THE OPEN UNIVERSITY OF SRI LANKA
FACULTY OF MANAGEMENT STUDIES

BACHELOR OF MANAGEMENT STUDIES HONOURS
OSU3571 - PRINCIPLES OF MANAGEMENT
CONTINUOUS ASSESSMENT TEST – 2023 / 2024
DURATION – TWO (02) HOURS

Date: 16th March 2024 **Time: 9. 30 AM- 11.30 AM**

INSTRUCTIONS:

- Part I comprises of 40 MCQ questions for 80 marks. Select and **underline** the most appropriate answer **for all the questions** in part I.
- Part II comprises of 10 short answer questions for 20 marks. **Answer all the questions** in part II
- **Answer in this paper itself**
- Illegible Handwriting will be penalized.

PART I

1) Which of the following best describes planning?
   a. A process of setting goals and determining suitable actions to achieve them
   b. A method of evaluating past performance and making adjustments for the future
   c. A technique for allocating resources without specific objectives in mind
   d. An approach to managing without any predetermined objectives

2) ..... is considered as the father of the scientific management approach.
   a. Henry Gantt
   b. Max Weber
   c. F. W. Taylor
   d. Henri Fayol

3) From the below list, what is the **false** statement about motivation?
   a. It is the art of getting work done through others
   b. It is the willingness to work towards a goal
   c. Motivation process starts with identifying unsatisfied needs
   d. An individual motivates only if the motivator satisfies his/her individual needs

4) Which of the following statements provides the **most accurate** definition of management?
   a. Management is the process of overseeing employee performance to ensure compliance with rules and regulations

b. Management is the art and process of maximizing profits of the organization through the maximum utilization of human resources
c. Management is the art and process of achieving organizational goals through efficient resource utilization and effective leadership
d. Management is the act of making decisions based on the personal interest of the managers

5) If plans change, what should the organizational structure do?
a. Remain the same
b. Respond to change
c. Become complex
d. Cease to exist

6) Which of the following represents the Top Level of planning within an organization?
a. Operational planning
b. Tactical planning
c. Strategic planning
d. Contingency planning

7) Which is **not** a characteristic of bureaucratic management approach,
a. Builds up consistency in employee treatments
b. Clearly defined authority, hierarchy, and objectives
c. Standard ways of dealing with employees
d. Quick decision making and reduced time for procedures

8) All the factors and forces in the business environment are identified as,
a. Close environment
b. Stakeholders
c. Natural environment
d. Pressure groups

9) What is one of the benefits of the organizing process?
a. Ambiguity in task assignments
b. Unclear work environment
c. Clear work environment
d. Lack of specified authority

10) Analyzing the business environment is essential due to the reason/s of,
i. Organization is an open system
ii. Environment is turbulent
iii. Needs to develop the PESTEL analysis
iv. Doing CSR to survive in the current competition is vital

a. i is correct
b. i and ii are correct
c. i, ii and iii are correct
d. all are correct

11) What is the **false** statement from the below list of statements?
a. Content theories of motivation focus on '*what*' motivates individuals
b. Working condition can be considered as a hygiene factor
c. Safety needs are lower order needs in the hierarchy of needs

d. Equity theory explains about the fairness of the rewards an individual receives

12) Select the **correct** statement.

a. Efficiency is defined as doing things right while effectiveness is defined as doing right things
b. Efficiency is defined as doing right things while effectiveness is defined as doing things right
c. Efficiency deals with the ability to determine appropriate objectives while effectiveness deals with the ability to minimize the use of resources in achieving the objectives
d. Efficiency deals with using correct techniques for business operations while effectiveness deals with risk mitigation

13) How does good organizing impact decision-making?

a. Leads to a chaotic structure
b. Hinders communication
c. Improves decision making
d. Promotes arbitrary decision making

14) Lower-level managers primarily concern themselves with which of the following organizational units?

a. Departments
b. Divisions
c. Work units
d. Total Organization

15) Out of the below mentioned statements, which **statement/s is/are correct**

i. Behavioural science approach emerged during the World War II
ii. Management science approach is a collection of knowledge derived from different social sciences such as Psychology, Sociology, Anthropology, Political Science, Economics etc.
iii. Behavioural science approach uses the knowledge derived from mathematics, statistics, other quantitative techniques and computer applications
iv. Behavioral science approach relies on scientific research for developing theories about human behavior

a. only iv
b. i and iii
c. only ii
d. none of above

16) Which is **not** a challenge faced by modern-day managers,

a. Increasing sustainability concerns
b. Rapidly advancing technology
c. Maintaining clearly defined hierarchy
d. Diversity management

17) Which of the following statements **correctly reflects** Herzberg's Two factor theory of motivation?

a. When motivator factors are provided, job dissatisfaction will decrease
b. Opposite of job satisfaction is job dissatisfaction
c. Hygiene factors leads to job satisfaction
d. Using hygiene factors, job dissatisfaction can be eliminated

18) First line managers are responsible for,

a. Making the strategic decisions relevant to entire organization
b. Making corporate level decisions
c. Directing the heads of departments in decision making
d. Directing the employees at operational level

19) In the organizing process, what is determined during Step 3 (three)?

a. Organizational plans
b. Hierarchical relationships
c. Classification and grouping of activities
d. Assignment of work and delegation of authority

20) Which of the following is **not** typically considered an element of a plan within an organization?

a. Mission
b. Environmental Analysis
c. Strategies
d. Control

21) ..... approach gives managers a way of looking at the organization as a whole and a part of the larger environment.

a. Participative Management
b. Systems Theory
c. Behavioural approach
d. Administrative management theory

22) Chanaka intends to start his own business and he has identified that the aging population is creating different business opportunities. Due to the current economic crisis, both partners/ all the children of a family are compelled to find a job making it difficult for them to take care of old parents. Thus, Chanaka is thinking of opening an elderly day-care center in his area. Which environmental factor has fostered his business idea?

a. Economic
b. Organizational culture
c. Supply chain
d. Social

23) The process of identifying and choosing appropriate strategies and courses of action to achieve organizational goals and objectives is called,

a. Controlling
b. Leading

c. Planning
d. Organizing

24) During Step 4 of the organizing process, what is done with personnel?
a. Hierarchical relationships are developed
b. Activities are grouped into different fields
c. Duties are assigned, authority is delegated, and responsibilities are defined
d. Vertical and horizontal relationships are determined

25) Which type of plan within an organization is designed to address unique or one-time situations and is not meant to be used repeatedly?
a. Standing plan
b. Contingency plan
c. Single-use plan
d. Tactical plan

26) Kasun is a well performing employee who has received 'employee of the month' award consecutively for last six months and an attendance allowance as he rarely takes leave. However, recently his performance records showed no improvement while number of leaves were increasing. The HR manager decided to remove the attendance allowance to correct this behaviour.
Above management decision **is an example** of,
a. Negative reinforcement
b. Extinction
c. Positive Reinforcement
d. Punishment

27) In Mintzberg's managerial roles, which role involves seeking out new opportunities, initiating new projects, and handling disturbances?
a. Interpersonal role
b. Informational role
c. Decisional role
d. Leader role

28) What does Step 5 of the organizing process focus on?
a. Determination of functions
b. Consideration of organizational plans
c. Developing hierarchical relationships
d. Classification and grouping of activities

29) What might be a reason for someone to not prepare a plan?
a. Lack of resources
b. Overconfidence in abilities
c. Time constraints
d. All of the above

30) Select the statement which **correctly lists** the needs according to Maslow's hierarchy of needs
a. Food, job security, teamwork, reputation, challenging job
b. Creativity, shelter, friendship, challenging job, job security

c. Health and safety, teamwork, food, challenging job, reputation
d. Water, reputation, Health and safety, teamwork, challenging job

31) In an organization, a conference was organized, and the Head of the institution delivered the welcome speech addressing the gathering. Here, the Head of the institution has played as a,

a. Leader
b. Disseminator
c. Figurehead
d. Negotiator

32) Which aspect of the organizational structure does the vertical structure primarily depict?

a. Chain of command and hierarchy of decision making
b. Division of work and specialization
c. Continuous activities like assembly or manufacture
d. Synchronization of the working of all parts of the organization

33) Which of the following terms typically refers to a broad, aspirational statement that outlines the desired future state or direction of an organization?

a. Mission
b. Strategy
c. Vision
d. Objective

34) Which of the following statements **correctly list out** the key components discussed under Alderfer's ERG theory?

a. Expectancy, Relatedness needs, Goals
b. Existence needs, Reputational needs, Growth needs
c. Existence needs, Relatedness needs, Growth needs
d. Expectancy, Reputational needs, Goals

35) Which of the following skills involves the ability to understand complex situations, think strategically, and apply managerial knowledge to handle different situations?

a. Conceptual skills
b. Human skills
c. Technical skills
d. Time management skill

36) The belief that increased efforts will result in increased performance is known as..... while the attractiveness of the reward to the individual is known as ..... in the Expectancy theory of motivation.
Which of the following **correctly lists out** the words to fill the above blanks **in the order they appear** in the statement?

a. Instrumentality, Valance
b. Valance, Expectancy
c. Expectancy, Instrumentality
d. Expectancy, Valance

37) Which of the following is **not** considered a benefit of planning within an organization?

a. Improved decision-making
b. Increased coordination and cooperation among employees
c. Reduced uncertainty and risk
d. Decreased efficiency and productivity

38) Which of the following statements **correctly list out** Content theories of motivation?

i. Hierarchy of needs theory, Two factor theory, ERG theory
ii. Equity theory, Acquired Needs theory, ERG theory
iii. Acquired Needs theory, expectancy theory, goal-setting theory
iv. Acquired Needs theory, ERG theory, Two factor theory

a. i and ii
b. Only iii
c. i and iv
d. Only iv

39) What is the definition of productivity in management?

a. The measure of output per unit of input, indicating efficiency in resource utilization
b. The measure of input per unit of output, indicating efficiency in achieving goals
c. The measure of output relative to competitors' output, indicating market performance.
d. The measure of input relative to competitors' input, indicating operational efficiency

40) How are official communication typically indicated in an organization chart?

a. Straight lines
b. Broken lines
c. Dotted lines
d. Curved lines

(2 marks x 40 = 80 Marks)

PART II

Answer all questions in the space provided.

1) What do you mean by the term "Organization"?

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2) What makes a business organization different from other organizations?

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3) Why do we need organizations in society?

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4) Why do top managers need more of conceptual skills?

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5) Why do some organizations utilize consultancy services in preparing plans?

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6) "Management By Objective (MBO) is also a method that can be identified as a Participative Management mechanism". Do you agree with this statement? Why or why not?

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7) What are the main steps in preparing a network diagram under Network Analysis as a quantitative planning aid?

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8) What do you mean by the break-even point in a business?

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9) Why is it important to carry out ethical business conduct in the contemporary business landscape?

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10) Briefly state the importance of developing entrepreneurship for a country like Sri Lanka.

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(02 marks x 10 = 20 Marks)

(Total 100 marks)

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