

UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

SUPPLEMENTARY FINAL EXAMINATION PAPER

JULY 2005

TITLE PAPER : PRINCIPLES OF MANAGEMENT

COURSE TITLE : BA 211

TIME ALLOWED : TWO (2) HOURS

- INSTRUCTIONS :**
- (1) TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FIVE (5)**
 - (2) THE PAPER CONSISTS OF SECTION A AND SECTION B.**
 - (3) ANSWER SECTION A WHICH IS COMPULSORY AND ANY THREE (3) QUESTIONS IN SECTION B.**
 - (4) THE MARKS AWARDED FOR A QUESTION /PART OF A QUESTION ARE INDICATED AT THE END OF EACH QUESTION / PART OF QUESTION.**

NOTE: MAXIMUM MARKS WILL BE AWARDED FOR GOOD QUALITY LAYOUT, ACCURACY, AND PRESENTATION OF YOUR WORK.

THIS PAPER MUST NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

GOOD LUCK!!!

SECTION A (COMPULSORY).

CASE STUDY:

The Hit Factory was established close to 20 years ago. Initially it was established to import to resell soft drinks. Later it expanded and began producing the brands of soft drinks after it had reached a licensing agreement with the brand owners. It is now one of the leading companies in Univer City.

Walking around the company offices, the following statements were noted, some of which were put up on the walls and some were written in manuals.

Statement 1

“No cost reduction policy will be approved if it reduces product quality in any way”

Statement 2

“The corporation must not emphasize market share at the expense of profitability”

Statement 3

“Be number one in total customer satisfaction”

Statement 4

“Grow horizontally in those major soft drinks product lines and geographic areas where the corporation is not yet represented, through acquisitions”

Statement 5

“Serve the best interests of shareholders, customers, and employees. To become a full-line globally oriented major soft drinks producer and seller.”

Statement 6

“Coordinate the marketing, manufacturing, and purchasing activities of the business units through corporation-wide planning committees chaired by representatives from the corporate planning staff”

Statement 7

“Consolidate all advertising under one agency but establish internal advertising directors for each brand category, who will interact with each other to ensure that the advertising and promotions among the various brands achieve their objectives but do not clash.”

Required:

From the above case, identify the followings and explain why you feel the particular statement(s) reflects the said term.

- 1(a). (i). Mission Statement
- (ii). Policy
- (iii). Strategy
- (iv). Procedure
- (v). Objective

(20 marks)

(b). Suppose the Hit Factory decides that its corporate strategy for the next 5 years is to increase market share (growth) in soft drinks by 20%. Currently it controls 50% of the market. How can (i) business units and later (ii) functional departments help achieve this goal? i.e. what examples of strategies and activities can be put in place at these two levels? (15 marks)

(c). Based on your knowledge of planning, list 5 limitations of planning? (5 marks)

SECTION B (ANSWER ANY THREE QUESTIONS)

Q2. Leaders can have more than one type of Power.

- (a). Briefly describe these types of power. (10 marks)
- (b). Which two of these types of power do you think are the most essential for a leader? Give a detailed explanation why you think these two are more important than the others. (10 marks)

Q3. (a) Explain the *aims* of Strategic Management planning? (10 marks)

- (b) Briefly explain, giving examples:
 - Boston Consulting Group Matrix (7 marks)
 - Competitive advantage. (3 marks)

Q4. Discuss the Content Theories of Motivation. Explain what they are, what they try to address, and whether or not they have been successful. Use two theories under this category as examples to illustrate your answer. (20 marks)

Q5. (a). Explain four methods that Multinational Corporations (MNC) can use to implement expansion strategies. (12 marks)

(b). List and explain the differences between the Geocentric and Polycentric attitude in MNC management. (8 marks)