

**Ollscoil na hÉireann, Gaillimh**  
**National University of Ireland, Galway**

**Semester I Examinations, 2003/2004**  
**Front Page Template**

Exam Code(s)	_____
Exam(s)	<b>SECOND COMMERCE EXAMINATION</b> <b>SECOND CORPORATE LAW EXAMINATION</b> <b>SECOND B.Sc. IN INFORMATION TECHNOLOGY</b> <b>SECOND B.Sc. IN BUSINESS INFORMATION SYSTEMS</b>
Module Code(s)	MG203
Module(s)	<b>BUSINESS ORGANISATION AND MANAGEMENT</b>
Paper No.	1
Repeat Paper	_____ Special Paper _____
External Examiner(s)	<b>Professor J. Winterton</b>
Internal Examiner(s)	<b>Professor R. Green</b> <b>Dr A McCarthy</b> <b>Dr RM Hilliard</b>
<b>Instructions:</b>	<b>Multiple Choice, use the Answer Sheet provided</b>  <b>NB: Make sure you fill your name and student number on the MCQ answer sheet. Fill in your student number followed by a zero.</b>
Duration	1
No. of Answer books	_____
<b>Requirements:</b>	_____
Handout	_____
MCQ	x
Statistical Tables	_____
Graph Paper	_____
Log Graph Paper	_____
Other Material	_____
No. of Pages	10
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NATIONAL UNIVERSITY OF IRELAND, GALWAY**

**SEMESTER 1 EXAMINATIONS, 2002/03**

**SECOND COMMERCE EXAMINATION  
SECOND CORPORATE LAW EXAMINATION  
SECOND B.Sc IN INFORMATION TECHNOLOGY EXAM  
SECOND B.Sc. IN BUSINESS INFORMATION SYSTEMS EXAM**

**BUSINESS ORGANISATION AND MANAGEMENT (MG 203)**

**Professor J. Winterton  
Professor R. Green  
Dr. R. Hilliard  
Dr. A. McCarthy**

**PAPER 1**

Time allowed: **TWO** hours

Please attempt **BOTH** questions: **Question 1** and **Question 2**.

Students are requested to use **separate answer books for each question**  
**For Question 2, Multiple Choice, use the Answer Sheet provided**

1. In respect of the attached case, based on the facts of the case and knowledge learned in the course, please answer indicated questions.

**(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, together with your name and student number, on the MCQ answer sheet provided. 1 mark is awarded for each correct answer, 0 marks if there is no answer and – 0.33 marks for each incorrect answer.

**(35% of Total Marks)**

Originating in 1884 as a market stall, Marks & Spencer (M&S) has become the United Kingdom's largest clothing retailer, also selling food, home furnishings, gifts, beauty products and financial services. It began expanding overseas in the 1970s, developing stores in continental Europe and Asia (some under franchise), and in the United States through the acquisition of Brooks Brothers clothing retailers and the Kings Super Market chain.

By 1997 the company's mission was 'to become the world's leading volume retailer' and it embarked upon an unprecedented programme of expansion at home and abroad. The M&S Direct catalogue, already selling homeware, flowers, hampers and wine, was extended to include clothing. In 1997-8 M&S became the first British retailer to earn annual profits in excess of £1 billion.

However, in the following year profits halved and the company's dividend was cut for the first time in its history. Despite efforts to revamp its style profits continued to slide, and in 2001 the company announced major changes to its strategy. It planned to keep its successful overseas franchises but to close its loss-making mainland European and Direct catalogue operations and sell its two US businesses in order to focus on its UK retail market and 'restore the trust and confidence of our core customers.

The M&S brand is strongly associated with the company's values of quality, value, service and trust. These were severely tested during the difficulties in 2001, but Marks & Spencer believes it has a number of 'unique fundamental strengths' that will help its recovery. It has a good record of new product development. In food it has a leading share in fast-growing markets, such as ready meals; it has strong food development capabilities, changing a quarter of its food range every year, and has started introducing in-store bakeries, butcher's shops and hot food counters. Of the company's lines 40 per cent are suitable for vegetarians and M&S was the first retailer in the world to respond to customers' health and nutrition concerns by appointing teams of food technologists and animal welfare specialists.

In clothing, product ranges are constantly upgraded and the company is proud of its innovative 'magic fabrics' such as non-iron cotton, machine washable wool and non-

polish shoes. The company's scale facilitates innovation and also gives it buying power, although the close supplier relationships for which M&S is renowned were damaged by its decision to increase overseas sourcing in search of cost advantage.

Across the business the company stresses its high ethical trading standards and strong sense of environmental and social responsibility.

While food sales continue to grow, the main weakness is in clothing (which represents 60 per cent of the business) especially womenswear. The company is operating in mature markets in which there is intense rivalry. It faces competition from fashion retailers such as Next, discounters such as Matalan and from grocery stores such as Tesco, which now carry clothes as well as food. Once the store of first resort for clothing, the company's reputation for 'value', which it defines as 'selling excellent products at competitive prices', has suffered, partly as a result of its decision to source more goods abroad. Perceptions of poorer quality have led to reducing brand loyalty and a falling market share.

The market is also segmenting and the company needs to develop a better understanding of its customers. It has appointed a former Next executive to produce a new collection for fashionable younger women and, for its core customers, it plans a return to classic styling. Stores are being modernised, new cafes, beauty shops and financial services centres introduced and more sales floor staff employed. Whether these steps will be enough to restore its reputation to full strength remains to be seen. As John Kay observed, 'M&S is right to go back to basics but it will learn that competitive advantage is more easily run down than built up'.

**In respect of the attached case, based on the facts of the case and knowledge learned in the course, please answer the following. There are equal marks for each part:**

1. What are the main external factors affecting Marks and Spencer at present? Are there any differences in these factors between the clothing and the food business?
2. Use the product-market matrix to classify the various directions of Marks and Spencer's business both before and after 2000. How would you define M&S new strategy? How has Marks and Spencer delivered the changes in strategic direction?
3. Make a summary SWOT analysis for Marks and Spencer's clothing business. Do you think the company is now following the right strategies for restoring reputation in this market?
4. Using the value chain model, discuss the activities and linkages likely to be important to Marks and Spencer in securing its commitment to 'value' in the food business. Include your assessment of the role of Marks and Spencer's commitment to environmental and social responsibility. Is this a significant factor in the company's competitive advantage?

## QUESTION 2: MULTIPLE CHOICE

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

- 1) Which of the following is a way an organisation can create wealth and human well-being?
  - a) Articulating and implementing ideals.
  - b) Gaining power to protect sectional interests.
  - c) Giving people work, status, and social contact.
  - d) Providing goods and services that people value.
  
- 2) First line managers typically:
  - a) Perform direct operations to deliver products and goods.
  - b) Ensure that staff perform the daily operations of the organisation.
  - c) Ensure that supervisors work in line with broader company policies.
  - d) Head a complete unit/division of the organisation.
  
- 3) Which of the following are generally accepted as the functions of management?
  - a) Planning, directing, supervising the use of resources.
  - b) Planning, forecasting, directing the use of resources.
  - c) Planning, organising, controlling, and leading the use of resources.
  - d) Planning, rewarding, organising, disciplining, the use of people resources.
  
- 4) Which of the following best describes functional managers?
  - a) Those responsible for a single common activity within their organisation.
  - b) Those that typically head specialised teams within the organisation.
  - c) Those in charge of a function that is directly involved in making or supplying products or services to customers.
  - d) Those responsible for and also a part of a temporary team.
  
- 5) Quinn et al's (1996) competing values framework displays the:
  - a) Differences between six different models along the control and flexibility continuum.
  - b) Leadership required to implement the four different management models.
  - c) Differences in the control and flexibility and the differences in the internal and external focus.
  - d) Differences in the internal and external focus of management and the way these can be influenced.
  
- 6) Which one of the following is **not** a principal of Taylor's scientific management?
  - a) Staff should be given a wide range of autonomy.
  - b) Efficiency should rise if tasks are routine and predictable.
  - c) Financial incentives should be given to ensure that work is done in accordance with procedures.
  - d) Techniques such as time and motion studies and standardised tools are advocated.
  
- 7) Strong rivalry among competitors occur:
  - a) When there are many firms but none are dominant.
  - b) When there is fast market growth.
  - c) When there is scope for differentiation.
  - d) Where there is high margins and high industry profitability.

- 8) Which of the following is **not** a benefit of a structured approach to planning?
- a) It reduces uncertainty.
  - b) It establishes a means of coordination between strategic objectives and operational activities.
  - c) It offers stability.
  - d) It provides clarity and unity of purpose.
- 9) Which of the following is a feature of a dynamic environment?
- a) Where the competition tend to offer the same products/services.
  - b) Where there are relatively few new entrants.
  - c) Where the capacity in education can be predicted ahead.
  - d) Where changes usually affects many key forces.
- 10) Which of the following companies **does not** illustrate ethical behaviour?
- a) A company that is committed to recycling.
  - b) A company that has a clear policy on business conduct and code of practice and monitors and reports on this.
  - c) A company that has clear anti discrimination recruitment policies and is seen to adhere to these.
  - d) A company that transfers its clothing production to poor third world countries to reduce costs (utilise low pay and working conditions in another country).
- 11) Which of the following **does not** illustrate Milton Friedmans' view on the role of business in society?
- a) To create wealth by providing goods, services, and employment.
  - b) To use organisational resources to focus on and make profit.
  - c) To engage in open and free competition without deception or fraud.
  - d) To respond to and reflect society's demands and expectations in the practices of the business.
- 12) What did Drucker (1981) believe about management's responsibility to ethics?
- a) That managers are subject to the rules of society and should run the business accordingly.
  - b) That business has its own rules and so can behave in any way.
  - c) That violations of ethical ideals are acceptable if they provide financial gains.
  - d) That managers can create their own ethical standards which can be at odds with those of society.
- 13) An ethical investor might invest money in:
- a) A nuclear power generation company.
  - b) A timber company that uses wood from sustainable forests.
  - c) A tobacco firm.
  - d) A cosmetic company that uses animals to test its products.

14) Which of the following best describes the process of control?

- a) The activity of moving abstract plans closer to realisation.
- b) The process of monitoring events so that they can be compared to the desired plan.
- c) The process of generating effort and commitment towards meeting business objectives.
- d) Defining business processes to meet objectives and deciding on the technologies and resources needed to meet the objectives.

15) Mayo's human relations model introduced the idea of:

- a) Economic man.
- b) Greed of man.
- c) Social man.
- d) Solitary man.

16) Which of the following is **not** a benefit of a structured approach to planning?

- a) It reduces uncertainty.
- b) It establishes a means of coordination between strategic objectives and operational activities.
- c) It offers stability.
- d) It provides clarity and unity of purpose.

17) According to Johnson and Scholes the distinctive capabilities at divisional or strategic business unit level are derived from the:

- a) Resource base and how the organisation performs its separate activities.
- b) Resource base and activities carried out by the different units.
- c) Overall balance of activities conducted by the different units.
- d) Managements' strengths and attitudes.

18) Which of the following is **not** a focus strategy?

- a) A company stressing a distinctive service image to all its customers.
- b) A company tailoring its services and prices to a particular customer segment.
- c) A company offering services to the over 60s?
- d) A company selling its products in one geographical area.

19) The span of control refers to:

- a) The geographical area that a department/division covers.
- b) The number of subordinates reporting to a supervisor.
- c) The amount of delegation and responsibility given to each member of staff.
- d) The allocation of formal power within the organisation.

20) Which of the following is a characteristic of centralisation?

- a) Decisions are taken by those at the top of the vertical hierarchy.
- b) A large number of the decisions are taken by those at divisional or operating level.
- c) A horizontal hierarchical structure exists.
- d) Staff are given autonomy to make their own decisions.



21) Which of the following best describes the matrix organisational structure?

- a) Where areas are divided into technical or professional expertise.
- b) Where people work in departments that are themselves part of a division delivering a product/service to a distinct group of customers.
- c) Where people are based in a functional group, and then work for a divisional group or project on distinct tasks.
- d) Where the organisation acts as a broker between independent organisations that contract to provide services as required.

22) Which of the following describes a characteristic of a person culture?

- a) A dominant central figure holds power here.
- b) What is expected is defined in job descriptions.
- c) Systems are here to serve individuals.
- d) Focus is on completing the task or project.

23) Which of the following best defines 'vertical specialisation'?

- a) The extent to which responsibilities at different levels are defined.
- b) The extent to which tasks are divided amongst different people.
- c) The extent to which individuals work mainly on their own and share information and best practice.
- d) The power that gives a person authority over defined matters.

24) Which kind of structure is likely to support a cost leadership strategy?

- a) Clear functional structure.
- b) Team based structure.
- c) Matrix structure.
- d) Divisional structure.

25) Organisations in their birth stage tend to operate:

- a) Formally with clearly defined rules and expectations.
- b) Informally with little division of labour.
- c) With some division of labour.
- d) With separate staff performing support functions.

26) Which of the following budgeting approaches is more likely to achieve employee support?

- a) A budget that is imposed from above.
- b) A budget that is used to judge individual performance.
- c) A budget that is challenging and unachievable.
- d) A budget that is produced in discussion with staff.

27) Sources from which leaders derive power include:

- a) Position held
- b) Authority to reward or punish
- c) Expert knowledge
- d) All of the above

- 28) The intensity of a person's desire to engage in some activity is:
- a) Personality
  - b) Application
  - c) Motivation
  - d) Skill
- 29) Maslow's self-esteem and self-actualisation needs are similar to Alderfer's \_\_\_\_\_ needs.
- a) Relatedness
  - b) Growth
  - c) Self-efficacy
  - d) All of the above
- 30) Our behaviour is motivated by \_\_\_\_\_ of stimuli that reach us via our sense organs.
- a) Self-concept
  - b) Experience
  - c) Understanding
  - d) Perceptions
- 31) The study of individual behaviour at work is important as it:
- a) Allows managers to understand why people act the way they do in organisations
  - b) Allows an understanding of what motivates people in the workplace
  - c) All of the above
  - d) None of the above
- 32) The motivation process begins with:
- a) Efforts to fulfil needs
  - b) A need deficiency
  - c) Evaluation of need satisfaction
  - d) None of the above
- 33) What leadership style would a person with an internal locus of control be most likely to dislike:
- a) Directive
  - b) Supportive
  - c) Participative
  - d) Achievement-oriented
- 34) The nature debate in personality theory argues that personality is mainly formed through:
- a) The environment we grow up in
  - b) Our friends and social influences
  - c) Our genetic inheritance
  - d) All of the above
- 35) The \_\_\_\_\_ theory of motivation is based on the idea that employees compare their inputs and outcomes to some other person to determine if they are being fairly treated.
- a) Expectancy
  - b) Equality
  - c) Justice
  - d) Equity