

**BITS, PILANI – DUBAI**  
International Academic City, DUBAI  
2nd Year – Semester I – 2009-2010  
Course – MGTS C211 – Principles of Management

*Total No.  
of pages: 4*

Component	Comprehensive Exam	Date	27.12.2009
Maximum Marks	120	Duration	3 hrs.

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**NOTE: Answer Section – A in Blue and Section – B in Green answer sheet.**

**Section - A**

*1. Read the following case carefully and answer the questions given at the end – [30]*

Chandan Enterprises was established 10 years ago at Sonapur when it was a small, almost deserted village near a district town of Bijpur. The firm produced a number of decorative fixtures. In the beginning, the 'management' was just one person - Seth Chandan Das. But as the demand and profits grew, some 'executives' mostly the Seth's distant relatives were employed. These people were content to take the line of least resistance and merely keep on the right side of Seth. Meanwhile, Sonapur became more and more inhabited and soon became a large housing area where the factory and a few other workshops set surrounded by residential housing. The Seth, however, was reluctant to move the factory to another large plot which he owned in an Industrial Area on the ground that he was sentimentally attached to Sonapur.

The Seth rarely came to the factory especially since he appointed Mr. Kavi, B.E., M.B.A as the chief Executive on the strong pleadings of his sons. Mr. Kavi's style of working was resented and he had to fire a few people who were inefficient and obstructionists. He tried to reason with his officers and supervisors that the main weakness was poor working atmosphere, and poor machine and manpower utilization.

He also tried to convince the officers that growing grip of the employees' union needed to be dealt with greater firmness through the use of disciplinary actions against erring and negligent employees. His concern over deterioration in employee discipline was shared by the officers and supervisors, though they were reluctant to confront the union. Another point that he shared with the officers was about the relatively stagnant market which was attributed by him to lack of any organized marketing effort. All these aspects of the working of Chandan Enterprises ultimately got reflected in the declining profitability and difficulties in paying up suppliers on time. One day the Chief Executive called a meeting of all officers and supervisors and addressed them as follows:

"Gentlemen, I am here for nearly a year but find that I have made very little progress because my ideas are not accepted. I am therefore, forming an inter-departmental team consisting of Mr. A from production, B from finance and my executive assistant. Let the team find out the facts, the weakness and what has to be done to improve matters. Let scientific management be the sole criterion of working and not sentimental attitudes. In other words, don't accept things because I am saying so - let the team say so but once the team makes a critical study and gives a recommendation, let everyone wholeheartedly support it. I shall give a full brief to the team which should be carefully studied and which become the starting point for the teams work".

Q1. Analyse the managerial decisions of Seth Chandan Das. [5]

Q2. What was the problem with Chandan enterprise as viewed by Mr. Kavi? [5]

Q3. Explain Mr. Kavi's style of functioning? Why it was not accepted? [8]

Q4. Analyse the actions of Mr. Kavi as expressed in the meeting. Was he planning to change his style? Will he be successful? [12]

*II. Give your comments on the following – [20]*

Q5. Recruitment is a positive process whereas selection is a negative process. [5]

Q6. Money with reference to Herzberg's Theory is a motivator [5]

Q7. When Planning is to look ahead Controlling is to look back [5]

Q8. Every organisation needs democratic leaders [5]

*III. Read the following case carefully and answer the questions given at the end- [10]*

Hailing from a middle class family Julie arrived in Delhi from Lucknow to complete her degree at NIFT. After passing out from NIFT she joined Pantaloon group as a fashion designer. She was happy with her salary and was continuously busy with her job. Within 3 years she managed two promotions and with whatever meagre savings she had, along with a bank loan she had managed to book a housing flat at Gurgaon for herself to get rid of expensive house rentals in Delhi. After 2 years she has shifted to her own house and has also joined a Ladies Club. After 3 years, she is once again due for a promotion and is pleading with her boss to provide her with a Honda Accord. Over the years Julie has her own fashion house and plans to author a book based on her rich experiences with fashion designing and have contacted Penguin Publishing House for the publication of the book.

Q9. Identify the statements that show what needs of Julie has been taken care of, as per Maslow's Hierarchy of Needs theory. [2x5=10]

## Section - B

### *IV. Read the following case carefully and answer the questions given at the end- [15]*

Mehta Group of Industries (MGI) with headquarters at New Delhi and Karkare Group of Industries (KGI) with headquarters at Mumbai are two well known business houses in India. Both the groups are into diverse business areas having operations all over India and have a large number of employees working under them. Both the groups started their industrial journey since 1950's and have their distinct work culture. During 1990's MGI headed by its Chairperson Mr. Sham Mehta underwent a lot of organisational change through Business Process Reengineering, Restructuring, Downsizing and many management and organisational development programmes, along with the drastic changes taking place in the industrial economy of India like the liberalisation and globalisation policies of the government of India. MGI has emerged much stronger after all these planned changes duly implemented. Mr. Sham Mehta has called it a day from MGI and has been a freelance consultant to many industries for the past 5-6 years.

Mr. Tejas Karkare after taking the headship of KGI in 2008 soon learnt that KGI needs to undergo a change process at the earliest to remain as a dominant player in the market. He made an offer to Mr. Sham Mehta to initiate and implement change process in KGI as an outside consultant to which Mr. Mehta humbly accepted.

Q10. In managerial terms how you will name Mr. Sham Mehta? [1]

Q11. What are the chances of Mr. Mehta being successful in bringing change at KGI? Give your comments. [5]

Q12. Do you think there will be resistance from the employees of KGI? If yes, why? What should be done to overcome such resistance? [1+4+4=9]

### *V. Write short notes on – [12]*

Q13. Errors in selection process [3]

Q14. Calm Water Metaphor [5]

Q15. 360 degree Feedback [4]

### *VI. Differentiate between – [8]*

Q16. Leader vs. Manager [4]

Q17. Social Responsibility vs. Social Responsiveness [4]

### *VII. Give answers to the following questions in not more than five words –*

Q18. Tina, the receptionist at Central University, Dubai has the job of attending the phone calls and transferring them to faculty & staff whenever required, receiving guests for the university and its faculty & staff at the premises and receiving the posts through couriers. When Central University hired some permanent workers for the cleaning and maintenance of

the premises, they had not thought about hiring a supervisor who would monitor their work. It became really important after a month to have some one who can at least verify their attendance to release their salary. Considering the strategic positioning of Tina at the front desk with a complete view of the lounge as well as other areas it was decided that the attendance register will be kept with Tina who will verify the attendance of the cleaners and maintenance workers. What would you name to this addition in the job of Tina? [2]

Q19. After the gates were open to the MNCs in India during early 90's, both Pepsi and Cola decided to enter India. Pepsi came first followed by Cola. The measure threat for Cola was from Pepsi and the Indian soft drink manufacture Parle. In order to sustain competition and grow Cola very strategically acquired Parle with only exception to the most popular brand of Parle "Thumps Up". What name you will give to the strategy adopted by Cola? [2]

Q20. PQR Transport pursues a no frills, low price fare and has a small, highly versatile workforce, trained and willing to perform multiple jobs to keep a check over its expenses while providing efficient service. Identify the strategy adopted by the company. [2]

**VIII. Say True or False to the following statements and give justifications for your answer-**

Q21. In the entrance of the shop floor of a manufacturing organisation it is written "Wear a helmet". This is an example of a rule. [3]

Q22. Middle of the road managers are successful managers. [3]

Q23. Decision makers normally settle down for good enough solutions. [3]

**IX. Match the following and write both the columns in your answer script [10]**

BCG Matrix	Business level Strategy
Turnaround Strategy	Renewal Strategy
Grapevine	Corporate Level Strategy
BARS	Informal Communication Network
Assessment Centre	Formal Communication Network
Leadership Styles	Employee Assessment
Managerial Grid	Training
Centralisation	IOWA Studies
Educational Institutes	Concern for People
Validity	Bureaucracy
	Recruitment
	Selection Device
	Behavioural Assessment in a Rating Scale
	Maslow's Theory

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**2nd Year – Semester I – 2009-2010**  
**Course – MGTS C211 – Principles of Management**

Component	Test – 2 (Open book)	Date	10.12.2009
Maximum Marks	60	Duration	50 min

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**I. Read the case and answer the questions given at the end:**

Dabur India limited is the fourth largest FMCG in India with revenues of US \$600 million. Building on a legacy of quality and experience for 125 years, Dabur operates in key consumer product categories like Health care, Skin care, Hair care, Home care, Oral care and Foods. The company concentrates on Ayurvedic and natural products in its healthcare division which is growing at the rate of only 8%. Dabur's Chyawanprash in the above category has the highest market share of 75% as opposed to its competitor Sona Chandi Chyawanprash of the Emami group which has just 6% of the market share. The company boasts of natural herbs being used in its Vatika hair shampoo but with a market share of 5% is yet to make a dent in the market probably because it has to take on the likes of L'Oreal which dominates with a market share of 60% in the industry which is growing at a rate of 20%. Taking advantage of the fresh juice industry which is growing at an astounding 42% Dabur's Real fruit juices in eight assorted flavors has a market share of 62% beating its competitor Pepsi Foods' Tropicana which is left with a meager 10%. While the oral care industry is set to grow at a rate of just 7%, Dabur's Promise toothpaste which has been around for more than a decade has 5% market share to its credit with Colgate leading by 50% of the market share.

1. (a) In a BCG Matrix, where would you place Dabur's products based on the above information? (8 marks)  
(b) Give reasons to explain what strategic actions you would suggest for each of these products? (8 marks)

**II. Identify the direction of communication flow present in the following sentences. (1.5 X 4 = 6 marks)**

2. The Production Manager of Gulf Cement is having a meeting with the Purchases Manager and Marketing Manager to identify ways of enhancing quality of their company product.
3. The Sales Representatives submit a monthly report to the Marketing Manager giving details of consumer trends, competitor's products, distributors' feedback about the company product and sales forecast for the next month.
4. Acting on the request of the Finance Manager, the Plant Supervisor sends him a list of workers who have done overtime in the past week and are eligible for extra payment.
5. The General Manager sends a circular informing all the Departmental Heads about the company's plan to enter into collaboration with a German firm.

**III. Read the case and answer the questions given at the end:**

Power Steel, is a steel plant that had been built from scratch by Mr Ram Narain who is now the President of this multi-million dollar company. With expansion all over the globe he established regional divisions headed by Vice-Presidents – Mr Choudhary for South Asian Zone, Mr Mistry for American Zone and Mr Kumar for Europe Zone. Mr Kumar has three General Managers under him – Mr Rao in charge of Production, Mr Dixit for Marketing and Ms Mallika for Finance. Customer Relations Manager Mr Galgotia, Sales Manager Mr Khanna and Market Research Officer Mr Gupta report to Mr Dixit. Mr Rao has three divisions under him: Blast Furnace, Cold Rolling Mill and Hot Strip Mill headed by Mr Arora, Mr Bakshi and Mr Mohan respectively as Plant Managers.

6. Based on the above information, draw an organization chart showing different levels of hierarchy, job positions and the job holders' name.  $3 + \{(0.5 + 0.5 = 1) \times 13\} = 16$
7. Identify the types of departmentation shown in the chart. (1 x 4 = 4)

**IV. Read the following statements and answer the questions given at the end:**

- a) The Indian Premier League (IPL) is based upon the Twenty20 cricket game which is normally completed in 2 ½ hours. It is fast-paced and exciting, and moreover it can be played on a weekday evening or weekend afternoon. That makes it very appealing as a mass sport, just like American Football, Basketball and Soccer. It is appealing as a spectator sport, as well to TV audiences.
- b) Different fans will pay different amounts to watch IPL. There will be corporate hospitality, season tickets, away tickets, TV pay-per-view and other ways to segment the market for the IPL.
- c) Some IPL teams do overprice their advertising/sponsorship in order to gain some short-term returns
- d) The IPL functions under a number of franchises. Each franchisee is responsible for marketing its team to gain as large a fan-base as possible. The long-term success of all of the franchises lies in the generation of a solid fan-base. The fan-base will generate large TV revenues.
- e) The franchises for IPL are very expensive. The most expensive franchise - Mumbai Indians - was bought by Mukesh Ambani for \$111.9 million, whereas the lowest priced franchise - Rajasthan Royals was picked up by Manoj Badale for a mere \$67 million. The most highly priced teams may not be those that have the early success. Revenues will come from the most highly supported teams
- f) If the franchisee's fan-base does not generate income then they may not have the cash to pay the salaries of the best players. However, if you invest in the best players and they do not win the trophies, then you may not see a return on your investment. It won't be a quick return on investment - so owners need to be in it for the long-term.
- g) Stakes in IPL are very high and therefore may lead to the elimination of the key players and even the managers on the event of one or two failures.
- h) IPL has employed economists to structure its lead so that revenue is maximized. The more unified the sport, the more successful it is.

*8. Identify which of the above statements can be categorized as strengths, opportunities, threats and weaknesses for IPL. (1 x 8 = 8)*

**V. Write the appropriate term in the management literature for the expressions mentioned below: (10 marks)**

9. The degree to which jobs within the organization are standardized and the extent to which employee behavior is guided by rules and procedures.
10. The deliberate manipulation of the information to make it more favorable to the receiver
11. An organizational design that's highly rigid and tightly controlled
12. Technical language that creates barrier to communication
13. An organizational structure that assigns specialists from different functional departments to work for one or more projects.
14. The information received on which we have to work exceeds our processing capacity.
15. The informal organization communication network which acts as both a filter and feedback
16. An organizational structure made up of separate, semi autonomous units or divisions.
17. An emphasis given to words or phrases while speaking that convey interests and meaning
18. The number of employees who can be effectively and efficiently managed by a superior

\*\*\*\*\* GOOD LUCK \*\*\*\*\*

**BITS, PILANI – DUBAI**  
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**2nd Year – Semester I – 2009-2010**  
**Course – MGTS C211 – Principles of Management**

Component	Test – 1 (Closed book)	Date	18.10.2009
Maximum Marks	75	Duration	50 min

**I. Read the following case carefully and then answer the following-**

1. *Identify who is playing what type of roles as suggested by Henry Mintzberg. [1.5x10=15]*
2. *Mention the lines from this passage from where you identified who is playing what type of roles. [2x10=20]*

Mr. Dhyan Chand is the Managing Director of New Pharma Ltd., NOIDA, UP. With continued demand for NewPharma's products, Mr. Dhyan Chand suggested in the Board of Director's meeting to increase the production capacity of the company by setting up a new plant. He made all the data collection and analysis related to the location and establishment of the new plant and was able to convince the Board to decide for setting the plant in the state of Bihar out of all the industrially favourable states like Gujarat, Karnataka and Haryana. After acquiring the plot and approval of the building plans he himself went to the plant site at Bihar with three of his managers to organise the foundation stone laying ceremony for beginning the construction work. He could gather most of the company people and many other well wishers of the New Pharma for the ceremony. The foundation stone was laid by Mr. Arun Ray, the Chairman of the New Pharma Ltd. Mr Dhyan Chand had a large database of suppliers and creditors from his years of experience. He entrusted Mr. Salim, the purchase manager to use the database and find out the most suitable and available suppliers and creditors for the construction of the plant. Mr. Salim was constantly after those suppliers to make them explain the various advantages of being a supplier to New Pharma and was also constantly having discussion with Mr. Dhyan Chand regarding what terms and conditions could be made with the suppliers based on his interaction and feedback. In order to facilitate and improve Mr. Salim's job he was asked to visit several other construction sites, meet most other suppliers than those who were in the database of Mr. Dhyan Chand, to get the regular updates regarding plan of action. He was also given freehand to discuss and finalise on price, delivery terms, credit facilities etc with the prospective suppliers. However he was asked to discuss everything in details with Mr. Dhyan Chand and not to discuss with anyone else in the organization regarding the decisions that are going to be taken. The media or outsiders whoever wanted to know about the developments in the new plant was directed either to Mr. Dhyan Chand or Mr. Salim. The Finance manager Ms. Neelam was also consulted and was asked to be ready with a contingent budget for the new plant construction. She had a lot of experience on the in flow and out flow of funds especially with the suppliers and buyers related to New Pharma's line of business. In fact, last month the company suddenly faced a cash crunch when a few buyers defaulted on payment due to the recessionary situation. Ms. Neelam had foreseen this problem and had arranged for short term trade credit with some banks and financial institutions. She had also

allocated a large amount for contingencies related to modernization and expansion in the previous year budget which was acting as a boon for Mr. Dhyan Chand to start work immediately.

**II. Answer the following questions- [18]**

3. There are 2 management functions that are viewed as two sides of the same coin. Name them. [1.5+1.5=3]
4. There must be a place for everything and everything must be in its right place. Which principle conforms to this explanation? [1.5]
5. Management must identify the one best possible way of doing a particular job. This is the essence of which management theory? [1.5]
6. What are the skills that are required the most by first line managers?[1.5]
7. Experiments were conducted relating to organizational behavior by Elton Mayo to identify the reason for increase in productivity. What is it called?[1.5]
8. Identify two tools used in theory of quantitative management.[1.5+1.5=3]
9. Which management theory advocates that different ways of managing are required for different situations?[1.5]
10. Which management theory suggests that decisions and actions taken in one organizational area affect others?[1.5]
11. A workforce that is heterogeneous in terms of religion, race, nationality, gender etc. is called?[1.5]
12. Which is the principle which states that managers should be kind and fair to their subordinates?[1.5]

**III. Briefly answer the following questions (at least three lines) - [16]**

13. Explain bureaucracy and any of its two characteristics.[3]
14. Explain why learning organizations are required in the present day context.[3]
15. Human skills are required the most at the top level management. Yes/No. Justify your answer.[1+3=4]
16. Discuss universality of management. [3]
17. Differentiate between efficiency and effectiveness. [3]

**IV. Identify the functions present in the following situations: [1.5x4=6]**

18. The finance manager has used the cost sheet to inform the production department that there has been a cost overrun in the previous quarter which calls for corrective action.
19. The director of an organization has created a new position with the designation of Facilities Manager who will in turn be assisted by technical assistants.
20. The project manager has studied previous business trends and is using it to set benchmarks which will further help in setting targets for expansion.
21. The first line manager who supervises factory workers has set up notice boards in the workers changing rooms notifying next day work schedule for the workers.

\*\*\*\*\*Good Luck\*\*\*\*\*



**BITS, PILANI – DUBAI**  
2<sup>nd</sup> Year, FIRST SEMESTER 2009 – 2010

**QUIZ - 2**

Course Code: MGTS C211  
Course Title: Principles of Management  
Duration: 20 minutes  
Name

Date: 25.11.2009  
Maximum Marks: 21  
Weightage: 100

ID No: Program: Section

**Note: Answer the following questions in not more than 5 words. Question No 1-19 are one mark each and Q. No. 20 is two marks.**

1. Official statement of what an organization says and what it wants its stakeholders to believe its goals are is called?

2. BCG Matrix was developed by whom?

3. Name the strategy adopted by business houses to handle critical problems related to organizational performance.

4. The type of plan comprising of a series of interrelated sequential steps that a manager uses towards structured problem

5. A plan specifically designed to meet the needs of a unique situation

6. Name the plan that guides the decision making of the managers in an organisation

7. What strategies are made at a business level to have a competitive advantage by minimizing overheads and wastes?

8. Name the strategy adopted by firms who wants to expand their horizon by combining with different but related industries.

9. Name the strategy that seeks to increase organization's business by expanding the number of products offered or markets served.

10. Name the strategy adopted by firms who wants to expand their horizon by combining with organizations in the same industry.

11. Strategies made to take care of long term goals of the organization by referring to the line of business are made at what level?

12. Name the plan that guides the actions by telling what to do and what not to do.

13. A competitive strategy made for a narrow market segment is called?

14. Which plan indicates the expected future results in numeric terms?

15. What is the strategy applied by an organization when it continues to serve the same customers with same product or service without any change in the market and sustaining the return on investment?

16. Name the strategy through which the firm makes an attempt to gain control over its inputs.

17. What is the strategy used when a situation of organizational weakness and performance decline is observed?

18. What does SBU stand for?

19. Name the firms having high anticipated growth rate and low market share in a BCG Matrix.

20. Mention the conditions when a company is named Cash Cow in a BCG Matrix

a.

b.

**BITS, PILANI – DUBAI**  
**2<sup>nd</sup> Year, FIRST SEMESTER 2009 – 2010**

**QUIZ - 1**

Course Code: **MGTS C211**  
Course Title: **Principles of Management**  
Duration: **20 minutes**

Date: **25.10.2009**  
Maximum Marks: **24**  
Weightage: **100**

Name

ID No:

Program:

Section

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**Instructions: Answer the following questions in not more than 5 words.**

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1. What is the main focus of the Classical view of social responsibility?
2. The employee who brings the unethical behaviour of his peers to the notice of his superior is termed as what?
3. There are how many stages in the progression model of a firm's social responsibility?
4. Social Obligation refers to a firm engaging in social actions to meet what?
5. Which Nobel Laureate argues that manager's primary responsibility is to operate business in the best interests of stock holders?
6. When an organization is socially responsive, its main focus is on ends or means?
7. An organizational decision to modernize the plant on the eve of obsolescence of existing technology and availability of new improved technology is a programmed or non-programmed decision?
8. What is the main focus of the socio-economic view of social responsibility?
9. A formal statement of an organisation's primary values and the ethical rules it expects employees to follow is called what?
10. Decision making is just a simple act of choosing among alternatives. Do you agree? Say yes or no?
11. Our ability to process information is limited by number of factors, say, for example time and cost constraints. This is known as what?

12. Programmed decisions are taken for what type of problems?
13. Individual Value System that define right and wrong behaviour is referred as what?
14. Mention any two stakeholders for an organization apart from shareholders?
  - a.
  - b.
15. Decisions taken mostly at the lower management level are known as?
16. What is the first step in a decision making process?
17. Settling down for *good enough* solutions is known as what?
18. Decisions that require custom made solutions are called what?
19. What type of decision maker always tries to maximize outcomes?
20. A decision situation where the outcomes of alternatives are partly known is called what?
21. Channel 9 organized a campaign of collecting donations for the flood victims of Andhra Pradesh is an example of the organisation's social responsibility or social responsiveness or social obligation?
22. Eveready India has to take a decision to start its new plant either in Thailand or in Indonesia where the political situations have become so volatile that Eveready is not able to gather full information in generating the alternative courses of action and evaluating them. What this decision situation is called?
23. Under what type of decision situation a manager can make accurate decisions?

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