

**UNIVERSITY OF SWAZILAND**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**SUPPLEMENTARY EXAMINATION 2007**  
**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

**PLANNING FOR CHANGE AT DUPONT**

Since John A. (Jack) Krol took over as CEO of DuPont, he has loosened up meetings and created a very different climate for planning and decision making. He has even been known to lead other executives in songs- " You Are My Sunshine" is his favourite. Krol's idea is that the tone of meetings has to change in order to revamp DuPont from a slow-moving giant into a more vital growth machine. Competitors such as Monsanto are more agile and their successes are a cause for concern.

To get things moving, Krol has modified the planning process. In the past, DuPont executives tended to keep planning centralized; only a small circle of advisers were let in on the discussions. Krol, by contrast, likes to involve a large number of executives in the decisions. He takes a good deal of time listening to what people have to say. This is not the quickest way to make planning decisions, but getting everyone's input Krol believes he receives better advice and more commitment from people when changes are put in motion.

And DuPont is in motion. Here is Krol's formula: The plan is to accelerate DuPont's push into high-growth life sciences such as biotech agriculture and pharmaceuticals. The goal is to increase the company's percentage of sales in this area from 20 percent to 30 percent within three years. To achieve this operationally' Dupont has spent \$3.2 billion to buy Protein Technologies and a portion of Pioneer Hi- Bred International ( to research genetically enhanced crops). But Krol does not want to slight DuPont's core chemical and fiber business. The goal is to be number 1 or number 2 in core chemicals and fibers, and to solidify its position DuPont has spent over \$3 billion to buy the white-pigmentation business outside North America and the polyester unit from ICI.

Although DuPont's corporate strategy is growth through diversification, the company is spinning off businesses that do not fit its overall strategic portfolio. For example, the low-margin medical-products division has not done well as part of DuPont and has been sold. Krol has also been putting together a deal to divest it of its hydrogen- peroxide

operations. There has even been some talk about spinning off the \$20 billion Conoco oil and gas unit.

Each of these changes fits into the company's overall plan to concentrate on faster – growing markets that build on the company's core competences. For Jack Krol, the challenges is formulating and implementing a strategic plan that will make the company more flexible and dynamic in order to adapt to a changing environment.

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SOURCE: AMY BARRET "AT DUPONT, TIME TO BOTH REAP AND SOW," BUSINESS WEEK, SEPTEMBER 29 1997, pp107-8

### QUESTIONS 1

- a). Identify the planning approach introduced by Krol and then explain how it will benefit the organization. **20 MARKS**
- b). How is Dupont approaching its corporate strategy of diversification? **15 MARKS**
- c) What are Dupont's core competencies and how do they fit with the company's strategy? **15 MARKS**

**SECTION B (ANSWER ANY TWO QUESTIONS)****QUESTION 2**

a) Briefly explain the following management terms, giving examples:

- |                            |           |
|----------------------------|-----------|
| i. Corporate Governance    | (5 MARKS) |
| ii. Flexitime              | (5 MARKS) |
| iii. Learning Organisation | (5 MARKS) |
| iv. Coordination           | (5 MARKS) |
| v. Staff Authority         | (5 MARKS) |

**QUESTION 3**

- a) Differentiate planning from strategic planning. ( 7 MARKS)
- b) Enumerate on the different methods that can be used by managers to administer ethical behaviour in the organisation. (18 MARKS)

**QUESTIONS 4**

Explain what flexitime is and then discuss the advantages and disadvantages of using it (flexitime) as a motivation strategy. (25 MARKS)

**QUESTION 5**

Discuss the five leadership styles that have emerged in contemporary management. (25 MARKS)