



STRATHMORE UNIVERSITY BUSINESS SCHOOL

BACHELOR OF FINANCIAL MANAGEMENT AND

BACHELOR OF SUPPLY CHAIN MANAGEMENT

END OF SEMESTER EXAMINATION

BCM 1103/SCM 1101: PRINCIPLES OF BUSINESS MANAGEMENT

DATE: 22, December 2021

TIME: 3 Hours

INSTRUCTIONS:

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

Question One

Wahito was having a discussion with Kairo about Henry Fayols 14 principles of management and their application in today's management. Wahito felt they are just historical principles that trace the evolution of management thought. Kairo however was of the opinion that some of them are still very relevant in today's management. What they seemed to agree on was that there are many organizations today that are organized using bureaucratic form of management. They also agree that too many controls in organizations may at times stifle creativity of staff.

Required

- a) Explain the extent of application of Fayols Principles of Managements in today's management (10 marks)
- b) Critically analyze the bureaucratic form of management in today's environment (10 marks)
- c) Explain five characteristics that good control systems share (10 marks)

(Total 30 marks)

Question Two

Maryaa and Effie, two first year students of Bachelor of Financial Services were having a discussion about planning in modern organizations one afternoon during the COVID 19 Pandemic period. Maryaa felt that there is no need of too much planning because most organizations strategic plan have had to be re-done to survive this period. Effie however argued that a Pandemic is not the norm and while emergent strategies are important those firms that fail to plan actually plan to fail.

Required

- a) Explain five importance of planning in modern organizations (10 marks)
 - b) Explain five reasons why strategic plans may fail in modern organizations (10 marks)
- (Total 20 marks)

Question Three

- a) Explain five macro- factors that may affect the decision making of managers in large manufacturing firms (10 marks)
- b) Explain four factors that may hinder delegation of authority in modern organizations (8 marks)
- c) Explain two skills according to Robert Katz important at the top level management (2 marks)

(Total 20 marks)

Question Four

Kiangochi Ltd is dairy company incorporated in Kenya. It has been deteriorating in performance in the last two financial periods with the last income statement showing a 5% drop from the previous year. The company has a strategic plan and they try to minimize their threats and weaknesses and maximize their opportunities and strengths. The CEO however admits that he sometimes struggles with this approach because it is never evident to him what that means. They have consulted you to help them break down the meaning of SWOT analysis and develop for them a plan that would help them realize a growth in profits of 10% for this financial year 2022.

Required

- a) Suggest and explain to Kiangochi Ltd a tool that they can adopt to do a thorough SWOT analysis (10 marks)
- b) Prepare a plan for Kiangochi Ltd that may help them realize a 10% increase in profits for the financial year ending 2021 (10 marks)

(Total 20 marks)

Question Five

- a) Explain five contributions of Hawthorne experiment to today's management (10 marks)
- b) State and explain five roles of a manager that are crucial in running a modern manufacturing firms (10 marks)

(Total 20 marks)

