

**UNIVERSITY OF SWAZILAND**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**

**SUPPLEMENTARY EXAMINATION 2006**

**FULL-TIME AND I.D.E.**

**TITLE OF PAPER : PRINCIPLES OF MANAGEMENT**

**COURSE : BA211**

**DEGREE AND YEAR : DIPCOM2**

**TIME ALLOWED : TWO (2) HOURS**

- INSTRUCTIONS:**
- 1. THIS PAPER CONSISTS OF SECTION (A) AND (B)**
  - 2. SECTION (A) IS COMPULSORY**
  - 3. ANSWER ANY TWO (2) QUESTIONS FROM SECTION B**
  - 4. THE TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FIVE (5)**

**NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION  
IN ENGLISH AND FOR ORDERLY PRESENTATION**

**THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL INVIGILATOR HAS GRANTED PERMISSION**

## **SECTION A [COMPULSORY]**

**READ THE FOLLOWING CASE AND ANSWER THE QUESTIONS BELOW**

### **JAMIE BONINI AT CHRYSLER**

An engineer by training, Bonini was named plant manager of Chrysler's big-van plant in Windsor. He was 33 years old. Within a year, *The Wall Street Journal* hailed him as one of the new breed of managers who are reshaping the U.S. auto industry's manufacturing plants. The article also suggested he would be equally successful in other industries.

At the same time, *Forbes* magazine selected Chrysler as its Company of the Year. They selected Chrysler based on its results, its ways of operating, and its superb management. "We think Chrysler has superior management—not just at the very top but deep down in the organization." (p. 83)

Chrysler, like many other American companies, is teaching its foremen new ways of managing: giving more power to workers, rather than exercising top-down, management-by-intimidation. Previously at some of Chrysler's manufacturing plants, managers were described as acting like drill sergeants, quality problems were abundant, and the people were demoralized. Dennis Pawley, who is in charge of Chrysler manufacturing worldwide, decided to change things dramatically and among other things appointed the young and inexperienced Bonini to the Windsor job.

The plant was one of the least automated in the industry, with hundreds of manual jobs. Sales were stagnant, and the plant was scheduled to launch a new van. Adding to the challenges was the resentment of other managers who were passed over for the promotion, and the skepticism of many who thought Bonini was not up to the job. Looking back, he said, "I was scared. There were moments when I thought, 'I'm in over my head.'"

But he went to work, and within a year, productivity, sales, and morale were all up. You can learn elsewhere how he did it. But what would you do if

you were in his shoes?

After his success at the Windsor plant, Bonini was offered a position in Latin America, to run an engine plant that Chrysler is building with BMW of Germany. He was torn; he wanted to stay at Windsor to see the new van launched, and people were upset that he was leaving them. But he felt he couldn't turn down the offer. He took the job, and he may now have an impact on car building in other parts of the world.

### QUESTIONS

- a. Describe the management problems in this case and how the organization overcame them. **(10 MARKS)**

*Chrysler, like many other American companies, is teaching its foremen new ways of managing: giving more power to workers, rather than exercising top-down, management-by-intimidation.*

- b. Discuss what is meant by the above statement and how the above actions made Chrysler successful.

**(20 Marks)**

- c. Mr Bonini was offered a position in Latin America. Explain what are the advantages and disadvantage of using expatriates, host country nationals and third country nationals to run overseas operations. **(20MARKS)**

## SECTION B

ANSWER ANY TWO (2) QUESTIONS FROM THIS SECTION

### QUESTION 2

- a) Describe the basic stages in the rational of decision making. (15 MARKS)
- b) Discuss the five sources of managerial power, giving examples. (10 MARKS)

### QUESTION 3

- a) What factors do you need to consider when deciding on plant location? (15 MARKS)
- b) What elements of the macro- environment have an impact on managerial decisions? (10 MARKS)

### QUESTION 4

- a) Discuss the four major steps involved in a typical control system (16 MARKS)
- b) Outline the functions served by groups in an organization. (9 MARKS)

### QUESTION 5

Explain why members of an organization may resist change and then discuss techniques managers can use to overcome resistance to change. (25 MARKS)