

KASNEB

ATD LEVEL II

DCM LEVEL II

PRINCIPLES OF MANAGEMENT

MONDAY: 23 May 2016.

Time Allowed: 3 hours.

Answer any FIVE questions.

ALL questions carry equal marks.

QUESTION ONE

- (a) (i) State McClelland's motivational theory of needs. (2 marks)
- (ii) Explain three implications of the theory in (a) (i) above to management practice. (6 marks)
- (b) Diversification is important in every dynamic organisation.
- With reference to the above statement:
- (i) Explain four circumstances that could make it necessary for an organisation to diversify. (8 marks)
- (ii) Outline four difficulties an organisation could encounter in the implementation of a diversification strategy. (4 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Highlight four prerequisites for effective coordination in an organisation. (4 marks)
- (b) Outline three advantages and three disadvantages of a virtual office. (6 marks)
- (c) Describe five characteristics of transformational leaders. (10 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Identify two differences between the following:
- (i) "SWOT" analysis and "PESTEL" analysis. (4 marks)
- (ii) "Behavioural approach" and "Scientific approach". (4 marks)
- (b) Highlight four features of a bureaucratic organisation as advanced by Max Weber. (4 marks)
- (c) Explain four reasons why control systems in an organisation could fail to give the desired results. (8 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) (i) Describe five constraints to effective planning. (10 marks)
- (ii) Outline four measures that an organisation could adopt to overcome the planning constraints. (4 marks)
- (b) Enumerate three merits and three demerits of outsourcing human resource management functions of an organisation. (6 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) Outline four benefits that could accrue to an organisation from developing and implementing an automated management information system for its operations. (4 marks)
- (b) Highlight four factors to be considered when choosing a medium of communication. (4 marks)
- (c) Analyse six characteristics of a decision making process. (12 marks)
- (Total: 20 marks)**

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QUESTION SIX

(a) A budget is an internal control tool for managers.

Explain four limitations of using budgets as control tools. (8 marks)

(b) Outline four benefits that could accrue to an organisation from continuous employee training and development. (4 marks)

(c) Describe four strategies that could be put in place to manage and control the impact of HIV and AIDS in an organisation. (8 marks)

(Total: 20 marks)

QUESTION SEVEN

(a) Outline four reasons why subordinates could be reluctant to accept delegation of authority. (4 marks)

(b) Describe four circumstances under which an organisation could find it appropriate to use committees. (8 marks)

(c) Analyse four factors that an organisation should consider when determining the levels of reward and compensation for its employees. (8 marks)

(Total: 20 marks)

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