



STRATHMORE INSTITUTE
DIPLOMA IN BUSINESS CREATION AND ENTREPRENEURSHIP
END OF SEMESTER EXAMINATION – AL JAMEA
DE 1306: FUNDAMENTALS OF MANAGEMENT

DATE: December 6th 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.

Work is Worship' is a leading construction company. The organization has grown from strength to strength because of its innovative ideas. All the operations and activities were carefully observed and the standard time taken to perform them noted down. Now the company could find out the amount of workers required and the number of days to be involved in the various manufacturing processes. In addition, they did a review of the products they produced and stopped manufacturing the products that were not selling well and thus eating in to the company's profits. They also considered the amount and frequency of rest intervals in finishing a particular task. This helped the company in optimizing the rest intervals for the workers so that their output could be increased. In addition, they ensured all the workers had the proper safety equipment and gear needed to perform their work. The company also set a standard wage rate for each task accomplished. This led to a revolutionary change in the perspective of the workers who now started giving their full efforts in order to increase their wages. Workers who consistently exceeded expectations were rewarded with recognition, bonuses, expanded responsibilities and even promoted to higher positions. To avoid monotony and boredom; Workers were allowed to rotate their jobs after a while to learn new techniques, ideas and skills.

- a) Using examples from the case above, identify and describe the concept of scientific management (4 marks)
- b) Using examples from the case above, identify and describe two advantage of scientific management (4 marks)
- c) Using examples from the case above, identify and describe the hygiene Factors principle of Hertzberg and why it is important (4 marks)
- d) Using examples from the case above identify and describe the Motivators factors principle of Hertzberg and why it is important (4 marks)
- e) Using examples from the case above identify and distinguish between efficiency and effectiveness (4 marks)
- f) Using examples from the case above identify and describe the three aspects of vroom expectancy theory (10 marks)

QUESTION 2.

- a) In your own words define the term Organisation (2 mark)
- b) What is the meaning of organisation as an open system? (3 marks)
- c) Describe 2 types of sub-systems in an organisation (4 marks)
- d) Describe 3 leadership tactics taught in class that you observed from the movie “The Bridge of the river Kwai” (6 marks)

QUESTION 3.

Big Dreams Company has grown in size from a small business of 5 employees selling cooking oil. They now have 100 employees and have expanded their business to include: selling real estate, selling used cars and they have recently bought a company manufacturing utensils. The owners are feeling overwhelmed by this growth and have approached you for help.

- a) What type of organizational structure would you recommend to the company for their expanded business so it doesn't overwhelm them (4 marks)
- b) Clearly explain to them two advantages of your recommendations above (6 marks)
- c) Explain to them two potential disadvantages of your recommendations above (5 marks)

QUESTION 4.

Rohan and Amit are working in the purchase department of a company. Rohan is the brother-in-law of the managing director of the company whereas Amit has been recruited from an external source. They both have been performing below average for the last couple of months. Many people in the organization talk about their lack of responsibility. When the managing director of the company came to know about their irresponsible behaviour, he immediately suspended Amit but did not take any action against Rohan.

- a. Identify and describe two principle of Max Webber (bureaucracy) which has not been followed by the managing director in the above case (6 marks)
- b. Art-café and Java have been engaged in a fierce competition for customers in a crowded food industry. What type of environment would you say they are 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 and why it is important (3 marks)

QUESTION 5.

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)