Total marks for this paper is 100 marks.

There are two parts in this question paper. All questions in Part One are compulsory.

It includes a mini case.

Part Two includes 6 Essay Type Questions. Answer 03 questions from this part.

**Instructions to candidates**

1. State your Registration Number on the front cover of the answer book and on each and every additional paper attached to it. Your name must not appear anywhere in the answer book or answer scripts.

2. Always start answering a question on a new page.

3. You are reminded that answers should not be written in pencil or red pen except in drawing diagrams.

4. Answer the questions using:
   - Effective arrangement and presentation
   - Clarity of expression
   - Logical and precise arguments
   - Clear diagrams and examples where appropriate

5. Illegible handwriting and language errors will be penalised.
PART ONE

Answer all questions

Question 01: Case Study

Bad News in Budgets

First State Financial Services, Inc., was the largest institution of its kind in the state, with over 150 branch offices at various locations throughout the state. The company provided a variety of banking, investment and insurance services to both retail and commercial clients in its metropolitan market areas. As such, the Budget Department played an essential role in monitoring the costs and income of the company and in preparing the budgets for the various departments. Because accurate budgeting is so crucial for effective company management, the Budget Department had been given the additional assignment of preparing selected budget specialists for greater responsibilities in the Auditing Department. In effect, the Budget Department was also a management trainee department.

Nancy Johnson was appointed as head of budgeting two years ago. Nancy had been working in one aspect or another in this area for the last six years. As a result of her hard work and attentiveness to budget matters, she has reached this management position.

Her approach to managing the “Budget Shop” was captured in one of her favourite quotes: “I keep my office door open. If my employees are having any problems, they will come in and tell me.” And with that said, she tended to stay in her office, doing her work. As a result, she seldom saw or talked with the budget specialists under her charge.

Typically, the specialists would prepare budget reports for submission to other departments in the company. These reports contained very detailed analysis about spending or revenue patterns. The business and accounting graduates who were recruited by the company considered an assignment in the Budget Department as a prestigious appointment, and as a result, the Budget Department could hire or select eager, energetic, employees; however, to these ambitious “go-getters” the reports were boring and tedious. Their view was quite different from Nancy’s who saw these reports as invaluable training exercises.

After preparing a draft work-up of the report, the specialists would send the draft to Nancy for review and inspection. Busy with many other tasks, Nancy would glance them over, then have a secretary return the report back to the specialist who prepared it. The specialists, young and eager to learn were expecting some feedback on how well they had produced the reports. Nancy felt she was too busy, though, and did not add any commentary to the report.

Because Nancy just glanced at the reports and did not give the specialists any helpful instruction in preparing them, the reports were often sent out with errors. The department head who received a faulty report would directly call the specialist who prepared it. After a few faulty reports, the communications from the higher ranking department head to the junior specialist became hostile and rancorous. Since Nancy was completely bypassed in this communication, she could not learn of any problems, much less act to help correct them.
Over a period of a few months, the number of errors grew, and the relations between the department heads and the specialists became tense and hostile.

The specialists shared the same open office space. Whenever specialists experienced problems with a department head, everyone quickly knew about it, and all specialists experienced problems. Moreover, they felt they were getting no support from Nancy. As they experienced more hostility from outside departments, they became more antagonistic towards Nancy. They would often sit together and discuss how badly things were going. They believed that Nancy was ignoring and not helping them, and that there was a lot of information she was keeping from them.

After about five months, enough news of the problem had reached Nancy’s boss to move him to act. Finally, on a Monday morning as Nancy was walking to her desk, her boss asked to see him in his office. She was shocked when he said “Nancy, what the hell is going wrong in Budget? I am getting calls from department heads who say they can’t get a correct budget report. And I keep hearing rumours about all these budget specialists who are threatening to quit the first chance they get. Get this problem fixed soon, or I may need to take some strong action myself.”

Nancy left, visibly shaken. When she reached her office, she uncharacteristically closed the door, dropped her briefcase on the floor and sank into her chair. She stared straight ahead, focusing on nothing in particular, and thought: “What the hell happened? And what do I do now?”


a) Nancy was a hardworking and an attentive employee of the Budget Department prior to her new appointment to the management position. Do you think this appointment is appropriate? Justify your answer.

(10 Marks)

b) What are the two key roles Nancy was supposed to play in her position?
   “Nancy did not identify the different objectives of the two roles she is supposed to achieve” Support this statement with facts from the case.

(15 Marks)

c) Consider the leadership grid originally proposed by Blake and Mouton and later restated by Blake and McCanse based on this leadership grid. Justify the management style that Nancy practised which also led to a major failure in her dual roles.

(15 Marks)

(Total 40 Marks)
PART TWO

This part includes SIX Essay Type Questions
Answer THREE questions

Question 02
As a manager of an organization one has to use a variety of managerial skills such as planning, organizing, leading and controlling to perform management functions.

a) Consider yourself as a middle level manager of a traditional organization. Your performance of managerial functions can be different to that of a top manager and first-line manager. Briefly explain vertical differences of your performance of managerial functions against top and first-line managers.

(06 Marks)

b) An entrepreneur is different to a successful manager. There are many characteristics identified in entrepreneurs. State three (03) characteristics of entrepreneurs.

Assume that you are an entrepreneur of an e-business where you run an online store of educational materials for professional study courses. Differentiate yourself from a “manager” taking two (02) characteristics of entrepreneurs into account, applying them to your e-business scenario.

(09 Marks)

c) Explain the meaning of social entrepreneurship quoting an example either from a local or global context.

(05 Marks)

(Total 20 Marks)

Question 03
Interactive Leadership means that the leader favours consensual and collaborative processes and influences deriving from relationships rather than positions of power and formal authority.

a) Justify the above statement using the general characteristics associated with Level 5 leaders and authentic leaders.

(10 Marks)

b) For a leader to be successful he/she has to use effective methods of organizational communication. Briefly explain the meaning of Open Communication Climate. Elaborate and justify how this form of communication can benefit an organization.

(10 Marks)

(Total 20 Marks)
Question 04
a) Managers often talk about employee engagement. While it is an important element for people managers, majority of people managers do not seem to have realized the correct meaning of the term and its application.

If you are the head of sales of a manufacturing organization explain with an example how you would engage your staff effectively.  
(10 Marks)

b) In an effort to simplify Maslow’s Theory of Motivation, Clayton proposed his ERG theory.

Name the three (03) types of needs identified in the ERG theory of motivation. Explain how these needs can be accommodated in the staff working on a production floor. 
(10 Marks)
(Total 20 Marks)

Question 05
Organizations cut down costs even by reducing staff and use innovation strategies to improve the productivity of the existing processes and structures. One of the critical innovation strategies that helps new products, services and technology is “Innovation Roles”.

a) Briefly explain the impact of “Innovation Roles” strategy on the organizational success.  
(13 Marks)

b) E-Business strategy helps businesses to maintain a competitive business environment within competition. Justify this statement within the scope of e-business strategies. 
(07 Marks)
(Total 20 Marks)

Question 06
When people work in a team the occurrence of conflicts among members is inevitable. However effective management of conflicts can provide far better results to achieve team goals.

a) Explain the two (02) basic types of conflicts that can occur in teams and explain them with examples.  
(10 Marks)

b) The team conflicts could be impacting on the team performance. Discuss briefly across the two (02) basic types of conflicts that can occur in teams. 
(06 Marks)

c) As a manager why would you want to follow the Political Model for decision making? Explain your answer justifying the importance of the model. 
(04 Marks)
(Total 20 Marks)
Question 07

a) Organizations invariably use the platform of Corporate Social Responsibility (CSR) to build brand image. Critically discuss the role of CSR in an organization with suitable examples.

(10 Marks)

b) Crisis situations are unavoidable and they never come with advance notification. Irrespective of the aforesaid fact, the organizations have to ensure business as usual delivering products and services to clients. Critically examine the statement.

(10 Marks)

(Total 20 Marks)

(Total 60 Marks)

(Total 100 Marks)

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