

**OLLSCOIL NA hÉIREANN, GAILLIMH
NATIONAL UNIVERSITY OF IRELAND, GALWAY**

SUMMER EXAMINATIONS, 1999/2000

SECOND EVENING COMMERCE EXAMINATION

BUSINESS ORGANISATION AND MANAGEMENT

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PAPER 1

Time allowed: **TWO** hours

Please attempt **TWO** questions: **Question 1** and **ONE** other question.

Students are requested to use **separate answer books for each question**

If answering Question 2, Multiple Choice, use the Answer Sheet provided

1. In respect of the attached case, "Royal Dutch/Shell", based on the facts of the case and knowledge learned in the course, please answer the following:
 - a) Outline what you believe were the main factors in the environment and the oil industry that led to the reorganisation of Royal Dutch/Shell.
 - b) Describe the nature of the reorganisation undertaken by Royal Dutch/Shell in terms of organisation theory.
 - c) Evaluate the reorganisation of Royal Dutch/Shell.

(65% of Total Marks)

2. In respect of the 35 multiple choice questions attached, choose the best answer from the responses listed. Record your answers on the answer sheet provided. 1% is awarded for each correct answer, 0% if there is no answer and -1/4% for each incorrect answer.

(35% of Total Marks)

3. With reference to the major management theories over time, discuss why business students should study the history of management.

(35% of Total Marks)

contd./

QUESTION 2: MULTIPLE CHOICE

Choose the best answer from the responses listed. Use the Answer Sheet provided

1. According to Drucker, what is the basic resource of the enterprise and its scarcest?
 - a) Raw materials
 - b) Physical assets
 - c) Management
 - d) Workers
 - e) Information
2. According to Drucker, what justifies the existence and authority of a business?
 - a) Social responsibility
 - b) Economic performance
 - c) Entrepreneurship
 - d) Leadership
 - e) Competitive advantage
3. All of the following are basic groups of managerial roles Mintzberg identified in his study of top managers EXCEPT
 - a) Interpersonal
 - b) Entrepreneurial
 - c) Informational
 - d) Decisional
 - e) All of these are basic role groups.
4. First-line managers spend most of their time
 - a) On the telephone
 - b) In meetings
 - c) Implementing plans of top managers
 - d) Managing inventory
 - e) Supervising production employees
5. The _____ level of management contains the largest number of managers in most organisations?
 - a) First-line supervision
 - b) Administrative management
 - c) Top management
 - d) Middle management
 - e) Production management
6. Tom said that Frank was a Theory X manager. If true, Frank probably believes
 - a) People prefer to be directed
 - b) In high involvement management
 - c) People are committed to goals
 - d) In the contingency approach
 - e) In the importance of TQM
7. Which of these best describes a Gantt chart?
 - a) A listing of the steps required to complete a job
 - b) A method for developing employee wage systems
 - c) A device used in doing time and motion studies
 - d) A maintenance checklist used in equipment maintenance
 - e) A means of scheduling individual work or whole projects

contd./

8. A principle of _____ is applied when firms use a piecework pay system
 - a) Administrative management
 - b) Scientific management
 - c) Organisational behaviour
 - d) Behavioural management theory
 - e) Theory Y
9. Which of the following is NOT one of Porter's Five Forces?
 - a) Threat of entry
 - b) Product differentiation
 - c) Pressure from substitutes
 - d) Power of suppliers
 - e) Intensity of rivalry
10. Which of the following is part of an organisation's general environment?
 - a) Its customers, competitors, suppliers and unions
 - b) Its international competitors
 - c) Its members' perceptions concerning its nature, norms, values and style
 - d) The specific organisations that influence it
 - e) Non-specific elements that interact among themselves and also affect the organisation
11. All but which of the following statements are true of socio-cultural forces?
 - a) They are the customs and values of the society in which the firm operates
 - b) They are part of the general environment
 - c) They do not always follow national boundaries
 - d) They are part of the task environment
 - e) They influence customers' tastes and preferences
12. In Porter's Five Forces Model, which of the following is NOT indicative of a high level of rivalry?
 - a) Numerous, equally balanced competitors
 - b) High fixed or storage costs
 - c) Capacity is added in large increments
 - d) Credible threat of forward integration
 - e) High exit barriers
13. In 1989, Harry Hoffman, president of Waldenbooks, set the goal of becoming the largest bookstore chain in the nation by the year 2000. What kind of goal is this?
 - a) Short-term strategic
 - b) Intermediate-term strategic
 - c) Long-term tactical
 - d) Intermediate-term tactical
 - e) Long-term strategic
14. Which of the following is NOT one of Drucker's eight areas for strategic goals?
 - a) Market development
 - b) Productivity
 - c) Physical and financial resources
 - d) Innovation
 - e) Manager performance and development

contd./

15. Using the GE business screen, a marginal firm might be
 - a) Low on industry attractiveness and medium on business strength
 - b) Low on both industry attractiveness and business strength
 - c) High on industry attractiveness and low on business strength
 - d) Medium on industry attractiveness and low on business strength
 - e) Medium on both industry attractiveness and business strength
16. Which of the following is NOT one of Ansoff's product-market growth vectors?
 - a) Market development
 - b) Product enhancement
 - c) Market penetration
 - d) Diversification
 - e) Product development
17. SBUs, using the BCG matrix, are classified on the basis of
 - a) Market share and market growth rate
 - b) Market share and cash generation potential
 - c) Market growth rate and financial strength
 - d) Financial strength and organisational size
 - e) Market growth rate and organisational size
18. The first stage in the decision-making process is
 - a) Recognising and defining the situation
 - b) Brainstorming
 - c) The generation of alternatives
 - d) Being innovative
 - e) Implementation
19. In the decision-making process, managers choose the "best" alternative from among a set. What does the term "best" imply in this instance?
 - a) Efficiency
 - b) An operational approach
 - c) Effectiveness
 - d) A quantitative approach
 - e) A behavioural approach
20. Under which decision-making condition are managers operating when they compare potential payoffs with costs that are associated with probability estimates?
 - a) Certainty
 - b) Uncertainty
 - c) Risk
 - d) Rationality
 - e) Behavioural
21. Which of the following is NOT one of Drucker's decision-making phases?
 - a) Defining the problem
 - b) Analysing the problem
 - c) Developing alternative solutions
 - d) Finding the best solution
 - e) Selling the solution

contd./

22. Which of the following statements does NOT represent the view of Peter Drucker in relation to decision-making?
- Decision-making is finding the right answer to the right question
 - Symptomatic diagnosis is inappropriate for problem definition
 - It is necessary to develop several alternative solutions
 - Taking no action pre-empts the requirement to take a decision
 - Managerial decisions are made effective through the action of other people
23. All but which of the following are basic organising components?
- Decision making
 - Differentiating positions
 - Distributing authority
 - Designing jobs
 - Departmentalisation
24. In which alternative to specialisation does the *job itself* remain the same?
- Job enlargement
 - Job enrichment
 - Vertical job loading
 - Horizontal job loading
 - Job rotation
25. A regional manufacturing operation has the following divisions: manufacturing, finance, human resources, marketing and shipping/receiving. This is an example of _____ departmentalisation
- Operational
 - Product
 - Functional
 - Sequence
 - Mixed
26. _____ deal with distribution of authority
- Centralisation and departmentalisation
 - Decentralisation and delegation
 - Span of management and departmentalisation
 - Span of management and delegation
 - Departmentalisation and coordination
27. Organisation _____ refers to the manner in which an organisation's structural components are arranged to manage the total organisation
- Design
 - Structure
 - Development
 - Behaviour
 - Management
28. In a bureaucracy, rules, division of labour and hierarchies of authority
- Affect goal setting
 - Restrict the flow of information
 - Increase the number of lateral relationships
 - Improve organisational efficiency
 - Reduce the need to process information

contd./

29. Which of the following are internal organisational factors that affect the appropriate organisation design?
- Organisation size and the organisational environment
 - Slack resources and technology employed
 - Technology employed and the organisational environment
 - Organisation size and technology employed
 - Slack resources and size
30. Which of the following statements does NOT represent the view of Peter Drucker in relation to federal decentralisation?
- It is good for developing future managers
 - It results in the acquisition of specialist knowledge
 - It focuses management effort on business performance
 - It is a good vehicle for Management By Objectives (MBO)
 - It highlights activities that do not contribute to overall performance
31. A system that ensures that the organisation is making satisfactory progress toward attaining its goals and does not deviate too much from acceptable performance is
- MBO
 - A planning system
 - A system for organising
 - A control system
 - A management system
32. Which of the following financial budgets deals with funding of major assets such as land and plant and equipment?
- Cash-flow
 - Cash
 - Capital expenditure
 - Revenue
 - Non-monetary budgets
33. Inventory management, quality control and equipment control are examples of the control of
- Physical resources
 - Cybernetics
 - Human resources
 - Organisational complexity
 - Financial resources
34. To the extent possible, standards used for control purposes should be derived from
- Historical data
 - Time-series data
 - External data
 - Organisational goals
 - Production indices
35. What is the most important factor in effectively integrating planning and control?
- Set clear objectives
 - Develop a strategy that eliminates the need for controls
 - Compare past performance to standards
 - Ensure that the system is flexible
 - Provide for controls as plans are developed

End question 2