



UNIVERSITY OF COLOMBO, SRI LANKA

UNIVERSITY OF COLOMBO SCHOOL OF COMPUTING

DEGREE OF BACHELOR OF INFORMATION TECHNOLOGY (EXTERNAL)

Academic Year 2014/2015 – 2nd Year Examination – Semester 3

IT3404: Business Management (Repeat 1)

PART 1 – Multiple Choice Question Paper

11th July, 2015

(ONE HOUR)

Important Instructions :

- The duration of the paper is **1 (One) hour**.
- The medium of instructions and questions is English.
- The paper has **25 questions** and **5 pages**.
- All questions are of the MCQ (Multiple Choice Questions) type.
- All questions should be answered.
- Each question will have 5 (five) choices with **one or more** correct answers.
- All questions will carry equal marks.
- There will be a penalty for incorrect responses to discourage guessing.
- The mark given for a question will vary from 0 to +1 (*All the correct choices are marked & no incorrect choices are marked*).
- Answers should be marked on the special answer sheet provided.
- Note that questions appear on both sides of the paper.
If a page is not printed, please inform the supervisor immediately.
- Mark the correct choices on the question paper first and then transfer them to the given answer sheet which will be machine marked. **Please completely read and follow the instructions given on the other side of the answer sheet before you shade your correct choices.**

1. Which of the following is/are **not** treated as a major traditional function(s) of the Management Process?

(a) Planning	(b) Organizing	(c) Forecasting	(d) Motivating	(e) Controlling
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2. Which of the following job position(s) represent(s) the senior management of an organization?

(a) Production Manager	(b) Chief Executive Officer	(c) Managing Director
(d) Marketing Manager	(e) Human Resource Manager	

3. “Efficiency” means

(a) doing the things right.	(b) doing the right thing.	(c) ability to optimise the use of resources.	(d) enhancing the quality of products.	(e) achieving organizational goals.
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4. Effective leaders

(a) punish subordinates.	(b) inspire subordinates to achieve goals.	(c) mentor and coach followers.	(d) set time tables and work schedules.	(e) act as change agents.
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5. When a product is launched at a low price in order to sell-out massively in the market, it is called

(a) Market penetration.	(b) Market promotion.	(c) Skimming pricing.
(d) Sales promotion.	(e) Market skimming.	

6. What is/are the assumption(s) about a free-market economy?

(a) Firms seek to maximize profits	(b) Government mostly intervene to control prices
(c) Consumers seek to get the best value for money	(d) Workers seek to maximize their wages
(e) Allocation of resources is always followed by plans	

7. Leaders who tend to take part their subordinates in the decision making process are

(a) leaders using ‘telling’ style.	(b) autocratic leaders.
(c) authoritarian leaders.	(d) Laizess-faire leaders.
(e) democratic leaders.	

8. Which of the following is/are correct with regard to the Accounting Equation?
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| (a) Total Assets = Total Liabilities
(b) Total Assets = Total Liabilities + Equity
(c) Fixed Assets = Long-term Liabilities + Current Liabilities + Current Assets + Equity
(d) Fixed Assets + Current Assets = Long-term Liabilities + Current Liabilities + Equity
(e) Fixed Assets + Current Assets = Current Liabilities + Long-term Liabilities |
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9. Administration overhead is consisted of
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| (a) factory overhead.
(c) bonuses for employees.
(e) cost of advertising. | (b) interest costs.
(d) salaries for employees. |
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10. Which of the following lead(s) to decrease the Gross Profit margin?
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| (a) Increase of opening stock
(b) Increase of closing stock
(c) Decrease of cost of sales
(d) Increase of sales
(e) Decrease of manufacturing overhead |
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11. Which one of the followings is/are not a determinant of the demand of a product?
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| (a) The price of the good
(b) The prices of the substitute goods
(c) The disposable income of the household
(d) The demand of the complementary goods
(e) The production subsidies given by the government |
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12. A Statement of Financial Position (Balance Sheet) presents a business organization's
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| (a) financial performance.
(b) financial position.
(c) position of financial liabilities.
(d) cash flow position.
(e) fixed asset position. |
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13. The "one-best-way" to management was/were suggested by
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| (a) Neo-classical approach.
(b) Scientific Management.
(c) F.W. Taylor.
(d) Contingency approach.
(e) Classical approach. |
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14. Which of the following do/does represent owner's equity, non-current assets, current assets, non-current liabilities, and current liabilities in the correct order?
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| (a) Cash at bank, land and building, trade creditors, trade debtors, profits
(b) Capital, Pre-paid expenses, land and buildings, trade creditors, bank loan
(c) Pre-payments, land and buildings, capital, bank loan, salary payable
(d) Furniture and fittings, cash at bank, profits, pre-paid expenses, wages payable
(e) Capital, land and buildings, pre-paid expenses, bank loan, salary payable |
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15. Which of the following managerial roles do represent Interpersonal roles?
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| (a) Leader, monitor, entrepreneur
(b) Liaison, entrepreneur, disturbance handler
(c) Figurehead, leader, liaison
(d) Figurehead, negotiator, resource allocator
(e) Figurehead, spokesperson, entrepreneur |
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16. The suitable organizational structure(s) for a Multinational Corporation operates in Sri Lanka is/are
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| (a) Divisional Structure. (b) Functional Structure. (c) Product Structure.
(d) Market Structure. (e) Mixed Structure. |
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17. Which of the following statement(s) is/are **TRUE** for the position of a today's Human Resource (HR) Manager?
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| (a) HR Manager mainly plays a consultative role compared to other line managers of the organization.
(b) It is also to perform a strategic role by the HR Manager in a today's organization.
(c) The other managers of the organization should refrain from consulting the HR Manager.
(d) Unlike other managers of the organization, the HR Manager should not bother about non-HR activities of the organization.
(e) In addition to his normal job, the HR Manager is responsible for partnering with other business managers too. |
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18. Which of the following statement(s) is/are **TRUE** about the forces for a company operating in the telecommunications industry in Sri Lanka?
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| (a) The threat of substitutes is high.
(b) The bargaining power of suppliers is low.
(c) The rivalry among the companies is very high.
(d) The threat of new entrants is low.
(e) The bargaining power of customers is high. |
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19. The quality improvement of an organization on a continuous basis by focusing on all aspects its business refers to
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| (a) strategic management.
(b) benchmarking.
(c) reengineering.
(d) total quality management.
(e) company-wide quality management. |
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20. What is/are the suitable strategy(ies) for a Sri Lankan Ceramic company which may be now about to close-down its business?
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| (a) Diversification strategy
(b) Product differentiation strategy
(c) Market expansion strategy
(d) Merger strategy
(e) Harvest strategy |
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21. Modern multinational business strategy(ies) is/are more concerned with
- (a) mass marketing.
 - (b) market standardization.
 - (c) market penetration.
 - (d) product market integration.
 - (e) product standardization.
22. Which of the need(s) introduced by Maslow is/are represented by the Alderfer's 'Growth' needs?
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|-----------------------------|-----------------------------|
| (a) Physiological need | (b) Esteem need |
| (c) Love and belonging need | (d) Self-actualization need |
| (e) Social need | |
23. Which one(s) of the following is/are considered as the attribute(s) of excellent management?
- (a) Closer to customers
 - (b) Management by walking around
 - (c) Financial performance
 - (d) Managerial command
 - (e) Managerial control
24. Which of the following is/are an/element(s) of the macro environment of a business organization?
- (a) Management
 - (b) International dimension
 - (c) Competitive dimension
 - (d) Ecological dimension
 - (e) Labour force
25. Which of following select the element(s) that belongs to the structure of an organization?
- (a) Task specialization
 - (b) Organizational values
 - (c) Organizational policies
 - (d) Departmentalization
 - (e) Coordination
