



UNIVERSITY OF COLOMBO, SRI LANKA

UNIVERSITY OF COLOMBO SCHOOL OF COMPUTING

DEGREE OF BACHELOR OF INFORMATION TECHNOLOGY (EXTERNAL)

Academic Year 2016 – 3rd Year Examination – Semester 5

EN5101: Fundamentals of Management

15th May, 2016

(TWO HOURS)

Important Instructions :

- The duration of the paper is **02 (Two) hours**.
- The medium of instructions and questions is English.
- The paper has **40 questions** and **9 pages**.
- All questions are of the MCQ (Multiple Choice Questions) type.
- All questions should be answered.
- Each question will have 5 (five) choices with **one or more** correct answers.
- All questions will carry equal marks.
- There will be a penalty for incorrect responses to discourage guessing.
- The mark given for a question will vary from 0 to +1 (*All the correct choices are marked & no incorrect choices are marked*).
- Answers should be marked on the special answer sheet provided.
- Note that questions appear on both sides of the paper.
If a page is not printed, please inform the supervisor immediately.
- Mark the correct choices on the question paper first and then transfer them to the given answer sheet which will be machine marked. **Please completely read and follow the instructions given on the other side of the answer sheet before you shade your correct choices.**

1. "Many new managers expect to have power, to be in control and to be personally responsible for departmental outcomes. The nature of management is to motivate and coordinate others to cope with diverse and far-reaching challenges. Managers set up the systems and conditions that help other people perform well." Which of the following statements best explains the meaning of management?

- (a) Management is the process of managing financial resources.
- (b) Management is the art of getting things done through others.
- (c) Management is the system of managing organizational deficiencies.
- (d) Management is the way of carrying out jobs and duties to satisfy owners of a business.
- (e) Management is the efficient way of planning, organizing, leading and controlling resources to achieve organizational goals.

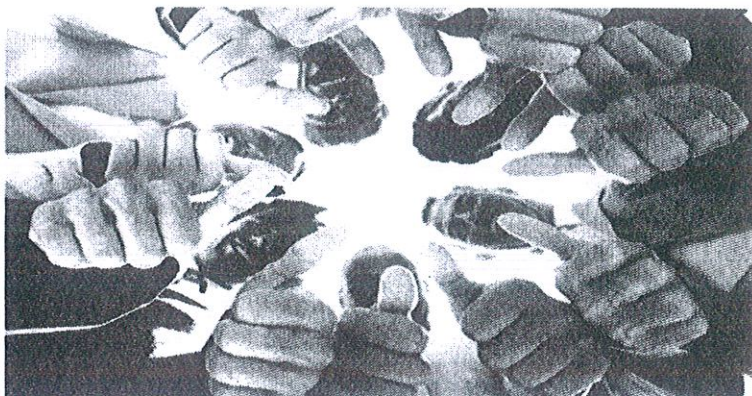
2. Mr. Perera as a manager is responsible for the functional management of an organization. He is supposed to coordinate the tasks belonging to a single functional department and have employees with similar training and skills. The possible managerial position(s) that could be held by Mr. Perera according to these information is/are illustrated by the position(s)

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| (a) Chairman. | (b) Chief Executive Officer. | (c) Managing Director. |
| (d) Marketing Manager. | (e) Finance Manager. | |

3. A General Manager of an organization in an interview mentioned that its Chief Executive Officer (CEO) more connected with the effectiveness of the business which to be on the right track in the right time. The term "effectiveness" is considered to be

- (a) doing the things right.
- (b) doing the right thing.
- (c) the ability to optimise the use of resources.
- (d) minimizing the cost of production.
- (e) achieving organizational goals.

4. The presence of successful managers could resemble the following photograph.



Hence, successful managers are the people who

- (a) control workers.
- (b) motivate workers towards the achievement of organizational goals.
- (c) ensure that activities conform to standards.
- (d) set time tables and work schedules.
- (e) initiate changes towards the achievement of organizational goals.

5. "The workplace of today is different from what it was 50 years ago, indeed, from what it was even 10 years ago. Yet today's managers find that some ideas and practices from the past are still highly relevant relevant." The early historical trends in management are represented by

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| (a) systems thinking. | (b) the classical perspective. | (c) collaborative innovation. |
| (d) the humanistic perspective. | (e) the contingency view. | |

6. Through the years, Henri Fayol began to develop what he considered to be the 14 most important principles of management. Essentially, these explained how managers should organize and interact with staff. In 1916, two years before he stepped down as director, he published his "14 Principles of Management" which are also known as "Administrative Principles." Fayol's "14 Principles" was one of the earliest theories of management to be created, and remains as one of the most comprehensive. Some of his principles of management refer to

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| (a) division of labour. | (b) command people. |
| (c) remuneration of staff. | (d) control people behaviour. |
| (e) unity of direction. | |

7. With similarity to the French meaning 'leave alone', it is a special kind of leadership style which allows employees to carry out activities freely within broad limits. It differs from most other kinds of leadership styles in that employees are able to behave independently and make their own decisions, rather than coming together on an agreed course of action. For example, small entrepreneurial teams manage and lead local enterprise offices. These teams are decentralized and make many decisions on their own. However, this leadership style can have drawbacks. Some employees might not be able to motivate themselves or make the right decisions alone. Therefore, individuals within enterprise teams work to corporate guidelines for dealing with customers. Staff also receive regular training and feedback. The style of leadership elaborated in this paragraph is mostly applicable to

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| (a) consultative leaders. | (b) autocratic leaders. |
| (c) authoritarian leaders. | (d) Laizess-faire leaders. |
| (e) democratic leaders. | |

8. Your management style is strongly influenced by your beliefs and assumptions about what motivates members of your team. If you believe that team members dislike work, you will tend towards an authoritarian style of management. On the other hand, if you assume that employees take pride in doing a good job, you will tend to adopt a more participative style over them. The two ends of managerial behaviour backed in this scenario has theoretically been presented by

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| (a) Abraham Maslow. |
| (b) Douglas McGregor. |
| (c) Max Weber. |
| (d) Fredrick Hertzberg. |
| (e) Henri Fayol. |

9. The General Motor's transitional CEO and Chairman, Edward Whitacre faced a tough situation and was trying to restore the newly reorganized company's profitability so that it could end government ownership. By the end of his brief tenure, the company had returned to profitability and begun the process of returning to private ownership. Therefore, the uniqueness of each situation to management is emphasized in
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| (a) scientific management. | (b) contingency view. |
| (c) systems approach. | (d) quantitative approach. |
| (e) humanistic approach. | |
10. In considering which cultural values are important for the organization, managers consider the external environment as well as the company's strategy and goals. The best strategy to deal with a flexible environment using an external approach is the
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| (a) consistent culture strategy. |
| (b) involvement culture strategy. |
| (c) adaptable culture strategy. |
| (d) achievement culture strategy. |
| (e) defensive strategy. |
11. A plan is a blueprint for goal achievement and specifies the necessary resource allocations, schedules, tasks and other actions. The three levels of plans of an organization are primarily guided by its
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| (a) strategic goals. |
| (b) tactical goals. |
| (c) mission. |
| (d) structure. |
| (e) departments. |
12. A well-known method used to execute plans is/are
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| (a) have corporate plan. |
| (b) have management by objectives. |
| (c) have financial plans. |
| (d) have HR plans. |
| (e) have contingency plans. |
13. Effective leaders know that there is not one best way to manage people. Instead, they adapt their style according to the development level of the people they are managing. The "one-best-way" to management was suggested by
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| (a) the Classical approach. |
| (b) the Humanistic approach. |
| (c) Henri Mintzberg. |
| (d) the Contingency approach. |
| (e) the Systems approach. |

14. Strategic planning is an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working towards common goals, establish agreement around intended results and assess and adjust the organization's direction in response to a changing environment. Therefore, strategic planning focuses on

- (a) the short-term view of the organization.
- (b) the big picture about the organization.
- (c) the long-term view of the organization.
- (d) the performance of only for-profit organizations.
- (e) the competitive advantage of an organization.

15. Which of the following managerial roles represent informational roles?

- (a) Leader, monitor, entrepreneur
- (b) Liaison, entrepreneur, disturbance handler
- (c) Figurehead, leader, liaison
- (d) Monitor, disseminator, spokesperson
- (e) Figurehead, spokesperson, entrepreneur

16. The most suitable organizational structure for a diversified company is

- (a) Market Structure.
- (b) Mixed Structure.
- (c) Product Structure.
- (d) Divisional Structure.
- (e) Functional Structure.

17. Which of the following statements is/are **TRUE** for the position of a contemporary manager?

- (a) A contemporary manager needs to act in an autocratic manner to control behaviour of employees.
- (b) A contemporary manager is supposed to develop only the technical skills for performing the tasks belonging to his or her functionality.
- (c) A contemporary manager is supposed to develop multi skills in order to help improve the organizational performance.
- (d) While analysing the environment, a contemporary manager is responsible to initiate changes towards gaining a competitive position to the organization.
- (e) A contemporary manager is expected to be static in response to the changes happening in the environment.

18. Which of the followings is/are presenting a grand strategy of an organization?

- (a) Cost leadership strategy
- (b) Production strategy
- (c) Market growth strategy
- (d) Finance strategy
- (e) Liquidation strategy

19. The quality improvement of an organization on a continuous basis by focusing on all aspects of its business refers to
- (a) strategic management.
 - (b) benchmarking.
 - (c) reengineering.
 - (d) total quality management.
 - (e) company-wide quality management.
20. A popular method used by managers to analyze the business environment is
- (a) SWOT analysis.
 - (b) Cost analysis.
 - (c) Market analysis.
 - (d) Customer analysis.
 - (e) Sales analysis.
21. There have been many situations, however, where McDonalds has adapted its product in order to match religious laws and customs in a country. For example, in order to match the needs of the people in India, McDonalds serves Vegetable McNuggets and a mutton-based Maharaja Mac. India is a nation comprised of Hindus, who do not eat beef, Muslims, who do not eat pork, and Jains, who refuse to eat meat of any kind. This is a perfect example of McDonalds' sensitivity to other cultures and a way in which it integrated itself, as a brand, into those special markets. Overall, the McDonalds' business strategies are concerned with
- (a) mass marketing.
 - (b) market standardization.
 - (c) market penetration.
 - (d) product market integration.
 - (e) product standardization.
22. Which of the needs introduced by Maslow is/are represented by the Alderfer's 'Growth' needs?
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| (a) Physiological need | (b) Esteem need |
| (c) Love and belonging need | (d) Self-actualization need |
| (e) Social need | |
23. Out of the following, which one (s) is/are considered to be the attribute (s) of modern management?
- (a) Virtual teams
 - (b) Hierarchical structure
 - (c) Flat structure
 - (d) Mass production
 - (e) Management by slogans
24. Which of the following is/are an element (s) of the task environment of a business organization?
- (a) Management
 - (b) Political dimension
 - (c) Employees
 - (d) Ecological dimension
 - (e) International dimension

25. Out of the followings, select the element (s) that belongs to the culture of an organization.

- (a) Organization's structure
- (b) Organization's values
- (c) Organization's assumptions
- (d) Organization's leadership
- (e) Organization's strategies

26. The strengths of an organization are represented by its

- (a) competent management.
- (b) competitors' reactions.
- (c) motivated staff.
- (d) rigid structure.
- (e) external environment.

27. Developing adaptive strategies considering multiple scenarios by an organization can result in

- (a) strategic partnership.
- (b) strategic flexibility.
- (c) strategic alliance.
- (d) strategic feasibility.
- (e) strategic mapping.

28. The Grand strategy of an organization is represented by its

- (a) political tactics.
- (b) product development strategy.
- (c) recruitment strategy.
- (d) training and development strategy.
- (e) operational strategies.

29. An organization's reason for existence is communicated by its

- (a) vision.
- (b) mission.
- (c) strategic goals.
- (d) operational goals.
- (e) structure.

Fill in the blank in the following sentence.

30. ----- is a popular method used to execute plans.

- (a) Management by command
- (b) Management by objectives
- (c) Lean manufacturing
- (d) Total quality management
- (e) Management by slogans

31. Which one of the following is not an example for a programmed decision?

- (a) Inventory control
- (b) Monitoring employee attendance
- (c) Machine maintenance
- (d) Product development
- (e) Procurement

32. "Goals are known and problems are precisely defined." This is an assumption of the

- (a) Classical decision making model.
- (b) Normative decision making model.
- (c) Administrative model.
- (d) Bounded rationale model.
- (e) Political model.

33. The process of decision making starts with

- (a) diagnosis and analysis of causes.
- (b) evaluation and feedback.
- (c) recognition of decision requirements.
- (d) development of alternatives.
- (e) selection of the best alternative.

34. The unity of command principle is violated in the

- (a) functional structure.
- (b) divisional structure.
- (c) matrix structure.
- (d) geographical structure.
- (e) market structure.

35. "Leaders are born not made" is emphasized in the

- (a) traits approach to leadership.
- (b) behavioural approaches to leadership.
- (c) situational approach to leadership.
- (d) modern approaches to leadership.
- (e) great man theory of leadership.

Fill in the blank.

36. ----- identified the 'initiating structure' and 'consideration' dimensions of leadership.

- (a) Michigan study
- (b) Ohio study
- (c) Iowa study
- (d) Fred Fiedler
- (e) Hersey and Blanchard

37. Most business leaders have lost sight of what motivates people at work. In fact, some companies have not updated their management practices in years, which means that they are incapable of creating high-performing organizations. "What motivates people" is well answered by the

- (a) hierarchy of needs theory.
- (b) content theories of motivation.
- (c) process theories of motivation.
- (d) two-factor theory.
- (e) expectancy theory.

38. The emergency room of a hospital requires many different employees to properly treat patients. From highly-skilled to minimally-skilled employees, each function of the emergency room must be fully operational and run smoothly. In order to avoid problems that may occur in the emergency room, it is important that the hospital management hire the right people, inspect and test equipment regularly and have enough capital resources to manage any medical emergency that may come their way. All these as a whole refer to

- (a) financial control.
- (b) feedback control.
- (c) output control.
- (d) feed-forward control.
- (e) cultural control.

39. Fill in the blank.
..... is an important aspect of decentralized control in organizations.

- (a) Absorption costing
- (b) Structural control
- (c) Open-book management
- (d) Budgetary control
- (e) Supervisory control

40. With the downturn of the economy experienced in 2009, Toyota was rethinking whether to continue its "no layoffs of permanent employees." Toyota was considering cutting more than 1,000 full-time jobs in North America and the United Kingdom to cope with faltering global demand. The reduction of workforce considered by Toyota is identified in the contemporary managerial practice as

- (a) benchmarking.
- (b) downsizing.
- (c) outsourcing.
- (d) empowerment.
- (e) refreezing.
