



Strathmore
UNIVERSITY

STRATHMORE INSTITUTE OF MATHEMATICAL SCIENCES
BACHELOR OF SCIENCE IN ACTUARIAL, FINANCIAL ENGINEERING AND
FINANCIAL ECONOMICS
SPECIAL EXAMINATION
BSG 3101: PRINCIPLES OF MANAGEMENT

DATE: 3rd April 2024

Time: 2 Hours

Instructions

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

Question One

Read the article on XYZ Company and answer all the questions asked on it below.

XYZ is an international firm. It consists of 7 divisions doing business in specialty chemicals, petrochemicals, fertilizers and agricultural chemicals, paints, oil, pharmaceuticals and plastics. It is a British firm with a large market presence in this country and Europe and smaller markets in many other countries. Over the last few years, XYZ has been recording a dismal performance. There has been a drastic decline in earnings as a result of several factors: a poor world economy, the fall of commodity chemical prices and a rise in operating expenses.

However, an unfocused response to these outside factors also contributed to the problems. In the current structure, each board member is responsible for a separate division dealing with a specific type of product. Each board member plans for the future of his division and tries to persuade other members to support it. Each member has a vested interest in seeing his or her division receive substantial funds and the chance to pursue goals that may or may not be consistent with the goals of other divisions of the organizations as a whole.

XYZ just appointed a new chairman who suggested examining the current structure and functioning of the board of directors as the first step in solving the problems.

Source: Britannica, The Editors of Encyclopaedia. "Imperial Chemical Industries PLC". Encyclopedia Britannica, 10 Apr. 2018

Required:

- a) In view of the situation faced by XYZ, identify two merits and two demerits of the current organization structure and recommend a suitable organisation structure that would help the company solve its problems **(10 marks)**
- b) Identify four elements in XYZ's external environment that are likely to be most important to the company. **(4 marks)**
- c) To manage organizations effectively, managers require effective control system. Identify and explain three main control systems which the managers of XYZ may use to monitor and accomplish tasks in the organization. **(3 marks)**
- d) Explain the drawbacks of control systems identified in (c) above ? **(3 marks)**
- e) Explain ways in which the managers of XYZ may apply motivation theories to achieve effective performance by employees in the organization **(10 marks)**

(Total 30 marks)

Question Two

Google is a global organization that is the most popular search engine on the Internet today. Google's organizational objectives dictate that user's experiences are paramount. Google values their talent and have aggressive and very detailed processes of recruiting and on boarding staff. Google is now a leading Search engine globally.

- a) Discuss strategies Google should use to continually disseminate their culture to future generations who join the organization. **(5 marks)**
- b) Discuss the model of National Culture by Hofstede and explain how these values will continue to influence Google as it continues to internationalize. **(10 marks)**

(Total 15 marks)

Question Three

- a) Define conflict and explain two views of conflict. **(6 marks)**
- b) Effective management decisions must pass through the bottlenecks or barriers to communications prior to achieving desired results. Critically discuss this statement **(5 marks)**
- c) Explain how an organization can overcome resistance to change? **(4 marks)**

(Total 15 marks)

Question Four

- a) KK Ltd is a multi-national company that has recently launched its operations in your country. The company wants to immediately conduct research to devise the most suitable ways of going global
- (i) Discuss Four options that KK could use to go global **(8 marks)**
- (ii) Highlight the 3 basic styles of leadership that the managers of KK Ltd may subscribe to when leading their teams. **(3 marks).**
- b) Group formation takes time, and each stage is characterized by several activities. Discuss Four stages of group formation. **(4 marks)**

(Total 15 marks)

Question Five

- a) Explain ways in which a manager may apply motivation theories to achieve effective performance by employees in an organization **(6 marks)**
- b) Explain Three Contemporary issues in managing Human Resources in modern organizations **(3 marks)**
- c) The ideas and concepts of management thought as conceptualized by Max Weber crystallized to what came to be known as bureaucratic system. Discuss Weber's propositions and discuss their applicability in today's organizations. **(6 marks)**

(Total 15 marks)