

BITS, PILANI – DUBAI
International Academic City, DUBAI
2nd Year – Semester I – 2007-2008
Course – MGTSUC211 – Principles of Management

Component	Comprehensive	Date	5.01.2008
Maximum Marks	40	Duration	3 Hrs.

Student's ID No: _____

Student's Name in Full: _____

PART - A

I. State the following in one or few words- [0.5 x 10 = 5]

1. While doing a SWOT analysis, slow rate of market growth can be placed under which category?
2. In the calm waters metaphor, under which stage do employees integrate changed attitudes and behavior into their normal ways of doing things
3. A function of management that goes hand in hand with planning
4. An informal organization communication network is called
5. A written statement of what a job holder needs to do, what and with whom is called
6. A process of establishing performance standards and evaluating performance in order to arrive at HR decisions
7. The performance appraisal system in which an employee is assessed by his superiors, subordinates, peers and clients
8. A person who acts as a catalyst and takes up the responsibility of managing the change process
9. A team consisting of groups of individuals who are experts in various specialties are called
10. The bargaining power of suppliers and customers and the prevailing competition among companies have been identified by Porter as what?

II. Identify the Managerial functions involved in the following cases- [0.5 x 5 = 2.5]

11. The purchase manager takes stock of raw materials and finished goods inventory on hand at the end of each month.
12. Based on the overall departmental goals, the marketing manager has fixed individual target for his sales representatives
13. The production manager sends a formal letter to all the unit heads to submit their annual status report by 28th February for a pre-budget discussion on 5th March
14. Preparation of budget by the production manager for the year 2008-09
15. General manager HR is creating a new division HR-Audit having a senior manager as the head under whom there will be two AGMs and three Junior Managers.

III. Comment on the following statements- [1.5 x 3 = 4.5]

16. If planning is to look ahead, controlling is to look back
17. Selection is a negative process
18. Scientific Management lacks human touch

IV. Mention TRUE or FALSE to the following statements- [0.25 x 10 = 2.5]

19. According to Systems approach, decisions and actions taken in one department do not affect the others
20. According to Fayol, different ways of managing are required for different situations
21. There is not much requirement for management principles in organizations such as Dubai Care
22. Effective Matrix organization structure needs balancing of power between functional and project managers
23. The Leader is always concerned about the organization.
24. It is not possible to have more than one type of departmentation in an organization
25. Under certain circumstances autocratic leadership proves to be effective
26. Labour supply in an organization can be controlled by both recruitment and decruitment
27. For communication being effective we need to have a feedback from the receiver
28. In laissez-faire leadership style the leader provides leadership to followers only when asked

PART - B

V. Answer the following- [0.5 x 2 x 5 = 5]

1. Mention any two types of renewal strategies.
2. Mention any two types of single use plans.
3. Name the two axes of BCG Matrix.
4. Name any two fourth order needs of Maslow.
5. What are the two views of social responsibility?

VI. Select the right answer from the alternatives given and write it on your answer book- [0.5 x 10 = 5]

6. Steel magnate Lakshmi Mittal plans to bid for oil and gas assets being auctioned by the Indian government and were looking at opportunities ranging from exploration and production to refining of oil
 - a. Horizontal integration
 - b. Vertical integration
 - c. Diversification
 - d. None of the above
7. Who among the following conducted the Hawthorne studies?
 - a. Henri Farol
 - b. Elton Mayo
 - c. Max Weber
 - d. None of the above
8. Changing an organization from centralization to decentralization is mostly related to change in
 - a. Structure
 - b. People
 - c. Technology
 - d. None of the above

9. Which of the following statement about informal communication is not correct?
 - a. It is much slower than formal communication
 - b. Its effects can be both beneficial and harmful
 - c. It cannot replace formal communication
 - d. Managers cannot restrict the flow of informal communications
10. According to Fiedler the three contingency dimensions that define the situational factors for determining leader effectiveness
 - a. Task behavior, consideration behavior, maturity
 - b. Maturity, job knowledge, responsibility
 - c. Task structure, leadership style, maturity
 - d. Leader-member relations, task structure, position power
11. All the universities in India are reserving 5% of their seats in each department as sports quota as per the directives of the Government is an example of
 - a. Policy
 - b. Rule
 - c. Procedure
 - d. None of the above
12. An organization drafts plans to merge with its competitor to benefit from synergies and cost benefits in production. This is an example of
 - a. Standing plan
 - b. Strategic plan
 - c. Operational plan
 - d. All of the above
13. Emirates Bank announces 6% interest on 1 year deposits for an amount of Dhs.100,000 or more. The decision making here is said to be under conditions of
 - a. Certainty
 - b. Uncertainty
 - c. Risk
 - d. None of the above
14. Those people in organization who extremely lack ambition are categorized under –
 - a. Theory X
 - b. Theory Y
 - c. Theory z
 - d. None of the above
15. Non-programmed decisions are taken least at which level of the organization?
 - a. Top
 - b. Middle
 - c. Lower
 - d. All of the above

VII. Differentiate between the following concepts- [1.5 x 4 = 6]

16. On the job and Off the job Training
17. Leader and Manager
18. Strengths & Opportunities

19. Programmed & Non-programmed decisions

PART – C

I. Read the following case carefully and answer the questions given at the end- [5.5]

Donald Burr, founder and chairperson of People Express, has been hailed in his attempt to build a more humane organization. Burr had a distinct style: employees were involved in setting goals and were given a great deal of freedom in deciding on their work methods. He involved managers in policy making and regular decision making. There was transparency regarding appraisal policies, promotions, compensation etc. When Lori Dubose, one of the Directors of People Express, proposed lifetime employment at People Express he accepted it wholeheartedly and implemented it. People Express reached newer heights during his tenure by acquiring the Frontier Airlines, one of its competitors.

However things did not continue the same way for People Express. Donald Burr retired and the organization came under the leadership of Mike Andrews. His concentration was wholly on increasing productivity and achieving the high level goals that he had set for the organization. Employees were expected to get his concurrence even for minor decisions which were unheard of earlier. Critics maintain that within the company it is risky to be seen mingling with one another at the coffee shop even during breaks, let alone office hours. One of the directors, Lori Dubose, who was one of the architects of lifetime employment at people express, was unexpectedly fired. It was a known fact that she was not on good terms with Mike Andrews as she was vocal about Mike's style of functioning.

Another prominent Director Harold Parety, heading both HR and Marketing also resented the strict supervision, interference in his work by Mike. According to him, it was suffocating to work in an atmosphere of mistrust and reduced autonomy. He could not take the idea of his work schedule and tour schedule getting prior approval by Mike, hence quit and formed his own airline (Presidential Airways, Inc.). Later many other employees of People Express joined him.

Harold Parety ensured the right compensation package for each employee in the organization after analyzing each position on a scientific basis. Rules and regulations in the organization was thoroughly framed and made known to all through handbooks. All employees carry out a great variety of tasks, in order to fully utilize employees' abilities and skills. Even top executives were rotated from job to job to know the major aspects of the business. He was hard driving in job aspects, but wanted his employees to strike a balance between work and personal commitments. With experience employees were granted more autonomy on their jobs. Employees were given recognition for all their achievements. As a result in the very first year the organization was able to manage a bigger market share than People express.

1. Name the leadership styles of Donald Burr and Mike Andrews as per IOWA studies. [0.5 x 2 = 1]
2. Identify any two needs as suggested by Maslow that was not getting fulfilled by the employees at People Express. Support your answer by providing at least one instance from the case. [(0.5 x 2) + (0.5 x 2) = 2]
3. Identify Herzberg's motivators and hygiene factors in Harold Parety's organization (two each). [(0.5 x 2) + (0.5 x 2) = 2]
4. What type of personality did Harold Parety has as per McGregor's theory? [0.5]

II. Match the following- [16 x 0.25 = 4]

Column A	Column B
Aristocrat Luggage	Barrier to Communication
Country Club	BCG Matrix
Cash Cows	Decentralisation
Disseminator Role	Decisional Roles
Good Enough Solutions	Horizontal Loading
Jargon	Informational Roles
Job Enlargement	Interpersonal Roles
Job Enrichment	Scientific Management
Laissez-faire	Managerial Grid
Liaison Role	McGregor
N-Aff	Rules
Narrow Span	Motivators
Non-programmed Decisions	Programmes
Resource Allocator Role	Product Departmentation
Standing Plans	McLleland
Time Study	Satisficing
	Leadership Style
	Unstructured Problem

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Component	TEST 2 [Open Book]	Date	25.11.2007
Maximum Marks	20	Duration	50 minutes

PART A

1. Read the following case carefully and answer the questions given at the end: [1.5]

As manager of Green Hills' supermarket, Paul has to take several decisions in a day. The shop prides itself on the fresh supplies of bread and dairy products that it carries. At the end of the day he needs to decide what stocks need to be replaced and how much he needs to place an order for. He needs to keep an eye on the supplies to ensure that his suppliers meet his quality criteria. Last month he had to change one of his suppliers because of constant late delivery. This week he had to decide whether to carry an additional type of bread. The supermarket already carries 8 types of bread and everyday when the fresh loaves arrive it has to be decided how the products need to be arranged on the shelves of the supermarket. Paul must consider whether the new bread will merely stabilize bread sales by competing with existing bread carried in the store or actually increase bread sales by offering a desired brand of bread to customers who have never before bought bread in the store. Research that he carried out suggests that the chances of bread sales increasing is narrow, but there are strong indications that bread sales will fall by 20% if he did not carry the new type.

- a) Identify the programmed and non-programmed decisions, by picking up at least one instance from the case[1]
- b) Name the condition under which the decision relating to introducing a new bread variety is to be made [0.5]

2. Read the following case carefully and answer the questions given at the end: [4]

Exquisite Furniture Company is headed by its President Mr Mark Nelson, who has built the company from scratch as an entrepreneur. As the market areas and work locations expanded all over the country, he appointed three Vice Presidents for the regional divisions - Western Region Mr Michael, Eastern Region Mr John and Northern Region Mr Lawrence. Mr. Lawrence has three Assistant Vice-Presidents under him - for Finance Ms Tracy, Marketing Mr Fred and Production Mr Thomas. Directly reporting to Mr Fred was Mr. Parker who was the Market Research manager and Mr. Bruce, the sales manager. Ms Tracy had an office manager and a Comptroller to assist her. A Production manager Mr Wilson and Quality control manager Mr Simon were reporting to Mr Thomas. Mr Bruce recently appointed three sales representatives James, Philip and Andrew to look after - educational sales, residential sales and commercial sales independently.

- a) Draw a single organization chart showing the different levels of hierarchy, the job positions and the job holder's name.. (2.5 marks)
- b) Identify any three types of departmentation (out of product, function, process, customer, geographic) involved in it. (1.5 marks)

3. Write one word that gives an appropriate meaning to the following statements: (0.25 x 4 = 1)

- i. An organizational structure when specialists from different functional departments work on one or more projects.
- ii. The number of subordinates that one can effectively and efficiently handle
- iii. Strategy that seeks to determine what business a company should be in or wants to be in
- iv. Employees who raise their ethical concern to others both inside and outside the organisation

4. Identify the strategies implemented in the following cases: (concentration, diversification, backward/forward vertical integration, horizontal integration, retrenchment, cost leadership, differentiation, focus cost, focus differentiation)[0.5 x 7 = 3.5]

- a) Pioneer electronics, which initially used to supply certain parts of TV, Refrigerator, Air Conditioners to various players in the industry ultimately got established itself as a leading manufacturer of consumer electronics in India
- b) Dr.Reddy's Laboratories Limited is a leading Indian Pharmaceutical Company acquired Betapharm, a German pharmaceutical firm in order to achieve synergies in production and to access the German generic drugs market
- c) Himalaya Drug Company has launched for Indians in the Gulf, a wide range of hair and skin care products which are herbal based and free from side effects
- d) Sterling resorts which provides holiday home for the vacationers, acquired Quality Constructions Ltd
- e) General Electric sold off its SBU, GE Motors because it was eating into the profits of other SBUs'
- f) K-Mart includes stores such as Walden Book Company, Builders Square, Designer Depot, Pay Less Drug Store etc
- g) Comfort Inn which operates in certain region of the United States appeals to the budget conscious traveling salesmen

PART B

5. Read the following case and do a SWOT analysis identifying at least two points in each category –[4]

The Green Room Restaurant was established in July 2002 by brothers Andy and Marc in the City Centre. Situated opposite the City Theatre, the restaurant has enjoyed a significant increase in turnover and profits. The restaurant was modeled on the continental style cafe bars found in Eastern Europe, given its stylish menus and wide selection of freshly made coffees. It caters to the city's growing population of theatergoers and lunch time executive diners who had become tired of the fast food restaurants. It is anticipated that by 2008 the businesses in the City Centre is likely to face competition from up-market restaurant chains being established in the NewCastle Shopping Complex nearby. A new road costing Dhs30 million and a grand leisure complex called Millennium Point is being added to Newcastle complex. Family Expenditure Survey suggests that household expenditure on eating out has decreased. The brothers have decided to open a second Green Room Restaurant in the new shopping complex. They will be among the first to set up shop when the complex gets inaugurated next month. They have been managing the business between themselves and may have to recruit more employees for their expanding business. The start-up capital needed for this venture is expected to be Dhs. 300,000 for the first five years which the brothers will have to raise through banks and financial institutions. The new restaurant is expected to breakeven in the second year.

6. Name the following as a policy or procedure or rule or strategy or budget or schedule or program: (0.5 x 6 = 3)

- a. A two weeks course as knowledge management for assistant managers at company X
- b. A complete travel itinerary of the Food Inspection Committee coming to "Zaika" restaurant
- c. A signage stating "Do not lean on the wall"
- d. Delhi Police slogan "with you, for you always"
- e. Estimation of inflow and outflow of stocks in a warehouse for the year 2008
- f. To apply for a home loan and getting it sanctioned

7. As per the BCG Matrix, identify products of Procter and Gamble which fall under the category of star, question mark, dog, cash cow – [2]

Product Line	Business Growth Rate	Market Share
Baby Diapers	45%	Procter and Gamble 52% Johnson & Johnson 20%
Coffee	12%	Procter and Gamble 8% Nescafe 46%
Cosmetics	56%	Procter and Gamble 12% L'Oreal 60%
Detergents	18%	Procter and Gamble 47% Unilever 11%

8. Identify the two views of social responsibility that is implicit in the case, by quoting from the case: [1]

When Mr. Ford took over as chairman of Ford Motor Company, one of the first tasks that he undertook was creating a new department of corporate governance. The purpose of this new department was to make sure that the company conscientiously and accurately reported financial data to the shareholders, remove the emission of harmful gases from the company's most profitable SUV (sport utility vehicle) and maintain a general posture of honesty in dealing with all company stakeholders.

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

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1st Year – Semester I – 2007-2008
Course – MGTSUC211 – Principles of Management

Component	TEST 1 [Closed Book]	Date	7.10.2007
Maximum Marks	25	Duration	50 minutes

Student's ID NO: _____

Student's Name in Full: _____

PART –A

1. Read the following case carefully and answer the questions given at the end-

When Brad Bloom took over as CEO of Burger King Corporation, the premium hamburger retailer was facing problems. Its customer count had slipped resulting in the company being a distant number two to industry leader, McDonalds Corporation. It was facing competition from 'quick casual restaurants' such as Subway Sandwiches, Chiptole Mexican Grill, Cosi and Panera Bread who were offering healthier food at higher prices. In a bid to take on this competition, Bloom added 10 new items including veggie attractions to its menu and has improved 8 of its existing offerings. He was aware that if any competitor significantly lowered its price for hamburgers to a point well below what Burger King was asking for a hamburger, he would be forced to consider modifying different parts of its restaurant system in order to beat that price.

He urged his managers to focus on efficiency in small as well as big matters. His question to his managers: is the dispenser used to apply mustard and ketchup of appropriate size to require only one squirt or is more than one squirt necessary to adequately cover a hamburger? Are chicken whoppers, French fries and drinks handily located for easy insertion into customer bags? He created a cost budget for all divisions to ensure that expenses are anticipated and costs stay within limits. To maximize the return on labor costs, he ordered for a study to be conducted as to whether his employees would be more efficient on a working day if they sat, rather than stood while working. Management promised workers free lunch as a bonus if they reduce errors in filling orders by 50% during the next month, which they felt was achievable. Middle line managers were requested not to instruct an employee to serve French fries moments before another manager directs the same employee to prepare milkshakes. Fry cooks were not allowed to take longer breaks than order takers. Workplace was made more enjoyable for employees who were allowed to work at different stations (grill, beverage, cash register etc.). He considered creating opportunities for employees to become friendlier with one another perhaps through a Burger King Employee Picnic. Overtime will be paid to employees who work extra hours, on holidays or weekends while bonus will be paid to employees who exceed their target in customer service. Appreciative bonus and 'Employee of the month' will be awarded to employees who are outstanding at work.

Customer service was the key. Each customer order must be delivered within a prefixed specified time. An employee who fails to serve chocolate sundaes within the time limit will be penalized by the management for his poor customer service and neglect. But if the delayed service was due to equipment involved in making these sundaes being broken down, the reaction to the situation would be different. Employees need to inform the management about this and the concerned manager would be penalized for not getting the equipment in working condition before the first customer walks in. It is of prime importance that there is precise coordination between all the personnel involved – the server who takes the order, his communication to the concerned cooks in the kitchen, coordination between the cooks in getting the order ready and delivering food at the table. Neglect somewhere in this chain would lead to mishap. Brad Bloom had declared quality management to be the byword of his organization and expected every divisional activity – right from procuring ingredients, cleaning the workplace and the equipment in use, preparing food, courteous customer service at the table and delivering error free take-aways - to work towards that end. Employees were trained to be specialized in their respective activity. Last Brad Bloom wanted every

7. Identify the role played by the following managers from Mintzberg's managerial roles approach? [0.75 x 8 = 6]

- a. Charles Goodman
- b. Jack Mitchell
- c. Heather Lublin
- d. Irene Smith
- e. Mark Whitman
- f. Andrea Jung
- g. Scott Madison
- h. Andrew Hill

IV. Fill in the gaps: {0.75 x 6 = 4.5}

- 8. A manager who motivates individuals to pursue collective objectives by clearly communicating the rules and expectations to them is performing the function of _____
- 9. The ability to understand how various parts of the organization complement each other, how the organization relates to its environment and how changes in one part of the organization affect the rest falls under _____ skills.
- 10. _____ approach suggests that the way in which a manager would handle a group of inexperienced workers would be different from the way in which he would lead a group of experienced workers.
- 11. _____ skills are equally important to managers at top, middle and first levels of the organization.
- 12. An organization that has been able to increase its sales turnover by 50% as planned is said to be _____
- 13. According to the _____ approach, if the marketing research division of an organization does not give accurate data about consumers needs and wants, the product design division will not be in a position to incorporate appropriate changes.

V. Write the most appropriate answer: (0.75 x 2 = 1.5)

- 14. the head nurse in a pediatrics department of a hospital belongs to which level of management?
 - a. Middle level
 - b. First level
 - c. Top level
 - d. Non managerial level
- 15. To be characterized as an organization, it must have
 - a. people working together
 - b. deliberate structure within which employees are working
 - c. distinct purpose
 - d. all of the above

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