



STRATHMORE BUSINESS SCHOOL
BACHELOR OF SUPPLY CHAIN MANAGEMENT
END OF SEMESTER EXAMINATION
SCM 1101: PRINCIPLES OF BUSINESS MANAGEMENT

DATE: Wed, 30th October 2024

TIME: 13:00 – 15:00

Instructions

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

SECTION A (Compulsory Question for 30 marks)

QUESTION ONE

Samsung Electronics Co., Ltd. is a South Korean multinational major appliance and consumer electronics corporation founded on 13 January 1969 and headquartered in Yeongtong-gu, Suwon, South Korea. Samsung has a product-type divisional organizational structure where products determine how resources and business operations are categorized. Samsung consists of three product divisions: consumer electronics, IT & mobile communications, and device solutions. The company has a Regional Team based in South Korea with the CEO and various Vice Presidents in charge of the 3 product divisions.

They seek to grow their market share in the East African market following the inroads made by Apple Inc. Their business model entails identifying a company that can be the main receiver of their products in bulk and then that company sources for agencies to help them move their products. This operations model allows for each individual country to make its own decisions and have some level of authority. Samsung Ke the franchised company has a CEO and 3 Heads of Department reporting to the CEO. The CEO was taken through a rigorous recruitment process based on talents being sought by the Regional office. This process was outsourced to an external recruitment and head hunting firm in South Africa. They have organised a senior managers retreat to design a strategic plan and identify the strategic priorities for the year. The Vice President of IT& Mobile communications from South Korea has flown in to attend the meeting and share experiences as well as align the outcomes of the retreat to the Regional office strategic focus for the region. The Vice President has been selected since the East African Region offers an opportunity for growth in mobile communications and IT

The Samsung Ke CEO wants all the Heads of Department to feel part of this process and encourages them to all contribute their views for the Strategic Plan. The Heads of department has each gathered information from their supervisors and first line managers. The CEO and his Heads of department will communicate the strategic retreat outcomes to their other lower managers to define short term goals and activities for the agencies.

Required:

- (a) What are the **FOUR** main functions of Management and give examples for each on how they are carried out at Samsung **(4 Marks)**
- (b) Management expert John Kotter says that “Management and Leadership are different though managers are required to be leaders”. Identify the **FOUR** things Leaders do in this case and the Leadership style of the Samsung Ke CEO. **(6 Marks)**
- (c) Identify the different levels of management and the decisions that fall under each **(6 Marks)**
- (d) Name **FOUR** roles Ethics will play in Samsung’s sustainability management practise **(4 Marks)**
- (e) Identify and describe **THREE** Historical Management Perspectives and **THREE** Management Theories **(10 Marks)**

SECTION B (Choose any TWO questions for 20 marks each)

QUESTION TWO

Delegation is a way of sharing responsibility and decision making in an Organisation

- (a) Name **FOUR** barriers to delegation **(4 Marks)**
- (b) Identify **THREE** factors that affect managers making effective decisions and use examples for each **(9 Marks)**
- (c) What is the difference, using examples, between Centralised and Decentralised Authority **(2 Marks)**
- (d) Name **FIVE** benefits to an Organisation of planning **(5 Marks)**

QUESTION THREE

Peter Drucker argues that “Management is neither a science nor an art but a practise”

- (a) What is the difference between a science, art and a practise **(3 Marks)**
- (b) Describe **FOUR** benefits of training and development in Management **(4 Marks)**
- (c) Name any **FOUR** forms of Organizational design. Using one of them list **TWO** advantages and demerits of the selected Organization design. **(8 Marks)**
- (d) “Leadership and Management are different”. What makes them different and identify **TWO** functions that fall under each **(5 Marks)**

QUESTION FOUR

In 1982, seven people in Chicago died after taking Tylenol due to an unknown suspect lacing the capsules with cyanide after the products reached the shelves. In the immediate aftermath, Tylenol's commanding 37% market share dropped to just 7% nationwide, despite the problem being contained to the Chicago area. Tylenol was not responsible for the tampering of the product, but to maintain the product's reputation, Johnson & Johnson pulled all of the Tylenol from the shelves, absorbing a loss of more than \$100 million dollars. Tylenol was successfully reintroduced with tamper-resistant packaging, discounts, and sales presentations to the medical

community. The brand survived due to swift action and effective public relations from Johnson & Johnson.

- (a) What decision needed to be made in this case **(2 Marks)**
- (b) What is ethics and name the **FOUR** Habits of Ethical Excellence **(5 Marks)**
- (c) What **FIVE** factors will affect the management of Johnson & Johnson's ability to effectively communicate their decision **(5 Marks)**
- (d) Discuss **ONE** challenge of making decisions in a Centralised authority Organization structure **(3 Marks)**
- (e) What is an Organogram and identify **THREE** benefits of having one in an Organisation **(5 Marks)**

QUESTION FIVE

As Head of Operations you are confronted by Peter and Dianne who are in your team but don't seem to get along well. The disagreement is on how best to send in a report with each expressing divergent views. Peter is not going to back down on his demands while Dianne feels intimidated by Peter's tone and opts to silently refuse to cooperate.

- (a) Name the **TWO** conflict management styles in this case. **(2 Marks)**
- (b) Describe **TWO** pros and cons of each of these conflict management styles. **(8 Marks)**
- (c) What role does Negotiation play here and Identify **THREE** negotiation skills you could use as manager to resolve this conflict. **(5 Marks)**
- (d) Name **FIVE** benefits of developing the talents of the two employees **(5 Marks)**