

THE OPEN UNIVERSITY OF SRI LANKA
DEPARTMENT OF ELECTRICAL AND COMPUTER ENGINEERING
BACHELOR OF SOFTWARE ENGINEERING



FINAL EXAMINATION 2009/2010
ECM5360 Management and Professional Issues

Date: 22nd May 2010

Time: 9.30 – 12.30 hrs

Answer Any 5 Questions

- Q1. Management involves several key functions of which planning plays a vital role. Planning is done at different levels of an organization.
- (a) Explain the importance of strategic planning in a business organization.
 - (b) What are the main steps in strategic planning process? Briefly explain each step.
 - (c) Briefly describe the other main functions of management.
- Q2. Delegation of authority is necessary for smooth functioning of an organization. Authority is the Power that has been legitimized by the organization.
- (a) What are the reasons for delegating authority in an organization?
 - (b) Briefly describe the problems normally arise for a manager and the subordinates with regard to delegation of authority.
- Q3. Marketing is an important activity in any business in which products and services are provided to the intended consumer in most effective manner.
- (a) Marketing activity can be conducted based on several concepts. What are they? Briefly explain each of them.
 - (b) What is meant by marketing variables? How these variables are normally categorize.
 - (c) Briefly explain how you would make use of these variables to produce marketing plan to sell alternate fuels such as Petrol and LP gas.

Q4. It is often seen that certain products are best marketed to a specific clientele. Therefore, it is useful to decide on the best market for a product before such products are put into the market. This is known as market segmentation.

- (a) What are the normally accepted steps in market segmentation? Explain each step briefly.
- (b) State common basis of market segmentation that a company can adopt and explain each of them briefly.
- (c) Explain the reasons for a need of Marketing Information Systems in a large business enterprise.

Q5. In the past, decision making in business has been a skill of individuals that own the business and depended on the experiences and personal styles of looking at problems. However, today the management decision making is considered to be a systematic analysis of problems and is governed by accepted principles.

- (a) State the sequential steps in decision making process and explain them very briefly.
- (b) Explain the conditions that influence decision making
- (c) State common decision making models with a brief description.

Q6. Any manufacturing or service organization usually keeps stocks of raw materials or finished products. Keeping stocks incur costs for the organization, yet they tend to maintain stocks for several reasons.

- (a) What are the reasons for keeping stocks of raw materials and finished products? Explain the consequences for not maintaining such stocks of items.
- (b) Explain what is meant by inventory management? Also mention the cost components usually taken into account in inventory management.
- (c) A company annually requires 5,000 units of an item required as a raw material. The unit cost of this item is Rs. 12.00. The annual holding cost of items in stock is Rs. 2.00 per item. The administrative costs involved in placing an order amounts to Rs. 500.00.

Determine the Economic Order Quantity (EOQ) and the total cost of one purchase including the cost of items.

You may use the following formula for EOQ.

$$Q = \sqrt{\frac{2AD}{h}}$$

Where

A = Cost per order,

D = Annual demand,

h = Inventory holding cost per item per year

Q7. (a) Explain the following terms

- (i) Ledger
- (ii) Balance Sheet
- (iii) Profit and Loss Account

(b) (i) Prepare a Trial Balance for a company XYZ as at 31st March 2006 when the following transactions have taken place during the financial year.

	Value in Rs.
Bank Account Balance	5,000
Capital on 1 st of April 2005	11,000
Cash in hand	1,000
Drawings	8,000
Motor bicycles	6,000
Vehicle expenses	2,000
Office expenses	3,000
Purchases	30,000
Trade creditors	4,000
Trade debtors	10,000
Sales	50,000

Assuming a situation when there has been no opening or closing stock, Prepare the following.

- (ii) Profit and Loss Account for XYZ and derive the net profit.
- (iii) Balance Sheet.

Q8. (a) Briefly explain the following

- (i) Functions of Project Management
- (ii) Critical Path Method
- (iii) Slack time of an activity

(b) A project has been defined to contain the following list of activities along with their required times of completion.

Activity	Time (days)	Immediate Predecessor
A	1	---
B	4	A
C	3	A
D	7	A
E	6	B
F	2	C, D
G	7	E, F
H	9	D
I	4	G, H

- (i) Draw the project network
- (ii) Show the critical path
- (iii) Find the earliest finishing time of project
- (iv) Find the slack time in activity C

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