

**First Semester M.B.A. (Distance) Degree Examination,  
June/ July 2009  
(New Scheme)**

**M.B.A. DP : 101 : Principles of Management**

Time : 3 Hours

Max. Marks : 80

**Section - A**

**Answer the following sub-questions. Each sub-question carries 2 marks.**

1. a. Distinguish between management and administration.
- b. What do you mean by bureaucracy?
- c. What is Delphi technique ?
- d. What do you mean by span of control?
- e. Distinguish between line and staff authority.

**Section - B**

**Answer any FIVE of the following. Each question carries SEVEN marks.**

2. Define management. List and briefly discuss the functions of management.
3. Write an explanatory note on the contributions of Peter. F. Drucker to management thought.
4. What is planning? State the nature and benefits of planning.
5. Briefly point out the group decision - making techniques.
6. Define Delegation. What are the steps in delegation.
7. Define departmentation. Compare and contrast departmentation by functions and product.

**Section - C**

**Answer the following questions. Q.No. 8 and 9 carry 10 marks each and Q.No. 10 carries 15 marks.**

**(10+10+15=35 marks)**

8. a) Discuss in detail the different roles performed by managers with suitable examples.  
**OR**  
b) What are the major contributions of the Hawthorne experiments to the present day organisations.
9. a) Define authority. Draw distinctions between authority and power. Identify the sources of power.  
**OR**  
b) Write short notes on any two of the following.
  - i) F.W. Taylor
  - ii) M.B.O.
  - iii) Matrix organisation
  - iv) Contingency approaches to management

10. Analyse the following case and answer the questions appended.

### Super Department Stores' MBO Programme

Prakash Gupta was irritated and confused, after the meeting with Dinesh Sharma. Prakash was the chief manager of Delhi city Super Department Stores (SDS), and Dinesh was the regional stores manager, in charge of stores of Noida, Faridabad and Ghaziabad. Three weeks earlier, Prakash had received a letter from Dinesh explaining that top management had decided on an MBO programme to help SDS improve its operational efficiency and profitability. The letter mentioned about linking stores managers' salary hikes, promotions etc. to performance. The accompanying instructions required managers to list the objectives they achieved which were appropriate for their store and then to await the regional manager's review visit.

Prakash has done just what he was asked to do. In a meeting with his departmental managers, Prakash has chosen objectives that they all agreed were appropriate. All of the objectives represented performance levels that were improvements over the past year and were reasonably attainable, such as :

- Increasing sales by 10 percent.
- Reducing inventory losses by 2 percent
- Improving customer service (i.e. 20 percent fewer complaints made to head office)
- Reducing cash register shortages to .05 percent of sales.

Dinesh came late for the MBO review visit and stressed that there was little time. He quickly scanned the written statement of objectives which Prakash gave him, then explained that profit improvement was really what the home office was interested in. Senior management in Chennai, running the SDS in over 18 major cities in India, decided that a 10 per cent increase in profit would be a reasonable objective for Prakash's store. This single objective, Dinesh explained, would facilitate the monitoring of performance by the head office and would also reduce the amount of information the store would have to submit. The visit was cut short because Dinesh had to attend a meeting on the advertising budget back at the head office.

### Questions

- 1) Does the MBO system at SDS meet the criteria for an effective programme? Why? Why not?
- 2) Evaluate Prakash's approach to objective setting.

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