



**Strathmore**  
UNIVERSITY

**STRATHMORE INSTITUTE  
DIPLOMA IN ENTREPRENEURSHIP  
DIPLOMA IN PROCUREMENT  
END OF SEMESTER EXAM  
DE 1306, DPR 1205: FUNDAMENTALS OF MANAGEMENT**

DATE: 17<sup>th</sup> December 2018

Time: 2 Hours

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**Instructions**

1. This examination consists of **FIVE** questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.

**QUESTION ONE (30 marks)**

- a) You have been appointed as the new Manager of Strathmore University Cafeteria and you have a desire to do things differently. Carry out a SWOT analysis of the business unit and recommend FIVE strategies for growth. (12 marks)
- b) Discuss the application of scientific management approach by Frederick Taylor in modern organizations (8 marks)
- c) You have been appointed an assistant manager of a local bank. Although the bank pays the employees well you notice that the staff are demotivated and performance level is low. Suggest FIVE non-financial ways of motivating staff to improve performance. (10 marks)

**QUESTION TWO (20 marks)**

- a) Explain FOUR importance of the Control function of management in a tour company. (10 marks)
- b) Employees are regarded as the most important resource in an organization yet complex to manage. Discuss FOUR reasons why this is the case. (10 Marks)

**QUESTION THREE (20 marks)**

- a) Management by Objectives (MBO) is a process whereby the Manager and subordinates of an organization jointly identify the common goals, define each individual results expected, and use them as guides for assessing the contribution of each of its members. Explain FIVE reasons why implementation of MBO sometimes fail. (10 marks)
- b) Discuss any FIVE external environmental factors that affect the management of organizations in Kenya. (10 marks)

**QUESTION FOUR (20 marks)**

- a) Organization structure can determine the success of an organization. Explain any FIVE factors that are considered when designing organization structures. (10 marks)
- b) “Successful leaders in business are born” Discuss this statement using your knowledge of the theories of leadership. (10 marks)

**QUESTION FIVE (20 marks)**

Distinguish between the following terms used in management.

- a) Private Company and public company (5 marks)
- b) Authority and accountability (5 marks)
- c) Span of control and chain of command (5 marks)
- d) Job enlargement and job enrichment (5 marks)