

Reg. No. :

Question Paper Code : 10263

M.B.A. DEGREE EXAMINATIONS, APRIL/MAY 2019.

First Semester

BA 5102 — PRINCIPLES OF MANAGEMENT

(Regulation 2017)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. Define Management.
2. What is the difference between efficiency and effectiveness?
3. What is the difference between mission and objectives?
4. Define Policies.
5. Write brief note on formal and informal organization.
6. What do you mean by performance appraisal of a manager as manager?
7. Define Communication.
8. What is organizational culture?
9. What is Benchmarking?
10. What is a Budget?

PART B — (5 × 13 = 65 marks)

11. (a) Describe various roles of manager in detail.

Or

- (b) Explain the major developments in evolution of management thoughts.

12. (a) Explain in detail on Management By Objective (MBO) in detail.

Or

- (b) Describe the primary steps involved in rational decision-making process.

13. (a) Beyond traditional organizational design, how else can organizations be structured?

Or

- (b) Explain the steps involved in formulating a career strategy.

14. (a) Explain in detail on the flow of communication and its methods in an organization.

Or

- (b) Describe the aspects of organizational culture including dimensions, how people learned managed and sustained culture.

15. (a) Describe the steps involved in control process.

Or

- (b) Explain the use of Non-Budgetary control techniques in detail.

PART C — (1 × 15 = 15 marks)

HP's Tough Decisions

16. (a) Read the case and answer the questions that follows.

The days of a bulky computer hard drive, keyboard, monitor, and mouse are behind us, right? Tablets, smartphones, and other devices are the way of the future, or so it would seem. However, one company, Hewlett-Packard (HP), is betting on the continuation of traditional personal computers (PC).

The story of HP is innovative, sometimes tumultuous and always fascinating. With several prior high-profile CEOs such as Léo Apotheker, Carly Fiorina and Mark Hurd, the company has ridden the waves of technology with the personal computer and crashed hard with its inability to keep up with Apple's advent of smart technology. The new CEO, Meg Whitman, is making some key decisions for the company that could affect its future. Formerly CEO of eBay, Whitman brings to the table a strong background that includes experience at Procter & Gamble and Disney. In addition, she made an unsuccessful bid for the governor's office in California. When she took over the company in September 2011, she faced a recent history of scandals, infighting, and lackadaisical attitudes. Some tough decisions had to be made.

Just a month prior to Whitman's appointment as CEO, the company had announced that it would sell off its PC business and cease production of its fledgling TouchPad tablet. The PC business was a significant part of HP's income and history. Though at its founding in 1939 HP offered a wide variety of scientific and technological products, it entered the PC market in the late 1960s and early 1970s.

As the company grew during the last decades of the twentieth century, it added printers and scanners to its product line. In 2011, the TouchPad was a very modest attempt to compete with Apple's iPad. The decisions to end the PC part of its business and stop producing the TouchPad caused HP's stock price to fall 20 percent (Bandler and Burke, 2012). Upon her arrival, however, Whitman reversed one of those decisions: She announced that the PC division would not be sold or folded; instead, it would be merged with the printer division. The TouchPad, though, was history.

Whitman felt that keeping the PC division was crucial. "HP needs consistency more than anything else," she said (Heichler, 2012). She argued that losing the PC business would do irreparable harm to the rest of HP's products and services. In other words, the PC is integral to HP's survival.

In order to achieve success, though, some changes had to be made. First, more money is being invested in research and development, something that had declined under previous CEOs. "We underinvested in innovation," she said (Edwards, 2012). Second, sales across the board will have to improve. A steady decline in revenues and a dropping stock price have certainly hurt the company. And finally, HP is considering a reentry into the consumer mobile market. In order to compete with Apple, the company is working on a lightweight PC that has a detachable touchscreen (Edwards, 2012).

In the meantime, though, the company is struggling. Even with severe cost cuttings, margins continue to drop. After profits declined 31 percent in the second quarter of 2012, Whitman announced that 27,000 employees would be laid off approximately 8 percent of HP's entire workforce (Worthen, 2012).

Whitman understands that HP is facing a steep uphill challenge. With confidence she states. "I've done this a number of times in my career. It's what great business leaders do" (Bandler and Burke, 2012). The company not only faces a late entry into the tablet market but is also attempting to maintain and innovate in a world where the desktop computer is becoming a nostalgic tool of business from a bygone era. But she is not discouraged. "Strategy is about the art of exclusion." she says. "If something isn't working, then you've got to do something different. The cost of inaction is far greater than the cost of making a mistake" (Heichler, 2012).

Questions :

- (i) What do you think about Meg Whitman's decision to keep the PC business at HP? Would you have made the same decision?
- (ii) Using the rational decision-making process, evaluate Whitman's decision. In other words, what was the existing problem, what were the possible alternatives, etc.?
- (iii) How would you characterize the scope of Whitman's decision? What levels of management were affected? Finally, should Whitman have used consensus in making her choice? Why or why not?

Or

- (b) The Corporate Culture Picnic

Read the case and answer the questions that follows.

Matt Larson is the CEO of Exterior Light Inc. a company that manufactures and installs external lighting for municipalities, malls and athletic stadiums. Working closely with Helen Ono, the vice president of administration and human resources, he organizes a company picnic every summer. The tradition has endured for 25 years.

Four hundred of the company's 440 people attended the picnic this year, held at Larson's summer home on lakefront property. The picnic facilities featured a volleyball area, a 22-foot inflatable slide, pony rides, face painters, temporary tattoos, miniature golf, an open beer and wine bar for adults, and a fully stocked.

Good Humor truck. Larson, Ono, and the other corporate officials worked the grill, which included meat products and vegetarian choices. According to the accounting department, the picnic cost \$49,000 including reimbursed travel costs for employees working in held locations.

Perry Sanders, an accounts payable specialist attending the picnic, commented to Larson. "Geez Man. I hope you and the other four hundred people stuffing themselves today are getting a bang for the buck. Today's fun will probably run a tab of \$49,000. Those bucks would look pretty good if they were used to fatten our bottom line."

Larson retorted, "Perry, take off your accountant's hat for a few moments. Our annual picnic sends a clear signal that it's part of our culture to treat people well, and for our employees to work together in a friendly, cooperative environment."

After the last guest had left, Larson and Sanders chatted about the value of the picnic some more; they were joined by Ono. When she heard about the challenge to the picnic, she chimed in. "I'm a human resources professional, not a drumbeater for the company picnic. and I like Matt's point about the picnic communicating the culture."

Setting up lighting systems requires a lot of cooperation across department and geographic lines. Seeing so many of your colleagues in person creates a culture of cooperation and teamwork."

Barbara Lyons, the director of marketing, said, "I saw a little of this friendliness go too far. The open bar led to too much random hugging, kissing and patting. If you get sexually harassed at a company picnic. it is as serious as harassment in the office".

Ono replied. "Good point Barbara. I think I know who you are talking about. Some of our field technicians get a little too macho at the picnic. We'll have to send out a polite reminder before next years picnic." Larson rested his chin on the thumb of a clenched fist and said, "So you folks think there might be less expensive and time-consuming ways of communicating our culture of caring and teamwork? Let's leave the door open on this topic and return to it at a staff meeting."

Sanders said, "I don't want to be the Abominable No Man, but we need to calculate the return on investment from these picnics. Are we getting a cultural bang for the buck"?

Questions :

- (i) How would company management at Exterior Lighting know whether the picnic was an effective way of communicating the cultural values of caring for people and teamwork?
- (ii) What, if anything, should management do about possible sexual harassment at the company picnic?
- (iii) Aside from a picnic, how might top management communicate the company's culture?