



**STRATHMORE INSTITUTE
DIPLOMA IN BUSINESS MANAGEMENT
END OF SEMESTER EXAMINATION
DBM 1201/DE 1202: FUNDAMENTALS OF MANAGEMENT**

DATE: 29th April, 2022

Time: 2 Hours

Instructions

1. This examination consists of **FIVE** questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.
3. Do not write on the question paper.

QUESTION 1 (Part 1)

Smart Manufacturers Ltd has been trying to save money by having a single accounting department, a single sales department and a single marketing department support all its divisions which include, the computer division, electronics division and automobile division as opposed to before where each division had their own accounting, sales and marketing departments

- a. Identify their new organisation structure. (2 marks)
- b. Describe the main aspects of this type of structure. (4 marks)
- c. Describe 3 benefits of this type of structure. (6 marks)
- d. Describe 2 disadvantages of this type of structure. (4 marks)

Question 1 (Part 2)

Smart Manufacturers Ltd would also like to further reduce its manufacturing costs by cutting down wastage and improving production in its factory. The factory mostly employs temporary casual workers who are mostly assigned different jobs every day. The casual employees do not seem to be very motivated. The previous consultant had suggested offering the casual employees free membership in the company owned golf club but this does not seem to motivate them.

- a. On behalf of Smart Manufacturers Ltd, analyse the factory situation for the company and why they might be experiencing production challenges (4 marks)
- b. Using specific concepts from this class advise the company on ways to cut down wastage and improve production in its factory. (4 marks)
- c. The company is also wondering why the advice from the previous consultant did not work in motivating employee. (2 marks)
- d. Using specific concepts from this class advise the company on some steps they can take to motivate the factory employees. (4 marks)

QUESTION 2.

- a. Describe an example where a closed sub system might be useful. (3 marks)
- b. Art-café and Java have been engaged in a fierce competition for customers in a crowded food industry. What type of environment are they operating in? (3 marks)
- c. How can Art-café and Java stay relevant and survive in this type of environment? (3 marks)
- d. Explain the meaning of a cybernetic system. (3 marks)
- e. Illustrate an example of a cybernetic system in an organisation. (3 marks)

QUESTION 3.

Corona Solutions, a biotechnology making covid-19 vaccines, has been experiencing a bad period of decline lately. Customers are complaining that they are getting non-consistent and varying vaccines from the company that seem to be different with each supply. The manager is wondering why this could be happening since the company has hires qualified microbiologist professionals and then allowed each of them to use their education to decide on the best way to make the vaccines. He has put very little processes and procedures that the employees must follow because he assumed these employees are competent.

- a) Using your knowledge from this class, identify and explain two things that Corona Solutions might be doing wrong. (4 marks)
- b) Advise the company on some steps they could undertake to correct the problems you have identified. (4 marks)
- c) Advice the manager on his leadership style and how he can correct it. (4 marks)
- d) Are there any potential downsides to your recommendations above? (3 marks)

QUESTION 4.

- a. In your own words describe corporate governance. (3 marks)
- b. In your own words describe corporate culture. (3 marks)
- c. List 3 factors that affect corporate culture. (1mark MAX 3 marks)
- d. Describe 2 types of corporate culture and their aspects/characteristics. (3 marks each MAX 6 marks)

QUESTION 5.

- a. Using Vroom's expectancy theory; explain employee motivation? (3 marks)
- b. What is expectancy? (2 marks)
- c. What is instrumentality (2 marks)
- d. What is valence (2 marks)
- e. Using concepts from this class, contrast the leadership style between the two generals from the movies "a bridge over river Kwai" give a specific example in each case. (6 marks)