



NATIONAL OPEN UNIVERSITY OF NIGERIA
91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
JULY 2017 EXAMINATION
EXAM QUESTIONS

COURSE CODE: ENT 313. CREDIT UNIT: 2.
COURSE TITLE: CORPORATE PLANNING.
TIME ALLOWED: 2 HOURS.

Instructions:

- 1. Attempt Question 1 and any other two (2) Questions.**
- 2. Question 1 is compulsory and carries 30 marks while the other 2 Questions carry 20 marks each.**
- 3. Present all your points in coherent and orderly manner.**

QUESTION 1

GRACE UNDER FIRE

Boyd's Pyro Media started off as a manufacturer of huge ceramic glazed pots such as the ones you might see holding trees or plants in the lobbies of big hotels. Using her degree in art, Boyd herself initially made the high-quality glazed pots, which sold for about \$1,500 each. As her business grew to the point at which it had backorders of eight to 12 weeks, Boyd decided it was time to move to a bigger facility and invest in equipment and employees. She says, "We were in business making money and assumed that business was going to grow at the same rate it had been". Grace soon found, however, that Pyro Media's revenues didn't keep increasing by 30 per cent as they had been, but instead were dropping off. Upon investigating the situation, Boyd found out those huge corporations had begun importing and distributing terracotta planters, essentially stealing away her business.

Boyd knew that she had to do something. She had this equipment, this 56,000-square-foot facility, and employees who knew ceramics. She called in some consultants to see what other markets her business might pursue. Their study, which took about six months, recommended that Pyro media look into high-tech ceramic applications: in other words, using the same technology that Boyd had developed and used in making ceramic pots and applying it to a new area. On the basis of that information, Boyd hired a ceramics engineer and went after the ceramics "castables" market. The company's decision to move into this new market has been so successful that seven others have since joined the one engineer. Recognizing that business was falling off and analyzing the reason behind the loss of revenue was instrumental in Pyro Media's continued success. Boyd says that being able to recognize a problem is critical, especially for small businesses. Why? Because small businesses have no money to

waste and no time to waste. If problems are ignored and not analysed, the business might face quick failure.

- a) A decision to move into a new market as what Boyd's Pyro Media did is a major decision. How could Boyd have used the decision-making process to help her make this decision? **10 marks**
- b) Would you call declining revenues a problem or a symptom of a problem? Why? **10 marks**
- c) Do you agree with Boyd's assertion that being able to recognize a problem is critical, especially for small businesses? Why or why not? **10 marks**

QUESTION 2

- a) Differentiate between Strategic Plans and Operational plans. **4marks**
- b) Identify four (4) benefits of Management by Objectives. **4marks**
- c) Outline the steps involved in using Delphi Technique for forecasting. **12marks**

QUESTION 3

- a) Identify and discuss the universal doctrines upon which the practice of management is hinged on. **14marks**
- b) Identify and discuss the managerial roles in an organization. **6marks**

QUESTION 4

- a. State and explain the three conditions that a manager may face when making a decision? 10 marks
- b. Identify and explain the four phases of a creative process. 10 marks

QUESTION 5

- a. With the aid of a diagram describe the benchmarking process. **10 marks**
- b. Critically discuss the differences between an Operating Budget and a Master Budget. **10 marks.**