

EASTERN UNIVERSITY, SRI LANKA

Faculty of Commerce and Management

First Year-First Semester Examination in Bachelor of Business Administration/

Bachelor of Commerce 2010/2011 (March 2012) (Proper & Repeat)

MGT 1024- Principles of Management

Answer all questions

Time: 03 Hours

01) Case Study: Bill Gates and Microsoft Corporation

In 1978, Bill Gates and Paul Allen launched Microsoft, which grew from a small business into a giant. Microsoft surpassed the value of IBM (\$ 26.76 versus \$ 26.48 billion). Bill Gates's 30 percent stock ownership has been valued at over \$ 7 billion. The phenomenal growth of Microsoft is directly related to Gates's dedication to innovation and hard work. Over 120 million PCs run on the Microsoft MS-DOS operating system world wide. Microsoft has over 30 percent of the market share and outsells its three largest competitors-Lotus, Novell, and Word perfect-combined.

Bill Gates, known as a demanding boss, encourages creativity and recognizes employee achievement. He demands that his colleagues be well informed, logical, vocal, and thick-skinned. Employees often spend long hours interacting in teams. Teams that develop and market programming languages must present their ideas at the so-called "Bill" meeting. During Bill meetings, Gates often interrupts presentations to question facts and assertion. He is known to shout criticism and challenges at team members who are expected to stand up to him with good answers.

Bill Gates actively participates in and coordinates small units devoted to functional areas such as programming and marketing, but he delegates authority to managers to run their departments. Each part of the company is independent, yet Gates is the glue that holds it all together. Gates's overall business goals and plans for Microsoft, known as the Microsoft Vision, are clearly stated and effectively communicated throughout the company. His long range vision, "Information at Your Fingertips," will take at least a decade to realize. He believes that any piece of information that the public want should be available. Gates talks about how the company's current success sprang from the bets it made years ago and stuck with. The bets for the 1990s include multimedia, interactive TV, object-oriented programming, and far-out projects such as wallet PC.



Based on the information in the above case study, answer the following questions.

- a) Cite the tasks Bill Gates performs in each of the four management functions with appropriate examples. (08 Marks)
 - b) Give example of the tasks Bill Gates performs in each of the three management roles. (09 Marks)
 - c) Suggest appropriate ideas to improve the Microsoft corporation even more? (05 Marks)
 - d) Do you think that you could work for Bill Gates? Explain your answer. (06 Marks)
- (Total 28 Marks)**

- 02) a) According to Michael porter, the organizations may pursue three kinds of strategies under Business levels. Briefly describe those strategies. (04 Marks)
- b) “To carry out the management functions properly, managers rely on a number of specific skills”. Describe those managerial skills with examples. (06 Marks)
- c) “A SWOT analysis is critical to the creation of any strategic plan”. Briefly explain what does mean ‘SWOT analysis’ with appropriate examples? (08 Marks)
- (Total 18 Marks)**

- 03) a) “Leaders want to have some powers to influence the behaviors of their followers” Identify and explain those powers. (06 Marks)
- b) “Organizing is the process of arranging and allocating works, authority and resource among the organizing members to achieve the tasks”. Identify and briefly describe the structural elements of organizing. (07 Marks)

- c) "Job specialization is a normal extension of organizational growth". Analyze, whether is it possible to have too much specialization of labour?

(05 Marks)

(Total 18 Marks)

- 04) a) "Employee motivation is the major part of Employee Development".

Define the term employee motivation.

(03 Marks)

- b) In practical there are various theories regarding motivation. Under that, critically explain the differences between Maslow's hierarchy of needs theory and Herzberg's two factor theory.

(07 Marks)

- c) "Communication is the process of meaningful interaction among human beings". Describe the communication process and list out the barriers for effective communication.

(08 Marks)

(Total 18 Marks)

- 05) a) "Control keeps the organization moving in the proper direction".

What do you mean by the term "Control" in organization? And briefly explain the purpose of control.

(05 Marks)

- b) "The effective controlling process goes into various steps for better results". List out and explain the steps in the controlling process.

(06 Marks)

- c) Controls can help in assisting managers with four particular challenges. Briefly discuss those challenges.

(07 marks)

(Total 18 Marks)

