

## Certificate in Accounting and Finance Stage Examinations

 $\begin{array}{c} 3 \text{ September 2014} \\ 3 \text{ hours} - 100 \text{ marks} \\ \text{Additional reading time} - 15 \text{ minutes} \end{array}$ 

## **Business Management and Behavioural Studies**

Q.1 (a) ABC Limited has shown poor performance during the preceding five years in spite of the fact that the company owns substantial physical assets, including modern machinery for manufacture of a wide range of products. All the assets of the company are in good working condition and marketing prospects for the products are also promising. However, the company's organisation structure is designed inappropriately and therefore has serious shortcomings and weaknesses which create impediments in its operations and are responsible for the company's unsatisfactory performance.

Identify and explain briefly the characteristics which would be apparent in the working of ABC Limited because of its inappropriately designed organisational structure.

(08)

(b) Describe briefly the salient features of a Virtual Organisation.

(04)

Q.2 Identify and describe any **six** leadership styles enunciated by Tannenbaum and Schmidt. Identify the style of leadership that is best suited for an organisation which requires quick decision making and consists of highly competent staff at all levels. Give reasons for your choice.

(08)

Q.3 Foodcrafts owns and operates a chain of eight high-class restaurants in different cities in the country. Employees at the restaurants include a manager, supervisors, kitchen crew, waiters and other supporting staff. Foodcrafts' clientele comprises mainly of top executives/businessmen and affluent individuals who expect top quality food and attentive and courteous service at all the restaurants. The staff at the restaurants has to perform zealously during the peak lunch and dining hours as the restaurants operate at full capacity.

Decisions concerning the business of Foodcrafts have to be made at the following levels:

- (i) management team at the head office
- (ii) managers at the restaurants
- (iii) supervisory staff at the restaurants
- (iv) waiters and supporting staff at the restaurants.

Identify the levels and state briefly the reasons why you consider it appropriate to make the following decisions at these levels:

- (a) reservations and assigning of tables to the customers
- (b) selection of the standard menu for the restaurants
- (c) offering suggestions regarding the choice of dishes to customers who seek advice
- (d) decor of the restaurants, including selection of furniture & fixtures, wall paintings, crockery and staff uniforms
- (e) procurement of perishable food items such as meat, seafood, chicken, vegetables, etc. at the different locations.

(10)

(06)

Q.4	(a)	Negotiations involving high stakes often lead to situations in which the parties are
		reluctant to give up their present positions for achieving maximum advantages. In
		order to avoid situations which may result in deadlocks and complete breakdowns,
		the participants have to apply considerable tact and skills to conclude the negotiation
		process successfully.

Explain briefly the measures that skilled negotiators may take to keep the negotiation process on track and achieve positive outcomes without creating deadlocks.

(b) State four reasons why conflicts are a common phenomenon in organisational (02)settings.

Although conflicts are often indicative of negative connotations, yet they may result (c) in optimal performance in certain situations. Identify the situations in which conflicts may be advantageous for an organisation. (05)

Q.5 Discuss the advantages which progressive organisations seek to achieve by implementing formal goal setting systems. (10)

Q.6 Describe the salient features of the two-factor theory of Motivation-Hygiene propounded by Herzberg. (07)

In a market environment which offers an exceptionally high rate of return to the existing Q.7 players, the threat of new entrants is imminent. However, well-entrenched players in these markets have sustainable advantages which act as deterrents to prospective competitors from entering in these lucrative markets.

Explain briefly the factors which act as deterrents and make it difficult for new comers to enter and compete in such markets. (08)

Q.8 According to Michael Porter, five activities in the primary value chain make the most significant contribution towards the success of any business enterprise.

Identify and explain briefly the constituents of the primary value chain as enunciated by Michael Porter. (08)

Q.9 Identify and state briefly Mintzberg's five building blocks in a typical organisation (a) structure. (07)

Briefly describe the term 'Perception' and list the factors which influence an (b) individual's perception towards any object, situation or person. (03)

Q.10 What do you understand by the term 'Server' in a Client-server computing (a) environment? Briefly describe 'File Servers' and 'Network Servers'. (03)

LAN and WAN are two popular types of computer networks. Briefly describe LAN and WAN and state their distinguishing features. (06)

List different types of information which management can obtain by implementing a sound O.11Personnel Management Reporting System in an organisation employing a large number of employees. Also specify the importance of maintaining data security and access to such a system. (05)