

Eastern University, Sri Lanka

Faculty of Commerce and Management

First Year – First Semester Examination in Bachelor of Business Administration / Bachelor of Commerce 2015/2016 (July 2017)

(Proper/Repeat)

MGT 1024 Principles of Management

Answer all 5 questions

Time: 03 hours

Q1) Read the case study and answer the questions given below

### Aiming Higher

Bancolombia is Colombia's biggest bank. At its sleek new headquarters in Medellin, there are no plush executive chairs. Instead, everyone from the bank president to assistants use identical leather and steel ergonomic chairs. The subtle message: no one here has special privileges. The chairs, the open-space offices, and a contemporary design reflect the company's organizational culture that recognizes individual contributions but heavily emphasizes teamwork. González Bacci, Bancolombia's director of human resources, says that this culture developed out of the need to integrate employees from the bank's many acquisitions and forge a single identity among employees and in the eyes of customers. "We want to reinforce the idea with our workers that achieving the group vision depends on everyone, not just on management, and we want to give clients the feeling that they are dealing with just one company, so they see no difference between the different companies in the banking group." Teamwork is crucial to the success of this approach. Managers are asked to foster cooperation and collaboration.

All employees have both individual and collective goals. Anyone who wants to become a supervisor must meet the evaluation criteria that's heavily weighted toward people skills instead of technical skills.

Whatever Bancolombia is doing, it must be working. It was named by *Latin Trade* magazine as one of the best workplaces in Colombia. And it was named as one of the country award winners for best banks by *The Banker* magazine.

**Questions:**

- a) What are the stages involved in group or team development? (05 Marks)
- b) What challenges would there be in creating an effective team in an organization? (05 Marks)
- c) What are the communication styles that you can prescribe in order to develop an effective team? (05 Marks)

**(Total Marks 15 Marks)**

- Q2) a) What are the important common **traits** seen in effective leaders? (04 Marks)
- b) List the **14 principles** of business management propounded by Henri Fayol. (06 Marks)
- c) Who are **constituents** of an organizational **internal environment** and briefly describe about their importance? (04 Marks)
- d) Distinguish between **centralization** and **decentralization**. (04 Marks)

**(Total Marks 18 Marks)**

- Q3) a) What are the **steps** involved in the **decision-making process**? (06 Marks)
- b) **Reinforcement Perspectives on Motivation** addresses why some behaviours are maintained over time and why other behaviours change. Identify four basic kinds of reinforcements applied in the organizational settings. (05 Marks)

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- Q5) i) **MBO** stands for .....
- ii) The two factors in **Herzberg's** Two factor theory are ..... and .....
- iii) **Doing right things** is ..... and **doing things right** is .....
- iv) Ten Management roles by **Mintzberg** are classified into three as **interpersonal roles**, .....and .....
- v) **Task environment** consist of specific organizations or groups that influence an organization and those are **competitors, regulators**,....., **strategic alliances** and .....
- vi) Managers must make many different **types of decisions**. In general, however, most decisions falls into one of two categories; Programmed decisions and.....
- vii) **ERG Theory of motivation** suggests that people's needs are grouped into three possibly overlapping categories such as existence needs, .....and .....

- viii) The theories that falls into the **process perspective of motivation** ..... , equity theory, .....
- ix) Two opposing views of **social responsibilities** are ..... and socio-economic view.
- x) ..... is the tendency for individuals to expend effort when **working collectively** than when **work individually**.
- xi) Hersey and Blanchard's Situational Leadership Theory (SLT) specifies four leadership styles as **Telling**, ..... **Participating** .....
- xii) The steps in the **control process** are Measuring actual performance as a first ..... as a **second** step ..... as a **third** step.
- xiii) There are four types of communication networks. They are; ..... and all channels.
- xiv) Communication within an organization is described as formal communication .....
- xv) The entire **communication process** is disturb by the element of .....
- xvi) Management is a **process of planning, organizing, leading** and .....

Each blank of correct answer gets 01 mark

(25 x 1 Marks)

- c) List out some of the **Regional trade agreements** that have taken place which are important in the global environment.

(04 Marks)

- d) What are the techniques that could be applied to **reduce the conflicts** (conflict Management)

(05 Marks)

(Total Marks 20 Marks)

- Q4) a) **Fiedler's contingency leadership model** proposes that effective group performance depends upon the proper match between the leader's style of interacting with followers and the degree to which the situation allows the leader to control and influence. Explain this by considering the important elements in his model.

(06 Marks)

- b) What are the **types of control** available for managers to evaluate the performance in an organization?

(05 Marks)

- c) What are the **management theories** that you can identify under **classical approach, behavioural approach and quantitative approach**.

(06 Marks)

- d) Distinguish between **job enlargement, job enrichment, and job rotation**

(05 Marks)

(Total Marks 22 Marks)