



# MANIPAL INSTITUTE OF TECHNOLOGY

MANIPAL

(A constituent unit of MAHE, Manipal)

## VII Semester B. Tech. End Semester Examination December 2018 (Make-Up)

SUBJECT: ESSENTIALS OF MANAGEMENT [HUM 4001]

Date of Exam: 24/12/2018 Time of Exam: 2 pm to 5 pm Max. Marks: 50

### Instructions to Candidates:

- ❖ Answer ALL the questions and missing data may be suitably assumed.

- 1A. In Shell Ltd. all the employees take things easy and are free to approach anyone for minor queries and problem. This has resulted in everyone talking to each other and thus resulting in inefficiency in the office. It has also resulted in loss of secrecy and confidential information being leaked out. What type of communication do you think the Manager should adopt in this case? Explain the different types of communication that take place in organizations. 4
- 1B. With the help of suitable examples, explain the concept of Corporate Social Responsibility of an organization. 3
- 1C. Explain the three types of control with relevant examples. 3

- 2A. Seattle's Theo Chocolate specializes in the "divine". The cocoa that the chocolate maker harvests to produce its delicious candy bars comes from a tropical evergreen known as *Theobroma cacao*—translated literally, "food of the gods." The heavenly flavor that resides in the plant's cacao pods helps sustain the worldwide confectionery industry, and Theo is one of the newest companies to master the art of cacao cultivation.

Founded in 2006 by Joseph Whinney, Theo Chocolate prides itself on being the first organic and Fair Trade Certified chocolate maker in the United States. In addition to producing world-class chocolate, Theo integrates ethical standards throughout its entire business, all the way from the cocoa farm to the candy rack.

When Theo first started its production, the company offered an exotic line of dark chocolate and milk chocolate bars and truffles. These early treats had unusual names such as Coconut Curry, the 3400 Phinney Bar, and Bread & Chocolate. Moreover, the bars were wrapped in artistic watercolor packaging with whimsical cover designs. Theo's launch garnered accolades from critics and organic food consumers alike, in part because of the company's creativity and sustainable business model.

But selling chocolate to foodies and green consumers didn't add up to the high volume that Joe Whinney and his management team hoped to achieve. In addition, Debra Music, Theo's vice president of sales and marketing, began noticing barriers to mainstream acceptance of Theo's products. In particular, Theo's flavors and product

names were too funky for mass appeal, and wrapper designs were so artistic that customers were confused about what was inside the packaging. Managers knew something had to be done.

"When we looked at our numbers and realized we were not growing at the rate that we thought we should, and that in certain markets we were struggling," Music remarks, "we decided to apply some science to what we were doing." The marketing executive's research turned up some possible solutions.

"We found that we needed to be selling in places where people wanted just a milk chocolate bar" Music said. "Our products were a little bit intimidating, so we decided to rein that in and create a much more accessible product line."

Founder Joe Whinney began working on a new strategy—one based around the company's ultimate goal. "The overall goal is that we would like Theo to be the most loved chocolate company in the world," said Whinney. But since widespread appeal is rare for exotic products, Theo's founder had to go back to the drawing board. "When we decided to alter course and make more accessible products, we looked at market data for the first time, and we looked at what were the clear winners in the market," Whinney says. "We decided that consumers were choosing the winners already, so we designed products that we felt would meet consumers' expectations and allow us to stay true to our ethics and quality."

Since managers agreed that Theo needed a gateway product that would attract consumers more easily, the company started producing classic milk chocolate bars. Unlike the exotic bars produced at the company's launch, Theo's classic line included familiar taste combinations such as chocolate and mint, regular milk chocolate, and cherries and almonds. "We created a classic line that had more traditional flavors and that was in packaging that was easy for consumers to understand," says Whinney.

The end result is that Theo now offers two distinct product lines for two different market segments. The company boasts a Classic line of milk chocolate bars for mainstream customers, and it offers Fantasy Flavors for more adventurous eaters. Each line embodies the high quality and sustainability that make up the Theo brand. The strategy was a hit with consumers. "The growth was fairly dramatic," says Whinney. "We were able to access markets that we weren't able to before. In the Pacific Northwest we're the No. 1 selling chocolate brand in the natural and organic category—and we're the fastest growing in the top 10 across the country."

While some small businesses prefer niche markets, appealing to mainstream customers was consistent with Joe Whinney's belief that everyone should be able to enjoy Theo Chocolate. "We believe that everyone should have access to great chocolate, and so we wanted to make sure that we were responding to the marketplace, listening to what people really wanted, and then producing products that meet our goals and theirs as well."

If Theo maintains its current growth, Joe Whinney's goal of becoming the most loved chocolate company in the world may be more than just a dream—it could be divine destiny.

(Source: Management, Daft)

- i. Evaluate Theo's new strategy in light of the company's strengths, weaknesses, opportunities, and threats. 2
- ii. Using the BCG Matrix, explain Theo's decision to offer a classic line of chocolate bars after having limited success with Fantasy Flavour chocolates. 2
- iii. Which of the Porter's generic competitive strategies do you think is right for Theo Chocolate? Explain. 2
- 2B. Explain briefly the "Planning Process" with the help of a common example running through the steps. 4
- 3A. Draw an organizational chart of your choice and show line and staff managers. List the types of conflicts between them in their day to day working. 4
- 3B. Compare Maslow's and Herzberg's theories of motivation. 4
- 3C. List any four types of entrepreneurs according to the type of business and explain briefly. 2
- 4A. List the activities of Staffing. Explain any three main activities. 4
- 4B. Explain the steps in preparing a business plan with the help of a flow chart. 4
- 4C. List the features of "Theory Z". 2
- 5A. Most of the students from 7<sup>th</sup> semester got selected by various companies either for Internship or Placement. Mention any one Job Title. Design and develop the Job Description and Job Specification for the mentioned Job Title. 4
- 5B. What is Span of control? List any four factors affecting the span of control of a manager. Explain briefly how each factor affects the span. 3
- 5C. What is the necessity of setting critical point standards in managerial controlling? Explain any five types of critical point standards with proper examples. 3

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