

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
FINAL EXAMINATION PAPER; FULL TIME & IDE STUDENTS
MAY 2016

TITLE OF PAPER : PRINCIPLES OF MANAGEMENT
COURSE CODE : BUS 134 FULL TIME & BA114 IDE

TIME ALLOCATED : THREE [3] HOURS

TOTAL MARKS : 100 MARKS

INSTRUCTIONS

1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS 5
2. THE PAPER CONSISTS OF SECTION A AND SECTION B
3. ANSWER ALL QUESTION IN SECTION A WHICH IS COMPULSORY AND ANY THREE [3] QUESTIONS IN SECTION B.
4. THE MARKS ALLOCATED FOR A QUESTION OR PART OF A QUESTION ARE INDICATED AT THE END OF EACH QUESTION OR PART OF THE QUESTION.
5. NOTE: CREDIT WILL BE AWARDED FOR ANSWERS CLEARLY EXPLAINED WITH THE USE OF ILLUSTRATIONS AND PRACTICAL EXAMPLES

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

SECTION A: CASE STUDY. READ AND UNDERSTAND THE CASE BEFORE YOU ATTEMPT TO ANSWER THE CASE STUDY QUESTIONS.

Planning for Diversified Activities in a Changing Environment

Nongcebo Mcebo is CEO of Diversified Conglomerate Incorporation (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 there are 15 other businesses in which DCI engages to varying degrees. In short, DCI is a company with many diverse people involved in different projects.

Nongcebo Mcebo 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 kind to make such comparisons.

Nompumelelo Mphumelelo 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 the market is going to Motsa-Mart, Welile-Mart, and Sebendile, the large retailers. 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 Swazi firm and one Taiwanese 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 that command premium prices. Moreover, Mphumelelo suspects that the Taiwanese supplier is set to enter the Swazi market with two products that would compete directly with his low-end beds. To ice the cake, a recent study questioned the use of baby beds or cribs altogether, touting a new idea- the infant "sleep carouse"- as producing a happier baby.

Both Nongcebo Mcebo and Nompumelelo Mphumelelo have strategic problems that are of the utmost importance to DCI.

Answer the following case study questions:

1. Use the BCG matrix approach to help Nongcebo Mcebo develop a strategy for DCI and state if there are obvious products that are stars, cash cows, question marks, and dogs? **(15 marks)**
2. Refer to paragraph two. Explain the Igor Ansoff's product/market growth matrix to Mcebo, maybe it will help? **(13 marks)**
3. Use the Ishikawa diagram to analyse DCI's problem and say what the tool's advantages are? **(12 marks)**

[TOTAL 40 MARKS]

SECTION B: ANSWER ANY THREE (3) QUESTIONS OF YOUR CHOICE FROM THIS SECTION.

QUESTION 2

a. What is a problem and how can you tell that there is a problem in a company? **(5 marks)**

b. Explain the three decision making conditions that management face. **(15 marks)**

[TOTAL 20 MARKS]

QUESTION 3.

a. How are tactical plans and strategic plans different? **(12 marks)**

b. Explain the concept of Gap analysis and justify its use **(8 marks)**

[TOTAL 20 MARKS]

QUESTION 4.

a. Use the Blake and Mouton managerial grid to explain the concept of leadership **(12 marks)**

b. Briefly explain the different sources of leadership power **(8 marks)**

[TOTAL 20 MARKS]

QUESTION 5.

With specific reference to one Swaziland company, use the PEST analysis model to explain how external factors can bring about opportunities and threats to the company. **[TOTAL 20 MARKS]**