



# **MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)**

**MAIN CAMPUS**

**UNIVERSITY EXAMINATIONS  
2015/2016 ACADEMIC YEAR**

**END OF SEMESTER EXAMINATION**

**FOR THE CERTIFICATE OF  
BUSINESS MANAGEMENT**

**COURSE CODE: CBA 100**

**COURSE TITLE: PRINCIPLES OF MANAGEMENT**

**DATE: TUESDAY, 16<sup>TH</sup> AUGUST 2016 TIME: 2.00-4.00PM**

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**Instructions:**

- Answer question One (Compulsory) and any THREE others.

**TIME: 2 HOURS**

MMUST observes ZERO tolerance to examination cheating

- This paper consists of 2 printed pages. Please turn over.

*Instruction: Answer **QUESTION ONE** and ANY THREE QUESTIONS*

**QUESTION ONE: COMPULSORY**

- i.** Discuss the four main roles of a manager in a business organization. (8 marks)
- ii.** Ideally management is broken down into three levels, identify and explain the key roles managers play at each level. (7 Marks)
- iii.** Highlight the key tenant in Human Relation theory as advanced by Elton Mayo.(4 marks)
- iv.** Explain why management function of planning is thought of as the foundation for success. (6 marks)

**QUESTION TWO**

- i.** Identify and explain the three key skills a manager ought to possess to exercise his/her function effectively. (6 marks)
- ii.** One of the control devices management employ to exercise their controlling function is the budget, discuss the importance of a budget in this regard. (9 marks)

**QUESTION THREE**

- i.** A business organization owes moral and social responsibility to its environment, identify and discuss the five of the interest groups that make up that environment. (10 marks)
- ii.** Explain the relevance of Henry Fayol's theory of management in today's word. (5 marks)

**QUESTION FOUR**

For management to exercise control function, the control system ought to be designed in a certain way to facilitate this function, describe the requirement of a good control system. (15 marks)

**QUESTION FIVE**

- i.** Managers have to confront the reality of their business environment, highlight the environmental factors that are beyond the control of management. (5 marks)
- i.** Give 5 explanation as to why management is important in a business organization. (10 marks)

CERTIFICATE IN BUSINESS MANAGEMENT  
CBA-100 PRINCIPLES OF MANAGEMENT  
2015/2016 ACADEMIC YEAR FIRST YEAR  
***EXAM MARKETING SCHEME***

**QUESTION ONE:**

- i. **Informational role**-monitoring, dissemination and handling information for decision making
  - ii. **Decisional role**-entrepreneur, distance handler, resource allocator and negotiator, information use to solve problems and take advantage of opportunity
  - iii. **Interpersonal role**-figurehead, leader and liaison, a manager interacts with people inside and outside organization and work units
- ii. **Management level and their key roles**
- Top level-provide overall direction by establishing objectives, policies and strategies
  - Middle level-interpret policies and the plans of the top mgt, co-ordinate activities of the lower level mgt.
  - Lower level-make short term operating decisions, directing and daily tasks of non-managerial staff.
- lii. **Planning as the foundation of successful management.**
- Because it is a way of deciding in advance how a desirable future of the organization should look and the way to get there
  - It involves developing desired objectives and strategy to solve problems and achieve goals before committing organization resource towards that course.
  - It is the basic process which management must dedicate their efforts thus it requires lots of information gathering and capacity to be able to come up with a feasible plan
  - Planning provides a blueprint and architecture of the organization mission
  - Planning is built on the vision and mission of the organization
- iv. Human relations theory key tenets:
- He concluded that productivity is not controlled by the physical factors only but by physiological consideration.
  - Motivation does not rely on economic resources but also physiological rewards.
  - When employees are given more freedom in their situation and not subjected to directing supervision, they become more productive
  - Establishing small groups where people are accepted is a key factor in productivity

**QUESTION TWO**

- i. **key managerial skills**
  - **conceptual skills**-ability to solve problems for the benefit of the whole organization

- **technical skills**-such as finance and accounting help the manager understand financial records and resources
  - **Interpersonal and communication skill**-Ability to get along well with people
- ii. **Importance of budget**
- Enable managers rectify mistakes and improve performance
  - Facilitate decision making
  - Help managers keep performance in line with plan
  - Provides a base of improving performance of work
  - Promotes employee morale
  - Guides resource allocation

### QUESTION THREE

- i. **A company's CSR efforts**  
To the employees, government, community at large, customers and its shareholders
- ii. **Environment confronting managers.**  
Suppliers, labor unions, customers, competitors  
Technology, socio-cultural, economic

### QUESTION FOUR

- i. **Relevance of Henry Fayol's contribution the theory of management in today's world**
- Workers should be assigned clear roles and duties
  - High pay should be tied to work completion
  - Failure should be penalized etc
- ii. **Importance of management**
- Helps in achieving group goals by arranging factors of production in a synergy.
  - For optimum utilization of resources through planning
  - Establishes equilibrium-enables organization to survive in changing environment by being in touch with the environment.
  - Establish sound organization-by effective authority and responsibility relationship
  - It's essential for prosperity and posterity

### QUESTION FIVE

- i. **Requirement of an effective control system-affordable and worth the cost**
- i. Simple to administer
  - ii. Must be according to the nature of job performed
  - iii. Capable of detecting and reporting deviations as soon as possible
  - iv. Flexible to accommodate environmental change
  - v. Should disclose the failures
  - vi. Should conform to organization structure
  - vii. Should be objective and specific not subject to the influence of a certain individual