

**UGANDA MARTYRS UNIVERSITY**  
**FACULTY OF BUSINESS ADMINISTRATION AND**  
**MANAGEMENT**

**PRINCIPLES OF MANAGEMENT**  
**(SUPPLEMENTARY/ SPECIAL)**

**Examination**

**2013 - 2014**

**BAM I**

**Date: 13/ 08/ 2014**

**Time allowed: 3 hours**

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**Instructions**

- Do not write anything on the question paper
  - Attempt four questions in all
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## **Question One (Compulsory)**

*Carefully read the case study and answer the following questions.*

Carrotaid company is located 5 kms from Kampala along Jinja road. It has 500 employees. For the past five years the performance of this company has been going down due to a number of factors. Juliana is convinced that she can turn round the company.

Following a benchmarking exercise, Julian, the Chief Executive Officer (CEO) of Carrotaid Company, a food manufacturer, decided that several changes were required in order to maintain competitiveness. These included:

- A change in structure in order to improve the focus on expertise on particular products and customers;
- Tighter control of costs;
- An introduction of a new accounting package (Exquil); and
- The introduction of a more entrepreneurial culture

Having decided that these changes were necessary, Juliana sent an mail to all heads of departments indicating that during the following few months, the company would move from functional structure to a divisional structure. Existing functional heads would be interviewed for senior posts in the newly created divisions in open competition with other applicants. The job specifications for the new divisional heads included a requirement that the new heads would drive the changes, including a rapid transition to a more entrepreneurial culture and the implementation of new control mechanisms to contain costs.

Of recent, Juliana had also visited a highly performing organization, which was using an accounting software called Exquil. She was excited at the ease this package was facilitating the work of the Accountant Department in that organization. Because she was convinced that this package would be appropriate for Carrotaid Company she immediately procured it at shillings 20,000,000/=. Actually this was a good deal since the going market price for the package was 30,000,000/=. She also bought 3 new Mac computers (Formerly the company was using dell computers).

Juliana put the changes of the programmes in the hands of the head of the human resources and Accounts Departments respectively and went off on a two-week overseas business trip asking that she be informed of the progress.

When the CEO returned from her business trip, she found that no progress had been made towards the changes she had requested.

The head of human resources informed her that heads of departments were reluctant to discuss the intended changes and that some had even talked about resignation from the company. The Accounts department on their part had installed the packages on the Mac computers but had made no further efforts to learn even the slightest step of the package.

(a). Describe the key mistakes made by Julianna in the way she went about introducing the proposed changes in Carrotaid Company. **(12 marks)**

(b) Given the situation on Julianna's return, advise her on what she should do in order to ensure that the changes can be successfully implemented. **(13 marks)**

### **Question Two**

(a). One aspect of a manager's role according to Fayol is that of control. Briefly explain the importance of control. **(5 marks)**

(b). Explain the essential features of a control system. **(20 marks)**

### **Question Three**

Unless the planner understands the differences between strategic as opposed to tactical decisions, the planning process is likely to be ineffective and ambiguous. Discuss this statement. **(25 marks)**

### **Question Four**

When Edward taught the topic "the evolution of management thought", Janet was so bored by it. She commented,

*"... he bored me stiff... We want to study current and relevant theories of management, not simply to tell us stories of contributors to management. We are not historians. We want to be modern and dynamic managers. He should stop telling us the old stuff."*

a. Explain to Janet the importance of history of Management. **(10 marks)**

b. Pick 3 theories and show how they are relevant in today's modern management. **(15 marks)**

### **Question Five**

A person's source of power and authority will highly influence his /her style of leadership. With examples discuss this statement. **(25 marks)**

### Question Six

Ben had to make a decision about whom he would select to manage the new department. This department is faced with serious competition because of homogeneous products on the market. They need to design products, which will out-compete the available products on the market and possibly rebrand some.

There are three candidates; Peter, Patricia and Pamela.

Peter is a natural leader who makes decisions on his own, he doesn't tolerate time wastage in discussions and takes responsibility for the outcome. He often has great and inspirational ideas.

Patricia has a different leadership style. She tends to get more input from her employees about decisions and has grown in her leadership over time. In fact she mentioned that her leadership classes had greatly helped her.

A third candidate, Pamela, seems to let her employees make all the decisions, rather than having the courage to stand on her own. She has a very high sense of humour and is quite social.

The success of this new department was critical, and therefore, the person leading it was just as important. If only s/he could aggressively face the competition and also see into the future...

- a) Basing on his/her leadership style, whom would you choose and why? **(5 marks)**
- b) In which kind of organization would Pamela fit? Explain with an illustration. **(10 marks)**
- c) Give the advantages and disadvantages of Pamela's style of leadership. **(10 marks)**