

EASTERN UNIVERSITY, SRI LANKA
FACULTY OF ARTS & CULTURE



1ST YEAR EXTERNAL DEGREE EXAMINATION IN

ARTS & CULTURE -2010/11 (June/July 2013)

CC 104 – MANAGEMENT STUDIES

Answer all questions.

Time: 3. hours

Q1.

Read the following case study and answer the questions given below.

The ART (Pvt.) Company

ART (Pvt.) Company, provides financial advice to small and medium size enterprises about debt collection, attracting funding and minimizing business costs. During the past one and half years, the company increased the number of branch offices from eight to twenty five. The directors of ART (Pvt.) Company have decided to create a new central office to house all centralized functions.

Presently, each branch office has eight to ten advisors, who cover specific geographical area and three to five administrators who produce invoices, handle correspondence and undertake marketing and advertising for the branch. The four directors of ART (Pvt.) company are based in the Western province branch office, where the business began. They have discussed several options for structuring the business in the future, and have decided to create a functional structure, with all support functions based at the new central office. This approach is intended to enable the advisors to focus on providing expert advice to their clients. However, each director has different ideas about what divisions or departments which are necessary for a business of this size, which is also planning to grow by a further 60% in the next twelve months.

Miss Randika De Silva, a Director appointed twelve months ago after working as an Advisor for three years, has suggested that, as part of this re-structuring, advisors should work from home rather than from the branch offices. Her fellow directors have some concerns over this suggestion. She has also proposed that the new functional teams in central office should work in open plan areas rather than individual offices. She believes that this will improve communication between functions, and encourage employees to take team based approach to decision making. Mr. and Mrs. De Silva, the funding

Directors of the Company prefer a traditional approach retaining full decision making responsibilities in the Boardroom.

As a management consultant, the Directors have asked you to provide advice on the following Issues.

- (a) Considering the current size, growth plans and nature of the organization, comment briefly on the benefits of the re-structure and explain what divisions/departments you would expect to be included?

(6 marks)

- (b) "The new functional teams in central office should work in open plan areas rather than individual offices." state whether or not you agree with reasons. Comment on this recommendation.

(8 marks)

- (c) Analyse the advantages and disadvantages of the proposed system of Working from home" from the point of view of the *organization* and *the advisors*.

(6 marks)

(Total Marks 20)

Q2.

- a) "The manager is a person who has skills and competencies to analyse a particular situation and plan accordingly to lead the organization towards its objectives."

Based on the above statement describe the term "Management" and explain with appropriate example how the functions of management contributes to success and development of an organization.

(8 marks)

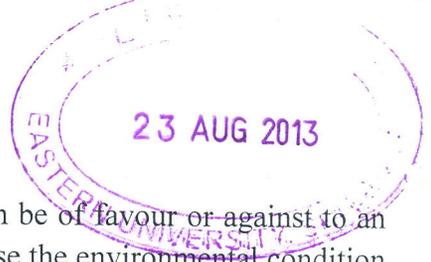
- b) "Identify Henry Fayol's 14 principles and explain how these principles contribute towards the success of an organization.

(6 marks)

- c) "Decision making is selecting an alternative from among the many." Explain the steps in the decision making process.

(6 marks)

(Total Marks 20)



Q3.

- a) "The environmental factors of an organization can be of favour or against to an organization. The SWOT analysis is used to analyse the environmental condition of an organization."

Based on the above statement explain the SWOT analysis and its advantages to an organization.

(8 marks)

- b) Identify and explain the factors influencing in the structure of an organization."

(6 marks)

- c) Identify and explain the different kinds of recruitment methods available to an organization in recruiting employees.

(6 marks)

(Total Marks 20)

Q4.

- a) "Control is the final link in the functional chain of management activities and brings the functions of management cycle in a full circle." Based on the above statement explain the stages of control.

(6 marks)

- b) Identify and explain the importance of control to an organization.

(5 marks)

- c) Explain the Characteristics of an effective control process.

(9 marks)

(Total Marks 20)

Q5.

- a) Illustrate Abraham Maslow's Hierarchy of Needs theory with appropriate example.

(8 marks)

- b) Explain the strategies in motivating employees with appropriate example.

(6 marks)

- c) Explain the characteristics of an effective motivation process.

(6 marks)

(Total Marks 20)