2160

THE OPEN UNIVERSITY OF SRI LANKA
FACULTY OF MANAGEMENT STUDIES

BACHELOR OF MANAGEMENT STUDIES HONOURS
BMSHONS IN ACCOUNTING AND FINANCE
BMSHONS IN HUMAN RESOURCE MANAGEMENT
BMSHONS IN MARKETING MANAGEMENT

OSU3401 - PRINCIPLES OF MANAGEMENT
CONTINUOUS ASSESSMENT TEST – 2023 / 2024
DURATION – TWO (02) HOURS

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

INSTRUCTIONS:

- This paper comprises of 50 MCQ questions for 100 marks. Select the most appropriate answer for all the questions.
- **Mark the answers by underlining** the correct option **in this paper itself.**

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) Division of the business environment is,

i. Internal and external
ii. Internal, task and general
iii. Task and general
iv. Organizational and international

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

4) 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

5) 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

6) If plans change, what should the organizational structure do?

a. Remain the same
b. Respond to change
c. Become complex
d. Cease to exist

7) 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

8) 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

9) All the factors and forces in the business environment are identified as,

a. Close environment
b. Stakeholders
c. Natural environment
d. Pressure groups

10) ..... explains that behaviours which are positively rewarded tend to be repeated and which behaviours are negatively rewarded will not be repeated.
Select the **most suitable** theory of motivation from the below list to fill in the blank in the above statement.

a. Expectancy Theory
b. Reinforcement Theory
c. Equity Theory
d. Goal-setting Theory

11) What are the fundamental functions of Management?

a. Planning, Coordinating, Leading, Decision making
b. Planning, Organizing, Leading, Controlling
c. Planning, Organizing, motivating, Communicating
d. Planning, Organizing, motivating, Decision making

12) 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

13) What is the typical time frame associated with middle-level planning within an organization?

a. Usually less than a year
b. Typically 1 to 2 years
c. More than 5 years
d. No specific time frame

14) The management approach under which it is believed that the manager's approach should vary according to the individual and the environmental situation is,

a. Participative Management
b. Systems Theory
c. Total Quality Management
d. Contingency Management

15) 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

16) 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

17) 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

18) 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

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

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

20) 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

21) 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

22) 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

23) 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

24) 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

25) 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

26) ..... 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

27) 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

28) From the below list, which **is an example** for Negative Reinforcement?

a. Issuing a warning letter to an employee who caught smoking during working hours
b. Removing a tedious task after the employee start to follow the company rules
c. Temporary holding salary increments due to poor performance
d. Criticizing the employee at the staff meeting for carelessness

29) 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

30) 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 defined

d. Vertical and horizontal relationships are determined

31) 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

32) 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

33) 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

34) 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

35) 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

36) 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

37) 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

38) 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

39) 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

40) 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

41) 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

42) What is the significance of indicating the date of preparation on an organizing chart?

a. Ensures up-to-date information
b. Establishes communication channels
c. Defines official communication channels
d. Specifies the nature of authority relationships

43) At which level of management does typically develop an operational plan within an organization?

a. Top level
b. Middle level
c. Lower level
d. All of the above

44) 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

45) Which of the following skills are equally important for all the managerial levels

a. Conceptual skills
b. Human skills
c. Technical skills
d. All of the above

46) What does the failure to correctly prepare an organization chart lead to?

a. Clear indication of authority and responsibility relationships
b. Violation of the principle of unity of command
c. Simplification of relationships
d. Effective communication channels

47) 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

48) 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

49) 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

50) 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 50 = 100 Marks)

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