



MACHAKOS UNIVERSITY

University Examinations for 2021/2022 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

SECOND/THIRD YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF EDUCATION (ARTS)

BBA 102: PRINCIPLES OF MANAGEMENT

DATE: 9/12/2021

TIME: 11.00-1.00 PM

INSTRUCTIONS

Answer Question ONE and any other TWO Questions.

QUESTION ONE (COMPULSORY) (20 MARKS)

Put yourself in the position of management consultant who specializes in Management by objectives (MBO). The local business enterprise association has asked you to be the speaker for its luncheon next week. The president of the association says that the group would like to learn more about the topic.

- a) Explain in **five** key points the potential benefits of MBO to this group of small business owners. (10 marks)
- b) Explain in **five** points the challenges a manager would encounter in using MBO as a style of management. (10 marks)
- c) “Failing to plan is planning to fail”. Support this statement by explaining **five** reasons. (10 marks)

QUESTION TWO (20 MARKS)

- a) Explain Maslow’s hierarchy of human needs theory and its applicability in motivating employees in an organization. (10 marks)
- b) Explain five constraints in an organization’s internal environment showing how they affect the operation of the organization. (10 marks)

QUESTION THREE (20 MARKS)

- a) As a practicing manager, explain **five** ways on how you would use Henry Fayol's principles of management for smooth running of your organization. (10 marks)
- b) Explain FIVE factors that should be considered in setting up standards in an effort to control the operations of an organization. (10 marks)

QUESTION FOUR (20 MARKS)

- a) The general manager of ABC Company approaches you seeking to know bases of departmentation he can use in his organization. Advise him on how to go about the creation of the different departments. (10 marks)
- b) Betsy Chela owns and operates a small store selling outdoor clothing of an American designer. Lately a large department store outside the town has started selling similar but lower priced clothing manufactured in China, Thailand and Bangladesh. Betsy is starting to lose business to this store. She has asked you to analyze the situation and propose some strategic alternatives to best deal with this threat. Explain in **five** points why the SWOT analysis would be helpful in addressing Betsy's strategic management problem. (10 marks)

QUESTION FIVE (20 MARKS)

- a) The management of Kenatco company Ltd sets performance targets for its employees from time to time. Explain **five** benefits that the organization may derive from this approach. (10 marks)
- b) The expansion of FunKidz Company in the African continent requires the management to undertake a situation analysis. Describe to the management how to use Michael Porter's **five** forces model in carrying out the situation analysis for the company. (10 marks)