



Organizational Behavior and Analysis

Model Paper I

- 1 Which of the following is NOT a key feature of an organisation?
 - A. Controlled performance
 - B. Collective goals
 - C. Social arrangements
 - D. Creation of a product or service

- 2 Which of the following organisations is normally found in the public sector?
 - A. Schools
 - B. Charities
 - C. Clubs
 - D. Businesses

- 3 The public sector is normally concerned with:
 - A. making profit from the sale of goods
 - B. providing services to specific groups funded from charitable donations
 - C. the provision of basic government services
 - D. raising funds by subscriptions from members to provide common services

4 A Co is a company which specializes in forestry. It has recently purchased B Co, which runs a chain of recreational resorts. A has allowed B to build several new resorts on land which is owned by A, but which it is no longer able to use. The resorts have proven highly profitable and popular. Which of the following best explains the reason for the improved performance of the combined entity?

- A. Specialization
- B. Social interactivity
- C. Synergy
- D. Service

5 Which of the following statements regarding limited companies is correct?

- A. Public limited company have access to a wider pool of finance than partnerships or sole traders.
- B. Both public and private limited companies are allowed to sell shares to the public.
- C. Companies are always owned by many different investors.
- D. Shareholders are liable for any debts the company may incur.

6 Which of the following is a characteristic of ALL limited companies?

- A. It has a separate legal personality
- B. It must employ fewer than 20 people
- C. The directors must hold at least 50% of the shares
- D. The public must own the vast majority of the shares, the remaining shares being owned by the directors

7 Which of the following organizations would normally be classified as BOTH a not-for-profit organization AND a private sector organization? Select ALL that apply.

- A. Government departments
- B. Partnerships
- C. Charities
- D. Companies

8 'An organisation that is owned and democratically controlled by its members.' To which type of organisation does this definition relate?

- A. Charities
- B. Non-governmental organisations
- C. Co-operatives
- D. Private limited companies

9 Which ONE of the following statements is true?

- A. Partnerships offer the same benefits to investors as limited companies.
- B. Sole traders have no personal liability for business debts.
- C. Limited companies are classed as a separate legal entity; therefore, the shareholders are not personally liable for any debts of the business.
- D. A partnership can be made up of no more than 20 partners.

10 Which TWO of the following characteristics are NOT normally associated with a Non-Governmental Organisation (NGO)?

- A. Furthering humanitarian causes
- B. Championing social causes
- C. Making profits

D. Exercising independence

E. Government funded

F. Independent

G. Non-profit making

H. Explicit social mission

11 Non-political, not-for-profit, cause-orientated organisations drawn from more than one country are known as:

A. Strategic business units

B. Non-governmental organisations (NGOs)

C. Conglomerates

D. globalized networks

12 Which of the following statements regarding the entrepreneurial structure is correct?

A. It usually allows for defined career paths for employees

B. It often enjoys strong goal congruence throughout the organization

C. It can normally cope with significant diversification and growth

D. Control within the organization tends to be weak

13 Which of the following is a disadvantage of a functional structure?

A. A Lack of economies of scale

B. B Absence of standardisation

C. C Specialists feel isolated

D. D Empire building

14 Which of the following structures is best placed to address the need for co-ordination between different functions in very complex situations?

- A. Functional
- B. Divisional
- C. C Matrix
- D. D Geographical

15 Which of the following is a characteristic of a matrix structure?

- A. Built around the owner manager, who makes all the decisions
- B. Appropriate for small companies which have few products and locations and which exist in a relatively stable environment
- C. Structured in accordance with product lines or divisions or departments
- D. Requires dual reporting to managers, for example when a project team member has to report to a project manager as well as a head of his functional department

16 The following are attributes of either divisional OR functional structures. Which TWO of the following are features of the DIVISIONAL structure?

- A. Economies of scale are encouraged
- B. Encourages standardization of outputs and processes
- C. Adaptable if further diversification is pursued
- D. Senior managers are able to focus on strategic issues

17. Ho Co produces a variety of unrelated products including bicycles, furniture and electronics. H is aware that each of these products requires very different strategies and functions. H wishes to use a structure that will allow for each product to be managed separately, but wishes to minimize its overall administrative costs.

Which of the following organisational structures would be most appropriate for H Co to adopt?

- A. Divisional
- B. Entrepreneurial
- C. Functional
- D. Matrix

18 Which of the following structures results in a potential loss of control over key operating decisions and a reduction in goal congruence?

- A. Matrix
- B. Entrepreneurial
- C. Functional
- D. Geographic

19 In relation to organisational structures which of the following is the correct definition of the phrase 'span of control'?

- A. The number of employees that a manager is directly responsible for.
- B. The number of management levels in an organisational structure
- C. The number of levels in the hierarchy below a given manager
- D. The number of managers in the organisation

20 Which ONE of the following factors would tend to allow an organisation to develop a wide span of control?

- A. Highly skilled, motivated employees
- B. Employees spread over a wide geographical area
- C. Employees undertake complex, changing tasks
- D. Employees have low levels of motivation

21 G together. G is considering outsourcing the production of two of these components to an external company, though G would still assemble the final product itself.

Co manufactures a product which is made of four components which are then bolted

Which ONE of the following boundaryless structures will G most closely match if it proceeds with this arrangement?

- A. Hollow
- B. Virtual
- C. Modular
- D. Entrepreneurial