

Department of Humanities and Management
MID TERM EXAM - HUM 3052 ESSENTIALS OF MANAGEMENT (SCHEME)

Q1. True or False? (With reference to Mintzberg's Managerial Roles)

- (a) In a disseminator role, the manager communicates to the wider community.
- (b) In a liaison role, manager makes contacts outside his/her vertical chain of command. (0.5)
 - 1. Both statements are true
 - 2. Only (a) is true
 - 3. **Only (b) is true
 - 4. Both statements are false

Q2. Through this management principle, Henri Fayol advises managers to show exemplary conduct, and warns them not to be tempted to abuse their powers for personal gain at the expense of the organization's general interest. Which management principle is described in the above statement? (0.5)

- 1. Order
- 2. **All options are wrong
- 3. Equity
- 4. Decentralization

Q3. True or False?

- (a) Generally, programs and budgets can be considered as examples for standing plans.
- (b) Policies are generally not considered as a single-use plan. (0.5)
 - 1. **Only (b) is true
 - 2. Both statements are false
 - 3. Both statements are true
 - 4. Only (a) is true

Q4. True or False? (With reference to steps in planning)

- (a) The assumptions on which alternatives are based are usually referred to as objectives.
- (b) Developing budgets is the penultimate step in planning. (0.5)
 - 1. **Both statements are false
 - 2. Both statements are true
 - 3. Only (b) is true
 - 4. Only (a) is true

Q5. Which of the following statements regarding planning and controlling is not true? (0.5)

- 1. Controlling standards are set during planning
- 2. Planning must precede controlling
- 3. **Controlling is a part of planning
- 4. They are interdependent functions

Q6. True or False? (With respect to SWOT Analysis)

- (a) Company X with good financial capabilities decides to acquire a promising start up company having a lower financial capability. This is an example of SO strategy.
- (b) A company decides to increase the price of its highly popular product to negate the increased goods service tax imposed by the government. This is an example of ST strategy. (0.5)
 - 1. Both statements are false
 - 2. Only (a) is true
 - 3. Only (b) is true
 - 4. **Both statements are true

Q7. Cost leadership as a strategy requires a firm to _____. (0.5)

- 1. **Aggressively search out efficiencies to maintain the lowest cost structure
- 2. Be unique in its product offering
- 3. Aim at a cost advantage in a niche market
- 4. Aim to be similar to its competition in all operations

Q8. Which of the following guideline is NOT true for MBO? (0.5)

- 1. Objectives should not be used to frighten and dominate people
- 2. The list of objectives should not be too long
- 3. **Objectives should be qualitative
- 4. Objectives should present a challenge, indicate priorities, and promote personal and professional growth and development

Q9. The form of organisation known for giving rise to rumours is called _____. (0.5)

1. Decentralised organisation
2. Formal organisation
3. Centralised organisation
4. ****Informal organisation**

Q10. Decentralisation is _____. (0.5)

1. ****Optional**
2. Compulsory
3. All answers are correct
4. None of the options are correct

Q11. Prof. Dr. Peter, from an Indian Engineering College (IEC), Mumbai attends an International conference, on Current Trends in Engineering Education, in Japan. During the conference, he speaks to many other participants about the way they design their curriculum in their countries and shares his views with them. Prof. Dr. Peter realizes that most of the colleges in other countries have introduced a concept of open electives in their curriculum. After coming back to IEC, he speaks to the college management and other heads of departments and convinces them about the benefit of introducing open electives concepts in the engineering curriculum. IEC introduces open electives in their curriculum and this move is widely appreciated by the students and also by the companies that come to IEC for placements.

Citing the lines from above case, state the managerial roles (sub-role and main-role) played by Prof. Dr. Peter (by referring to managerial roles by Mintzberg) at each stage. Define the sub-role played by Dr. Peter. (4)

Solution:

Citing from Case: During the conference, he speaks to many other participants about the way they design their curriculum in their countries and shares his views with them. MAIN ROLE: Information role SUB ROLE: Spokesman role	Marks can be deducted if CITING OF LINES is missing. 4 points * 1 mark each = 4 marks
Citing from Case: Prof. Dr. Peter realizes that most of the colleges in other countries have introduced a concept of open electives in their curriculum. MAIN ROLE: Information role SUB ROLE: Monitor role	
Citing from Case: After coming back to IEC, he speaks to the college management and other heads of departments and convinces them about the benefit of introducing open electives concepts in the engineering curriculum. MAIN ROLE: Information role SUB ROLE: Disseminator role	
Citing from Case: IEC introduces open electives in their curriculum and this move is widely appreciated by the students and also by the companies that come to IEC for placements. MAIN ROLE: Decisional role SUB ROLE: Entrepreneur role	

Q12. Three years ago Mr. Akarsh completed his degree in food processing. He worked for one year in a company manufacturing noodles, masala powders and pastas. He was not happy in the company and decided to have his own organic food processing unit for the same. He set the objectives and the targets and formulated action plan to achieve the same. One of his objectives was to earn 10% profit on the amount invested in the first year. It was also decided that raw materials like fruits, vegetables, spices etc. will be purchased on three months' credit from farmers cultivating organic crops only. He also decided to follow the steps required for marketing of the products through his own outlets. He appointed Ms. Keerthana as a production manager who decides the exact manner in which the production activities are to be carried out. Ms. Keerthana also prepared a statement showing the number of workers that will be required in the factory throughout the year. Mr. Akarsh informed Ms. Keerthana about his sales target for different products, area wise for the forthcoming quarter. While working on the production table a penalty of 100 rupees per day for not wearing the caps, gloves and apron was announced.

Question to be answered: Quoting lines from the above paragraph, identify any four types of plans discussed, and briefly explain. (4)

Answer:

1. Objectives: Objectives are the end results of the activities that-an organisation seeks to achieve through its existence. All other activities within the organisation are directed towards achieving these objectives. "One of his objectives was to earn 10% profit on the amount invested in the first year."	(any 4 points*1 mark each=4 marks)
2. Policy: A policy is a set of general guidelines that helps in managerial decision making and	

<p>action. <i>"It was decided that the raw materials like fruits, vegetables, spices, etc. will be purchased on three months credit from farmers cultivating only organic crops."</i></p> <p>3. Procedure: A procedure contains a series of specific steps to be performed in a chronological order to carry out the routine activities. <i>"He also decided to follow the steps required for marketing of the products through her own outlets."</i> <i>"The exact manner in which the production activities are to be carried out."</i></p> <p>4. Rule: A rule is a specific statement relating to the general norms in terms of Do's and Don't's that guide the behaviour of people. It commands strict obedience and a penalty is likely to be imposed on its violation. <i>"While working on the production table, a penalty of 100 per day for not wearing caps, gloves and aprons was announced."</i></p> <p>5. Budget: A budget refers to a financial plan that is expressed in numerical terms. <i>"Keerthana prepared a statement showing the number of workers different products for the forthcoming quarter."</i></p>	
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Q13. The shape of Manipal has changed drastically in the last 10 years with respect to food joints, shopping malls, and multiplexes. With the help of proper examples, explain how various business units in Manipal are using the three generic strategies given by Porter. (3)

Answer:

Students are expected to provide the explanation under 3 headings along with proper examples:

- (1) Overall Cost Leadership strategy
- (2) Differentiation strategy
- (3) Focused strategy

(3 points *1 mark each=3 marks)

Q14. In industries, you find as many as 15 sub-ordinates reporting to their team head and the team head is able to manage the sub-ordinates' work. In some of the departments of an engineering college, you find as many as 90 faculty members reporting to their head of the department (HOD) and HOD is able to manage the sub-ordinates' work. How is it possible? Discuss the answer with reference to Span of control and the factors affecting the span of control. (3)

Answer:

Span of Control: The maximum number of immediate subordinates reporting to one superior.

The optimal span of control is dependent on the following factors:

Communication techniques: Broader span is feasible if the manager can communicate effectively.

Kind of activity: If the activities are highly important and complicated, then small span is recommended.

Kind of organization: Centralized organization requires narrow span. Decentralized organization decisions are made at lower level and there is freedom of action.

Organizational level: If delegation of authority done at lower level, then we can have a wider span of control.

Subordinates training: Well-trained subordinate requires less time of supervisor. In this case a broader span is feasible.

Delegation of authority: If manager clearly delegates the authority, then a subordinate can get it done with a minimum superiors' time and attention.

Planning: Clear policies to guide decisions for the subordinates' result in fewer dependencies on superiors' time.

Rate of change: Dynamic industry calls for narrow span, if stable business, broader span.

Discussion on any 5 factors is required.
(2.5 marks)

Head of the department (HOD) is able to manage 90 faculty members' work for the following reasons:

The daily work done by the faculty members is more routine in nature, and, the faculty members are well trained in those routine matters. Faculty members are located at lower levels on the organization chart and the delegation of authority is more clear in engineering colleges when compared to industries.

(0.5 marks)

Q15. Officials from privately operated universities guide the respective colleges authorities generally while creating the departments and the structure, for its affiliated colleges. They indicate names of the departments and job titles specifically who should work in staff positions.

Using proper conventions, prepare the organization chart for the following description:

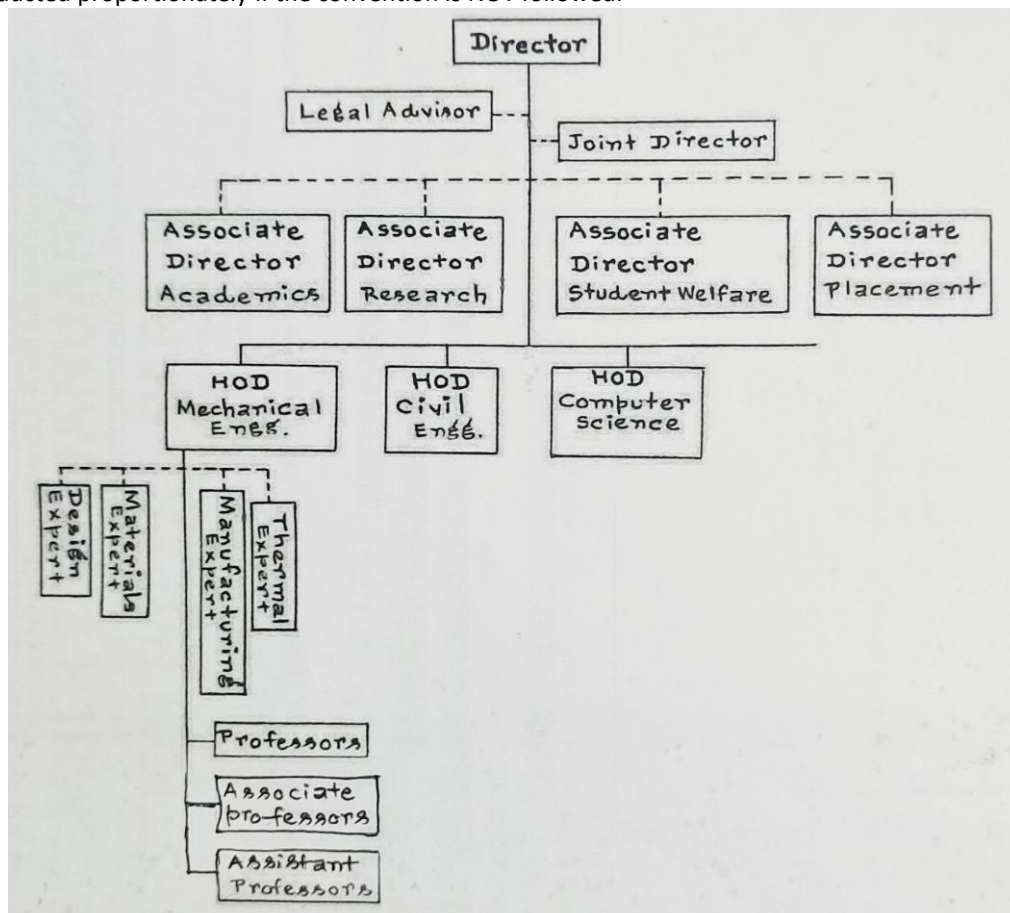
The Joint Director (JD) and Legal Advisor (LA) shall assist the Director of the institute. Similarly, Associates (ADs') – Academics, Research, Student Welfare, and Placement etc. shall also assist the Director in the next level. Head of departments from Mechanical Engineering, Civil Engineering, Computer Science etc. shall work in line positions and report directly to the Director. Faculty members with job titles 'professors, associate professors, and assistant professors' shall also work in line positions and report to the head in each of the departments. A group of experts shall assist the head in each of the teaching departments. (3)

Answer:

Line positions have to be shown using SOLID LINES only.

Staff positions have to be shown using DOTTED LINES only.

Marks can be deducted proportionately if the convention is NOT followed.



Q16: 'Systems Approach to Management' suggests the managers to consider the opinions/interests of the stakeholders of their organizations while performing their managerial functions.

List any three stakeholders in case of a manufacturing company and mention their interests in the organization and explain how would managers consider those interests while performing their core functions. (3)

Answer:

External Stakeholders: Customers, End consumers, Trade associations, Raw material suppliers, Logistic firms, Local community, Creditors, Government	Any three stakeholders' titles need to be mentioned.
Internal Stakeholders: Owners, Board of Directors, Managerial and non-managerial employees	
Customers. Stake: Product/service quality Employees. Stake: Employment income and safety Investors. Stake: Financial returns Suppliers and Vendors. Stake: Revenues and safety Community. Stake: Health, safety, economic development Government. Stake: Taxes and GDP	Any three stakeholders' interests need to be mentioned. (1.5 marks)
Managers have to consider the interests of all stakeholders and strike a balance while performing their functions.	
Planning: Managers set goals and objectives in various key result areas and develop appropriate strategies during planning. Managers plan their (i) production methods that help in bringing the prices of their products and services lower and (ii) marketing strategies that help in maximizing the economic gains. These attempts help in satisfying employees' as well as investors' expectations.	(1.5 marks)

Organizing: Managers (i) assign the tasks based on team members' skills and interests (ii) maintain harmony among the team members during organizing. These attempts help in satisfying **employees'** (internal stakeholders) expectations.

Staffing: Managers arrange training programmes to their team members that help in enhancing their performance. They appraise the performance of their subordinates holistically during staffing and the deserving candidates are given right benefits. Managers also provide benefits such as insurance plans to their team members. These attempts help in satisfying **employees'** (internal stakeholders) expectations.

Leading: Managers communicate the work instructions to their team members on a continuous basis, monitor their performance, motivate them to bring the best out of them. These attempts help in satisfying **employees'** (internal stakeholders) expectations.

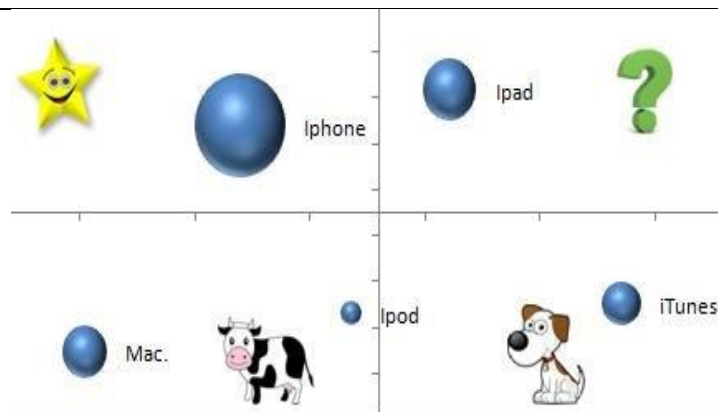
Controlling: Managers ensure the right quality products only are dispatched from their industry and those products do not harm the users (**consumers**) as well as **environment**. Managers prepare various budgets and ensure that the payments are made in time to their **suppliers**. Managers monitor pollution caused by their industry and ensure that the industry is operated in a safest manner that satisfy **government** norms. These attempts help in satisfying **employees', consumers', suppliers' and governments'** expectations.

Q17: Sketch and explain the four strategies resulting from a portfolio matrix. Place the products from Apple Company such as iPhone, Mac, iPad, iPod on the four segments of your Portfolio Matrix. (3)

Basic diagram showing portfolios on 4 quadrants (1 mark)

Brief Explanation on four portfolios. The four strategies are HOLD, BUILD, HARVEST & DIVEST (1.5 mark) Note : Consider the answer if students have written the strategies in similar words such as EXPANSION, DIVERSIFICATION, DICARD, CONTINUE.... Etc

Placing of Apple Company Products (any two correct answers) (0.5 marks)



Q18: Hyundai's Global Command and Control Centre (GCCC) have cameras strategically placed across its centres to monitor assembly lines. This helps identify problems and respond quickly. Identify and briefly explain the steps of the management function being implemented here using the above example. (2)

Answer:

The management function mentioned here is **controlling** (0.5 marks)

Steps involved in controlling have to be briefly explained (Theoretically or Pertaining to the case) (1.5 marks)