

EASTERN UNIVERSITY SRI LANKA  
FACULTY OF COMMERCE AND MANAGEMENT  
FIRST YEAR FIRST SEMESTER EXAMINATION IN BACHELOR OF BUSINESS  
ADMINISTRATION HONS/ BACHELOR OF COMMERCE HONS– 2018/2019  
PROPER/REPEAT (January / February 2022)

MGT 1024 Principles of Management

**Part II**

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- Q1). a). *“Management is universal in the modern industrial world and there is no substitute for good management.”*

Based on the above statement explain the term “Management” and explain its nature in the competitive environment.

(08 Marks)

- b). *“Organization as a group of two or more people working together in a structured fashion to attain set of goals. Objectives are specific statement of anticipated result that further defines the organization’s goals.”*

Based on the above statement explain the reasons why objectives are important for organizations.

(06 Marks)

- c). *“Organization environment is a collection of all factors within the control of individual business and beyond the control of individual business, these environmental factors may affect different parts of the organization in different ways because different parts interact with their relevant environmental factors differently. Each organization must assess its own unique situation and then react according to the wisdom of its senior management.”*

Based on the above statement identify and explain the ways in which organization react to their environment.

(06 Marks)

(Total 20 Marks)

- Q2). a). *“Planning is the process of setting goals, developing strategies, and outlining tasks and schedules to accomplish the goals.”*

Based on the above statement identify and explain the different techniques of planning.

(08 Marks)

- b). *“Planning is the process of setting goals, developing strategies, and outlining schedules to accomplish the goals. Planning is problem solving for the future in a changing environment. As more and more changes take place in the external business environment, planning becomes more important and more difficult.”*

In view of the above statement explain the process of planning that facilitates managers to make decisions and solve problems, focusing on current decisions will lead to future results.

(08 Marks)

- c). *“Just as there are different kinds of decisions, and different conditions in which decisions must be made.”*

Based on the above statement, explain the different conditions that affect the decision-making process in an organization with appropriate examples.

(06 Marks)

(Total 22 Marks)

- Q3). a). *“Management by objective (MBO) is a process for accomplishing enterprise objectives, enhancement of employees’ commitment and participation.”*

Based on the above statement, explain the number of steps in the process of MBO

(06 Marks)

- b). *“The concept of management by objectives was introduced by Peter Drucker in 1954. It is also known as management by results and goal-setting approach. It is closely associated with the concept of decentralization because decentralization cannot work well without the support of management by objectives. Although Management By Objectives (MBO) is generally taken as the solution for all the problems of an organization, it is not without weaknesses or limitations.”*

Based on the above statement, explain the weaknesses or limitations of MBO

(06 Marks)

- c). *“Controlling is directly related to planning. The controlling process ensures that plans are being implemented properly.”*

Based on the above statement list and explain the essentials of effective control system

(06 Marks)

(Total 18 Marks)

- Q4). a). *"A principle can be defined as a fundamental statement of truth providing a guide to thought and action. Management functions are based on certain principles."*

Based on the above statement, explain the nature of Management Principles.

(06 Marks)

- b). *"Managers of business organizations have to deal with a number of problems in their daily work. According to Koontz and O'Donnell, the principles of management are important and useful."*

Based on the above statement, explain the need for Management Principles.

(06 Marks)

- c). *"Process-based theories view motivation as a rational process. Individuals analyze their environment, develop reactions and feelings, and react in certain ways."*

Based on the above statement, explain the interventions of "Reinforcement Theory of motivation" to modify employee behaviour.

(08 Marks)

(Total 20 Marks)