



**NATIONAL SCHOOL OF BUSINESS MANAGEMENT**

**UGC-BSc. in Management Information Systems (Special) – 19.2/20.1**

**UCD- BSc. (Hons) in Management Information Systems – 19.2/20.1**

**Year 02 Semester 01 Examination**

**03<sup>rd</sup> June 2021- 0900AM to 1230PM**

**IS201.3 – Business Studies**

**Instructions to Candidates**

- 1) **Part A is Compulsory. Answer any three (03) questions from Part B.**
- 2) **Time allocated for the examination is three (03) hours and 30 minutes  
(Including downloading and uploading time)**
- 3) Weightage of Examination: 60% out of final grade
- 4) Download the paper, provide answers to the selected questions in a word document.
- 5) Please upload the document with answers (Answer Script) to the submission link before the submission link expires
- 6) Answer script should be uploaded in PDF Format
- 7) Under any circumstances E-mail submissions would not be taken into consideration for marking. Incomplete attempt would be counted as a MISSED ATTEMPT.
- 8) The Naming convention of the answer script – Module Code\_Subject name\_Index No
- 10) You must adhere to the online examination guidelines when submitting the answer script to N-Learn.
- 11) Your answers will be subjected to Turnitin similarity check, hence, direct copying and pasting from internet sources, friend's answers etc. will be penalized.

## **PART A- Compulsory Question**

A. Read the case study and answer the given questions

(25 marks)

Aneesha Fernando is an owner of a small-scale production chain of five car dealerships in Australia. Part of her business is to sell both brand-new cars and second-hand cars. The other half of her business is to provide service and repair facilities to her customers. She started her business twelve years back with only four employees who did the repairing work at a garage located in one of the urban areas. Currently, she is running her business with more than 100 workers and her ventures are spread across six prominent cities. Each site of her has a general manager, with a head of sales and a head of servicing and repairs underneath them.

Mrs. Fernando can be seen as a leader but depends heavily on the six experienced site managers. They have routine operational control of the business and Mrs. Fernando monitors their work and keep a careful track on their performance at each site. Performance is checked against previous periods and site to site. She is a woman who can make tough decisions, for example, few years back she terminated one of the managers who was working in the entity for 24 months (about 2 years) when his site was consistently underperforming compared to the other sites in the group.

It was yet a very tough decision for Mrs. Fernando. She sees herself as a 'people's person', and she strongly believes in team working. Individuals working under her are encouraged to develop their own capabilities with a heavy emphasis on staff training and empowerment. The employees are encouraged to make decisions on their own. Sometimes, mistakes are made because of lack of direction and guidance, but Mrs. Fernando believes that it is an inevitable part of taking up responsibilities. A survey which was conducted in the previous year depicted that 92% of the employees at work are motivated.

Every week she conducts a meeting with the six site managers, her 'board of directors' as she likes to call them. Everything regarding the operation of the business is discussed at these meetings. Mrs. Fernando expects her site managers to be honest even though there can be conflicts of opinions on how to develop the business. It is Mrs. Perera who must make the final decision, but she ensures that she listens to the other opinions prior to making her decisions.

01. State the leadership style adopted by Mrs. Fernando? Justify your answer briefly. (07 marks)

02. Briefly contrast in between leadership and management (10 marks)

03. Analyze the arguments for and against Mrs. Fernando adopting the leadership style mentioned in question 01. (08 marks)

B. Answer the following questions.

(15 marks)

- i. Briefly state and explain the main decisions in financial management. (07 marks)
- ii. Assume that you deposited Rs. 3000 to the bank. Determine the value of your investment after 7 years if,
  - a. The annual simple interest rate is 15% (02 marks)
  - b. The annual compound interest rate is 15% (02 marks)
- iii. Based on the answer for the above question, state the ideal way to invest? Why? (04 marks)

**(Total- 40 marks)**

**PART B- Answer ONLY three (03) questions**

**Question 01**

- A. Explain the factors and forces in the task environment and give examples for each factor considering an organization in the education Industry of Sri Lanka. (06 marks)
- B. "Organizations should focus on satisfying the shareholders of an entity". Do you agree with this statement? Justify your answer using Carroll's four-part model. (08 marks)
- C. "Managers can be divided into various levels in the organization and each level of managers should generate various plans in order to achieve the vision of the entity and sustain the competitive advantage in the market". Explain the different levels of managers and the types of plans according to the organizational level. (06 marks)

**(Total- 20 marks)**

**Question 02**

- A. Amal and Kamal decided that they are going to start a handicraft manufacturing entity by investing Rs. 100,000 each. After few years, their products had a good demand and therefore they hired more employees to their team and expanded it to an entity that has 2 production centers with 100 employees each.
  - i. Identify and briefly explain the type of business organization according to the 3 different criterions. (03 marks)
  - ii. Identify the type of business organization according to the ownership criteria and state 4 advantages and 4 disadvantages of such an organization. (02 marks)
- B. "Proper arrangement of tasks, duties and responsibilities helps to break down a whole task into components that can be fulfilled by an individual, ultimately facilitating the extent of specialization. Specialization can be escalated using different methods." Explain the alternatives for specialization. (07 marks)
- C. "Management is an ongoing process" Do you agree with this statement? Justify. (08 marks)

**(Total- 20 marks)**

**Question 03**

- A. Assume that you are the operations manager of Sanchi Soft drink manufacturing entity. On 31st May 2018, the sales revenue was 1,500,0000. The cost of a soft drink bottle is Rs. 100 and the sales is done with a profit margin of 15%. On 1<sup>st</sup> June 2018, the sales of the entity is forecasted to increase by 10% every 6 months. But with the Covid-19 pandemic outbreak and the climatic changes from 1<sup>st</sup> December 2020 to 1<sup>st</sup> June 2021, the entity was only able to generate a sales revenue of Rs. 2,000,000. Apply the given situation to the controlling process and derive 3 possible corrective actions to the respective situation. (10 marks)
- B. "Fred Fiedler stated that a leaders' effectiveness would depend on the respective situation." Use the eight-octant continuum and elaborate the Fiedler's Contingency Model. Explain how the model helps a leader to identify the leadership style that needs to be used in different situations. Use examples (hypothetical/real) where appropriate. (10 marks)

**(Total- 20 marks)**

**Question 04**

- A. "Operations can be identified as the process of transforming raw materials into finished products". State and elaborate the four main characteristics of an operations process. (10 marks)
- B. It is vital that all the managers in an organization carries out responsibilities related to human resources despite of the business function or field they are specialized in. Assume that you are the IT manager of a well-renowned software manufacturing entity in Sri Lanka and explain the HR responsibilities you will have and to what extent. (10 marks)

**(Total- 20 marks)**

*-END OF THE PAPER-*