

Seat No.: \_\_\_\_\_

Enrolment No. \_\_\_\_\_

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER 01– • EXAMINATION – SUMMER - 2016**

**Subject Code: 2810005**

**Date: 24/05/2016**

**Subject Name: Principles of Management (PM)**

**Time: 10.30 am to 01.30 pm**

**Total Marks: 70**

**Instructions:**

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**

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|--------|---|----|
| Q. No. | Select an appropriate option from given multiple choice questions:  | 06 |
| Q.1    | (a) Who mentioned three basic kinds of skills: technical, human and conceptual?   |    |
| 1.     | A. Abraham Maslow<br>B. Graham Bell<br>C. Henry Fayol<br>D. James Stoner  |    |
| 2.     | As per consumerism thoughts on management, customer should<br>A. Use the product and keep it<br>B. Don't use the product<br>C. Use the product and keep it<br>D. Use the product and throw it   |    |
| 3.     | German Sociologist Max Webber developed which theory of management?<br>A. LIFO<br>B. Bureaucratic<br>C. Scientific<br>D. Human  |    |
| 4.     | Contingency or Situational approach developed by<br>A. Edward Freeman<br>B. F W Taylor<br>C. George R Terry<br>D. None of above   |    |
| 5.     | Bhagavad-Gita is the summary of all Vedic philosophies and its arguments on management sides focus mainly on<br>A. Consideration, Generosity & Concern<br>B. The qualities of altruistic person are- helpfulness<br>C. Unselfishness' & humanitarian<br>D. All of above |    |
| 6.     | Three basic levels of culture: artifacts, exposed values and Underlying assumptions are mentioned by<br>A. Schein<br>B. Harold Koontz<br>C. Mary Parker Follett<br>D. Daniel R Gilbert Jr.  |    |
| Q.1    | (b) Explain the following terms/concepts<br>1. Self Management<br>2. Diversity<br>3. Freelance Leadership<br>4. Ultimate of Human Being   | 04 |
| Q.1    | (c) Explain on Explain Creativity and Innovation.   | 04 |

- Q.2 (a) Explain advantages and disadvantages of Planning Premises in business 07
- (b) Explain Henry Fayol's Principles of Management. Which of principles do you observe in use in organizations to day? 07

OR

- Q.2 (b) Firms in India are losing productivity because of Facebook & other social networking sites. Office staffs are spending too long on the social networking site. According to CII (Confederation of Indian Industry) & The Associated Chambers of Commerce and Industry (ASSOCHAM) employees use Facebook, Hike Messenger and LinkedIn for "time passing" and other purposes on average, employees spend an hour a day on sites like Facebook. This reduces productivity by approximately 12.8%. Nearly half of office employees accessed Facebook during work time. Some 83% saw nothing wrong in surfing at work during office hours. In many organizations social networking sites is banned. 07

Question

Analyze the possible consequences for businesses in India of banning access to social networking sites.

- Q.3 (a) What is Managerial Effectiveness.? Explain characteristics, advantages and limitations. 07
- Q.3 (b) Explain International Management and discuss importance of Global theory of Management. 07

OR

- Q.3 (a) Explain various types of organizational structures & what factors should be considered in organizational design? 07
- Q.3 (b) Discuss various sources of recruitment and highlight features of electronic recruitment including mobile phone android application of recruitment. 07

- Q.4 (a) Write short notes on Line and Staff authority 07
- Q.4 (b) Explain important role of the communication in business. Highlight impact of video conferencing in organization. 07

OR

- Q.4 (a) Explain various types of management controlling systems in business organization 07
- Q.4 (b) Silver Moon Hotels have been run by the Firdos Shroff family since the 1940s. Firdos Shroff Group, through its subsidiary companies is also into travel and tourism, event management, and marketing services. Dina Shroff is the present Chief Executive. Her only son and heir apparent, 18 years old Shiraj Shroff recently died in an air crash. 07

Dina has now decided that her successor would be someone outside of her family. As the CEO's position was always held by family members there has been neither internal competition nor grooming of other managers at Silver

moon Hotels for the CEO spot resulting in a deficiency of internal candidates. With the support of the Board, Dina has hired an external firm to lead the search process for her successor, which would consider candidates both inside and outside the company.

**Question**

If you are the external firm consultant, how would you approach the selection of the non family CEO?

- Q.5 This case details the start-up and growth of a chain of restaurants in terms of turnover and employee numbers. The vision of the founders was to quickly build a business around a brand name and to take that business to an Initial Public Offering (IPO). Vandana and her Board of Directors established Archana & Co. in 1999, as a solely equity-funded (no debt) venture. Vandana acted as managing director alongside a personnel director, executive chef and three other non-executive directors. Natasha, an experienced restaurateur, perceived a gap in the Gandhinagar market for a value-for-money Chinese & Italian restaurant chain that offered a wider choice to the customer. The concept did prove to be very successful during the first 2 years of operation and resulted in performance quickly exceeding company and customer expectations and all the forecasts. Vandana now had big expansion plans for Archana & Co. To expand the business significant debt was taken on. A significant change in the business climate, coupled with growth management problems led to the collapse of the business. 14

**Question**

**Draw the growth and development of management and financial issues.**

**OR**

- Q.5 Aayushi Engineering Works Limited is major industrial machineries besides other engineering products. It has enjoyed market preference for its machineries because of limited competition in the field. Usually there have been more orders than what the company could supply. However, the scenario changed quickly because of the entry of two new competitors in the field with foreign technological collaboration. For the first time, the company faced problem in marketing its products with usual profit margin. Sensing the likely problem, the chief executive appointed Monica Kumar, B.E., M.B.A. as General Manager to direct the operations of industrial machinery division. Monica Kumar had similar assignment abroad before coming back to India. 14

Monica Kumar had a discussion with the chief executive about the nature of the problem being faced by the company so that he could fix up his priority. The chief executive advised her to consult various heads of department to have first hand information. However, She emphasized that the company lacked an integrated planning system while members of the Board of Directors insisted on introducing this in several meetings both formally and

informally. After joining as General Manager, Monica Kumar got briefings from the heads of all departments. She asked all heads to identify major problems and issues concerning them. The marketing manager indicated that in order to achieve higher sales, She needed more sales support. Sales people had no central organization to provide sales support nor was there a generous budget for demonstration teams which could be sent to customers to win business.

The production manager complained about the old machines and equipments used in manufacturing. Therefore, cost of production was high but without corresponding quality. While competitors had better equipments and machinery, Aayushi Engineering had neither replaced its age-old plant nor reconditioned it. Therefore to reduced the cost, it was essential to automate production lines by installing new equipment. However, a principal scientist in R&D indicated on one day that the director of R&D, though very nice in his approach, did not emphasize on short-term research projects, which could easily increase production efficiency by at least 20 per cent within a very short period without any major capital outlay.

## Questions

- (1) Discuss the nature and characteristics of the problems in this case.**
- (2) What steps should be taken by Monica Kumar to overcome these problems?**

[illegible]