

**UNIVERSITY OF SWAZILAND**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**MAIN EXAMINATION PAPER; FULL TIME STUDENTS**  
**MAY 2013.**

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**TITLE OF PAPER : PRINCIPLES OF MANAGEMENT**  
**COURSE CODE : BA 114**  
**TIME ALLOCATED : THREE [3] HOURS**  
**TOTAL MARKS : 100 MARKS**

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**INSTRUCTIONS**

1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS 5
2. THE PAPER CONSISTS OF SECTION A AND SECTION B
3. ANSWER THE QUESTION IN SECTION A WHICH IS COMPULSORY AND ANY THREE [3] QUESTIONS IN SECTION B.
4. THE MARKS ALLOCATED FOR A QUESTION/PART OF A QUESTION ARE INDICATED AT THE END OF EACH QUESTION/PART OF QUESTION.
5. NOTE: MAXIMUM MARKS WILL BE AWARDED FOR QUALITY, LAYOUT, ACCURACY, AND GOOD PRESENTATION OF WORK.

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

## **SECTION A : THE CASE STUDY QUESTIONS ARE COMPULSORY.**

### **QUESTION 1.**

Read the case study carefully before you attempt the case study questions.

#### **Planning for diversified activities in a changing environment.**

Thulani Ntokozo is CEO of a diversified conglomerate incorporated (DCI), a leader in air compressors and basketball backboards, both low growth industries and coffee imports, a high growth industry. In addition DCI has a substantial presence in baby beds and inner-spring mattresses and has recently started ventures in biotechnology and retailing gourmet coffee; other ventures are planned also. DCI is a company with many diverse people involved in different projects.

The CEO has a problem that is solely a function of DCI's diversification. He needs to be able to allocate resources across a wide range of businesses that do not have much in common .He must compare baby beds with air compressors ,and he needs a language of some sort to make such comparisons.

Dlamini Ndabambi is the division manager at DCI responsible for baby beds. The business is in a difficult position. After years of flat sales, the market for baby beds has been growing for several years because baby-boom women have been starting families. However an increasing share of that market is going to Manzini-Mart, Mbabane-Mart and Shoprite –the large retailers in the Republic of Kwaluseni. DCI manufactures the wooden parts of the beds but buys the brackets and other metal parts. Recently, one source of supply went out of business, leaving only one South African firm and one Mozambique firm capable of supplying the quantity of parts that DCI needs. There are also several new companies in the industry that have more features than DCI's best bed and that command premium price. Moreover, Dlamini Ndabambi suspects that the Zimbabwean supplier is set to enter the South African market with two products that would compete directly with his low-ends beds. To ice the cake, a recent study questioned the use of baby beds or cribs altogether, touting a new idea – the infant sleep carousel-as producing a happier baby. Both the CEO and the division manager have strategic problems that are of utmost importance to DCI.

**CASE STUDY QUESTIONS.**

- a. Place DCI's business units using the BCG matrix model and explain how this model works **(7 marks)**
  
- b. With the use of examples from the case please explain the concepts of related and unrelated diversification clearly articulating their advantages and disadvantages. **(6 marks)**
  
- c. Assuming that DCI's structure was product based what would its basic structure look like? Explain the advantages of product based departmentalisation? **(12 marks)**

**[Total Marks 25]**

**SECTION B.**

**ANSWER [3] QUESTIONS OF YOUR CHOICE FROM THIS SECTION.EACH QUESTION CARRIES 25 MARKS.**

**QUESTION 2**

- a. Evaluate the three environments under which business decisions are made and clearly articulate attributes of these decision making environments. **(17 marks)**
- b. Illustrate and explain how the decision making model works. **(8 marks)**

**[25 Marks]**

**QUESTION 3**

Environmental analysis is an important step when management is preparing for an effective organisation strategy. Paying particular attention to local companies that you know, explain in detail three components of the environmental analysis process.

**[25 Marks]**

**QUESTION 4**

Write notes on the following management related concepts;

- a. Quality Attributes **( 6 marks)**
- b. BRICS **(6 marks)**
- c. BBBEE **(6 marks)**
- d. Porter's Five Forces model **(7 marks)**

**[Total Marks 25]**

**QUESTION 5.**

Discuss the contributions of Scientific management and the Systems approach to the development of management theory and explain the relevance of these theories to management today. **[25 Marks]**

**END OF EXAMINATION; GOOD LUCK!!!**