that are outsourced to other agencies like laundry services, cleaning of apartment common area, maintaining garden etc
 - g) She has all her communication made to the city heads through intranet and video conferencing.
 - h) She holds a press conference once a year after the Board of Directors meet to update the press about the achievements of Boston Rentals in the last year and their future plans
 - i) She makes it a point to persuade and bring a local celebrity for the inauguration of any new apartment at any city.
 - j) She has established a small unit in the President's office which keeps her updated with all the internal information about the occupancy rate, customer feedback etc as well as the competitors
 - k) She personally goes through the annual budget to make final modifications
5. Which of the following statements are true and which are false? Justify your answer: (3.5 x 4 = 14)
- a) Controlling aims at keeping subordinates under tight supervision
 - b) Government is also a stakeholder of an organization
 - c) Principle of order is essential in Supermarket stores.
 - d) Organisations should not be an open system.

Section C [25 Marks]

6. Do you agree to the following statements? Justify your answer: (4 x 2 = 8)
- a) Fayol's main focus was on increasing output and productivity
 - b) High efficiency and high effectiveness should typically go hand in hand for successful business organizations
7. Answer the following (3 + 3 + 4 = 10)
- a) Mention the three characteristics of an organization [3]
 - b) Mention the three important themes of entrepreneurship [3]
 - c) Mention the four views of managerial ethics [4]
8. Match the following (1 x 7 = 7)

Column A	Column B
a. One best way of doing things	Henri Fayol
b. Impersonal relationship	Systems Approach
c. Hawthorne experiments	Contingency Approach
d. Different ways of managing as per situation	Scientific Management
e. Principles of management	Quantitative Approach
f. Interdependence of factors and activities	Bureaucracy
g. Management Science	Elton Mayo

******* GOOD LUCK *******

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Component	TEST 2 – Open Book	Date	16.11.2008
Maximum Marks	60 (weightage 20%)	Duration	50 minutes

1. Identify the type of plan that are reflected in the following sentences: (1 x 6 = 6)

- a. ABB of Sweden says "We are in the energy business"
- b. "Wear gloves while working with solvents".
- c. Microsoft has allocated \$10 million for sponsoring events in the forthcoming year.
- d. Shift allocation sheet for the summer months of June, July & August states "Starting from the beginning of June Mr. Jagdish, Production Engineer will work 8 hrs on night shift from Sunday to Thursday in the first week, morning shift for the same five days the second week, and afternoon shift for five days the third week on a rotation basis till the end of August".
- e. Employee handbook of Tata Steel states, "We promote qualified employees from within".
- f. Tamweel Finance asks housing loan aspirants to come to their Head Office between 8am to 8pm Sunday to Thursday along with original passports and original salary certificates for dispersal of housing loan within 40 minutes.

2. Do a SWOT analysis on the following case identifying at least 3 points in each category: (4 X 1.5 x 3 = 18)

Campbell Soup Co. is one of the oldest and best known companies in the world. However, in recent years, Campbell's has seen the demand for its major product, Condensed Soup, fall as consumers have switched from high salt, processed soups to healthier low fat, low salt varieties. When its market share and profits fell by 20%, its new CEO Douglas Conant had to decide what to do to maintain its market position. An analysis of the environment identified a growth of the organic and health food segment of the food market which is the reason for Campbell's falling market share. Market research suggests that there is evidence of a growing market for (a) health and sports drinks, (b) salsas (c) chocolate products. Campbell already had a foothold in all these three markets. But its staffing levels were too high relative to its competitors, and high costs associated with manufacturing its soups because of use of old and outdated machinery. Since Campbell's had a very conservative culture, people seemed to be afraid of taking risks and introducing change, something that was a real problem in the fast changing food industry where customer tastes were always changing and new products must be developed constantly. As if to compensate for these drawbacks, Campbell's had the capability for enormous volume of production as it enjoys huge economies of scale. It also boasts of a first rate research and development division which has the capability to develop exciting new food products. Recently the company has been approached by a huge departmental chain in South America for supply of food products. With a growing demand in the organic and health food segment, funds are available with easy repayment options from various Financial Institutions. Analysts were waiting to see if Conant can make the changes necessary to turn around and revitalize the company.

3. Match the following – (1 X 6 = 6)

Column A	Column B
Organization structure made up of work groups	centralization
Grouping jobs on the basis of territory	cross functional team
Specialists from different functional departments work on projects	Employee empowerment
Increasing the decision making discretion of employees	Functional structure
Decision making power concentrated at the top level management	Geographical departmentation
Structure on the basis of specialisation	Matrix structure
	Team structure
	Work specialization

4. Where would you put the following products of HUL, from case below, in a BCG Matrix and what strategies do you feel HUL could be adopting for the same? (3 X 4 = 12)

- a. Pure-It
- b. Fruitkick
- c. Breeze
- d. Lipton

Hindustan Unilever Limited (HUL) is India's largest fast moving consumer goods company with leadership in Home & Personal Care Products and Foods & Beverages. The company which is engaged in different product lines is focused on its brands, Lipton tea, Breeze beauty soap, Fruitkick powdered soft drink concentrate and Pure-it water purifier for the current financial year. Pureit entered the market 2 years back and manages a market share of just 15% while the market grows at a rate of 30%, but it faces stiff competition from existing players in the water purifier market such as Eureka Forbes, Philips and Kent who together control 70% of the market.

Powdered soft drinks, which had caught the fancy of the market a few years back is now overshadowed by the more flamboyant carbonated soft drinks or the more healthy fresh fruit juices, pulling down the business growth rate to 8%. HUL's brand Fruitkick has a market share of 50% much ahead that of other brands such as Dr Morepen's C-Sip and Coca-Cola's Sunfill who have a combined market share of 25%.

With the coming of multinationals into India, the concept of beauty soaps has changed. Beauty soaps such as Breeze by HUL managed only a 5% market share with soaps such as Camay and Mysore Sandal dominating a major 40% of the market in an industry that has a growth rate of just over 6%.

Tea industry in India is growing at a high growth rate of 34% because 80% of all beverage consumption in India is tea. Tea has always been the forte of HUL boasting of 22 tea brands, covering virtually every segment with its leading brand Lipton Yellow Label cornering an impressive 65% of the market share leaving others such as Tata Tea, Duncans and Twinings far behind with just 20%.

5. Identify the strategies that are visible in the following case and write the statement which highlights each strategy. [6x(1.5+1.5) = 18]

Starting from a single store selling freshly roasted coffee beans in Seattle, Starbucks has grown into a global chain of upscale coffee bars with more than 7500 locations around the world. The company has grand plans to expand to 25,000 locations globally; it wants to open more stores like the current ones. The company is continuously innovating quality and adding varieties to its café bar menus. By offering trendy and creative signature flavors it targets at upscale buyers who are willing to pay more than at Dunkin' Donuts. To maintain quality the company purchased coffee plantations in Brazil, in order to produce its own coffee beans. In the recent past, Starbucks had also entered into new ventures in the recent past. It opened Starbucks X in cyberspace, an Internet retail site selling everything from pots and pans to clothing and furniture. Even though its competitors were doing well, the company was not a success. Hence after a lot of introspection and internal environmental scanning, Starbucks decided to close down the operations of Starbucks X. Currently the company has joined hands with Costa Coffee to sell its takeaway products at their outlets also. Starbucks have been able to be a market leader by keeping its best selling brand Cappuccino at the least price among competitors.

***** GOOD LUCK *****

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Component: Quiz -1
Maximum Marks: 15 (weightage 15%)

Date: Sept 23, 2008
Duration: 15 minutes

Student Name: _____

Id No: _____

Each of the following questions carry 1 mark:

1. If an organization is an open system, the management functions come under which part of the system?
2. The regional manager, who reports to vice president – marketing, belongs to which managerial level?
3. The line of authority from top management to the lowest level is called _____
4. Give two techniques used in quantitative approach
5. An organization that is _____ will successfully achieve its stated organizational objectives.
6. A manager who performs _____ function ensures that all activities carried out meet the required standards.
7. give two informational roles identified by Mintzberg
8. Give two characteristics of bureaucracy as given by Max Weber
9. Scheduling of activities so that work gets completed within the given time is the role of _____
10. human skills are required the most at top level – true / false
11. Conceptual skills are equally important at all management levels – true / false
12. according to which approach does group standards have a significant impact on worker output
13. A term given to a workforce that's heterogeneous in terms of gender, age, nationality and other characteristics that bring out their differences.
14. management principles are applied in the management of not-for-profit organizations too – true / false
15. which of Fayol's principles state that every employee must receive orders from only one superior –

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Maximum Marks: 15 (weightage 15%)

Date: Sept 23, 2008
Duration: 15 minutes

Student Name: _____

Id No: _____

Each of the following questions carry 1 mark:

1. The extent to which workers are authorized to take decisions in an organization is called _____
2. The role of a manager who puts forward the interests of his team members to the top management is called _____
3. Promoting team spirit within the organization is called _____
4. Studies conducted at the Western Electric Company in the field of Organizational Behavior is called _____
5. Apart from technical skills, what are the other skills required by managers?
6. A person who heads the finance department falls under which managerial level?
7. According to the systems theory, most of the organizations today fall under the category of _____ systems
8. Which management theory focuses most on establishing standards in work processes and methods?
9. According to _____ approach, an organization needs to be managed depending on the situation.
10. A person who scans industry reports to stay well informed about financial position of competitors plays the role of a _____
11. If there is low resource wastage it leads to high efficiency – true / false.
12. Allocating the right tasks to the right people falls under the function of _____
13. Establishing formal rules and regulations and ensuring that they are applicable equally to everyone is a characteristic of which type of organization?
14. According to the _____ approach, all organizational departments are interrelated and function as a whole.
15. A person who is not a self-starter but waits to be assigned tasks lacks which of Fayol's principles?

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Component: Quiz -1
Maximum Marks: 15 (weightage 15%)

Date: Sept 24, 2008
Duration: 15 minutes

Student Name: _____

Id No: _____

Each of the following questions carry 1 mark:

1. Name two outputs in an organization according to systems approach.
2. Increasing output by keeping input constant would lead to increase in _____
3. Ensuring that there is no conflict in a diversified workforce is a _____ function
4. Bargaining with suppliers to get the best prices for raw materials is the role of ?
5. Taking corrective action if activities do not follow a set path is _____ function.
6. _____ Skills are required almost equally at all levels of management.
7. due to changes that take place within organizations, new organizations tend to have a homogenous workforce – true / false
8. The way in which an organization is managed largely depends on the situation on hand. This concept is propagated by which management theory?
9. Which management theory emphasized on monetary compensation to workers as important criteria for increasing productivity?
10. Impersonal relationships and uniform application of rules and regulations are a part of which form of organization?
11. A _____ system is one which interacts with the external environment
12. A manager who uses his external networks to obtain government licenses for his organization plays the role of ?
13. Deciding on the structure of the organization falls under which organization function?
14. Which of Fayol's theory states that all departments need to have a single plan of action?
15. Traditional organizations have a well structured hierarchical relationship – true / false

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Component: Quiz - 2
Maximum Marks: 15 (weightage 5%)

Date: Oct 23, 2008
Duration: 15 minutes

Student Name: _____

Id No: _____

Each of the following questions carry 1 mark:

1. Which is the first step in the decision making process?
2. Managers at lower levels of hierarchy mostly deal with what kind of problems?
3. operational plans give specifics as to how a plan is to be implemented – true / false
4. A type of programmed decision that tells a manger what he is allowed to do and what he cannot is called?
5. stated goals are those which the organization states in its official documents and wants its stakeholders to believe in – true / false
6. Decision making on the basis of logical reasoning is called?
7. Give one type of standing plan
8. a management system in which specific performance goals are jointly determined by employees and their managers, progress reviewed and rewards allocated on that basis is called?
9. During decision making under conditions of risk it is possible to associate probabilities to the expected outcomes – true / false
10. Unstructured problems require what type of decisions?

Match the following:

a. strengths	i. diagnosis	
b. Decision making process	ii. Corporate level	
c. intuitive decision	iii. opportunity	
d. external analysis	iv. rational	
e. growth strategy	v. weakness	
	vi. judgment	
	vii. internal analysis	

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Component	Comprehensive Exam	Date	4.01.2009
Maximum Marks	120	Duration	3 Hrs.

PART A – 40 Marks

1. Decruitment is known as the process of reducing or controlling the labour supply within an organisation. Mention any *five* techniques used while decruiting. [1.5 x 5 = 7.5]
2. What do you understand by the term 'change agent'? Who can be a change agent in an organisation and when? [2 + 3 = 5]
3. What are the key situational factors for leader effectiveness as per Fiedler? Explain them. Mention how are they rated? [3 + 3 + 3 = 9]
4. Differentiate between a leader and a manager. [5]

Read the following case and answer the questions given at the end:

Mr. Alok Banerjee is the Chief Executive of a medium sized pharmaceutical firm in Kolkata. He holds a PhD in pharmacy. However, he has not been involved in research and development of new products for two decades. Though turnover is not a problem for the company Mr. Banerjee and his senior colleagues noticed that the workers on hourly basis are not working up to their full potential. It is a well known fact that they filled their days with unnecessary and unproductive activities and worked only for the sake of a pay cheque. In the recent past the situation has become quite alarming as the organisation began to crumble under the weight of uneconomical effort. The situation demanded immediate managerial attention and prompt remedial measures. Mr. Banerjee knew that the only way to progress and prosper is to motivate workers to peak performance through various incentive plans.

One fine morning Mr. Banerjee contacted the Personnel Manager and enquired -"what is the problem with the workers on hourly basis? The wage bill shows that we pay them the highest in the industry. Our working conditions are fine. Our fringe benefits are excellent. Still these workers are not motivated. What do they require really?"

The Personnel Manager gave the following reply- "I have already informed you a number of times, that money, working conditions and benefits are not enough. Other things are equally important. One of the workers in that group recently gave me a clue as to why more and more workers are joining the bandwagon of 'non-performers'. He felt bad that hard work and efficiency go unnoticed and unrewarded in our organisation. Our promotions and benefit plans are tied to length of service. Even the lazy workers, accordingly, enjoy all the benefits in the organisation, which, in fact, according to the workers, should go only to those who work hard."

Questions

5. Explain the motivational problem in this case by relating it to Herzberg's theory. [8]
6. Suggest suitable measures to Mr. Banerjee as the Personnel Manager. [5.5]

PART B – 40 Marks

1. Differentiate between theory X and theory Y. [5]
2. Explain how formalisation is made in organisational hierarchy. [4]
3. Mention the types of needs in the hierarchical order as given by Maslow in his Need-Hierarchy theory. [5]
4. Identify the communication flow present in the following case. Point out the sentence from where you could make out the presence of such communication flow.[4 + 6 = 10]

The Sales Manager of Fast Track Computers holds a meeting with the Production Manager and R&D Manager to get input regarding technical details that need to be highlighted in the sales promotions. At the request of Sales Manager, the Junior Assistant from Accounts division sends him a list of clients who have defaulted in credit payments and about whom the company needs to be cautious in future transactions. He meets the Finance Manager and discusses with him the criteria for credit sales that needs to be modified to reduce bad debts. The Sales Manager sends an email to all his sales representatives informing them of the latest sales promotion and revised price list offered by the company. At the end of the quarter the sales representatives send a Quarterly Report to the sales manager informing him of latest trends in the market, sales turnover for the current quarter, forecast for the next period etc. for their allotted district.

5. Mention any two internal and also any two external forces to organisational change. [2 + 2 = 4]
6. Identify the strategies (given in brackets) in the following questions– [2 x 6 = 12]
(vertical backward integration, vertical forward integration, horizontal integration, retrenchment, concentration, diversification, differentiation, cost leadership, focus differentiation, focus cost leadership)
 - a. Dell Computers acquiring Intel, the chipmaker.
 - b. Maybelline range of cosmetics is targeting upwardly mobile, modern and professional working women in India.
 - c. Salem Steels is planning to enter the aviation business.
 - d. Damas jewellery has come out with various range of products related to gold jewellery of different carats, diamond jewellery, pearl jewellery, gold plated and diamond studded watches and other wear items.
 - e. Citibank acquired Countrywide Finance to become the second largest bank in the United States.
 - f. The economic meltdown in the US has forced Chevrolet to cut down its production and workforce by 20%.

PART C – 40 Marks

1. What is filtering? Discuss filtering as a barrier to communication? [2 + 3 = 5]
2. Differentiate between Job Enlargement and Job Enrichment. [5]
3. Explain the process of change as per Kurt Lewin. [5]
4. Differentiate between programmed and non-programmed decision making. [5]
5. Briefly answer the following –
 - a. Mention the two views of social responsibility. [2]
 - b. What is 360 degree feedback? [1.5]
 - c. Describe a country club leader. [1.5]
 - d. What is bounded rationality? [1.5]
 - e. Mention any five principles of management as suggested by Fayol. [2.5]
 - f. Mention any two features of bureaucracy. [3]
6. Identify the various types of departmentation present in the following case and pick out the sentence that suggests each. [4 + 4 = 8]

XYZ America Inc. has been in the business of manufacturing cars for the past 3 decades. Initially the company was in the production of large sedans to offer competition to the Big Three – Chevrolet, General Motors and Ford. With the dawn of the millennium, the company identified the demand for small hatchback. It made its foray into this segment and soon became a frontrunner in the hatchback manufacture. The president of XYZ America Inc. Mr Patrick Hill, decided it was time for reorganization of the corporate structure. He set up the Hatchback and Sedan as two separate divisions head by Executive Vice-Presidents Mr Daniel Borden and Steve Goodwin respectively. Each of them was assisted by General Manager – Finance, Marketing, Human Resource, Production, and Logistics. Each division has its own manufacturing plant with separate units for electroplating, painting and assembly line. The entire sales, distribution and servicing of these cars were monitored through 5 different zones – Middle-east & Africa, Europe, North & South America, Asia, Australia & New Zealand having headquarters at Dubai, Paris, New York, Bangkok, and Sydney respectively. It was left to the concerned divisional head to decide on dealership network & services across territories in their respective areas.

***** Good Luck*****