



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

DATE: 16th September, 2021

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 (30 Marks)

Company **Vroom and Webber Tools** operates a manufacturing plant in the outskirts of the city. Temporary casual workers manually assemble tools. The workers have to figure out for themselves the best and quickest way to make and assemble these parts. Wages for all employees are the same even though some employees take longer than others to finish their jobs do. They have also been experiencing high production cost due having a very large work force. The Management has also noticed a lack of job satisfaction and motivation among the workers despite paying them good wages and offering a clean working environment. Tylor and Herzberg Tools have approached you as a management consultant for recommended solutions

- a) Using the principles learnt in this class, Explain Three possible causes for high production cost (6 marks)
- b) Using the vroom's theory explain to the company why they are experiencing motivation problems (4 marks)
- c) Using the 2 factors theory explain to the company why they are experiencing motivation problems (4 marks)
- d) Propose two solutions to help fix their high cost of production (4 marks)
- e) Propose two solutions to help fix their Staff Motivation Problems (4 marks)
- f) Illustrate to the management of the company how they can borrow lesson from science and phycology to improve their company's situation (4 marks)
- g) Using principles learnt in class Illustrate to the management of the company how they can create a culture of hard work and reliability(4 marks)

QUESTION 2 (15 Marks)

- a. Describe an example where a closed sub system might be useful (2 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? (2 marks)
- c. How can Art-café and Java stay relevant and survive in this type of environment? (2 marks)
- d. Describe the **storming** and **norming** stages of Group formation and development and some of the attributes(4 marks)
- e. Using the movie “ The Founder” as your reference point, illustrate an example of a adaptive sub- system (5 marks)

QUESTION 3 (15 Marks)

Company ABC has been trying to save money by having a single accounting, a single sales and a single marketing support all the other departments like school of accounting, school of law and school of tourism as opposed to before where each department 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 (3 marks)
- c) Describe 3 benefits of this type of structure (6 marks)
- d) Describe 2 disadvantages of this type of structure (4 marks)

QUESTION 4 (15 Marks)

- a. Describe corporate governance as it relates to organisations (3 marks)
- b. Describe corporate culture as it relates to organisations (3 marks)
- c. List 3 factors that affect corporate culture (3 marks)
- d. Describe 2 types of corporate culture and their aspects/characteristics (6 marks)

QUESTION 5 (15 Marks)

The Management of XYZ Company, which operates an on-line business, has noticed a lack of job satisfaction and motivation among its senior level managers despite each manager having the comfort of working from their own homes unlike the casual workers who have to work in the warehouse. The factory workers on the other had seem quite happy with the XYZ offer to open a free cafeteria at the factory even though they can only eat up to a maximum of Ksh 200. In an effort to boost productivity and morale among the senior managers, XYZ has decided to increase wages by 5%, give them new work laptops and pay for faster internet connection to their houses.

- a) Using your knowledge from this class, Explain to XYZ if their solution for senior managers will work (5 marks)
- b) How do you recommend they fix the issues you have identified in (a) above? (5 marks)
- c) Using your knowledge from this class, explain to XYZ why the factory workers seem to be more motivated than the senior managers despite XYZ not increasing their wages and only offering Ksh 200 meals? (5 marks)