

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF
DIPLOMA IN BUSINESS MANAGEMENT AND DIPLOMA IN ACCOUNTING**

DIBM 0112: PRINCIPLES OF MANAGEMENT

STREAMS: DIBM, DIAC YIS2

TIME: 2 HOURS

DAY/DATE: FRIDAY 09/08/2019

2.30 PM – 4.30 PM

INSTRUCTIONS:

- **Answer Question One and any other Two Questions**
 - **Do not write on the question paper**
1. (a) Define management and explain four reasons why management is important in an organization. [10 marks]
 - (b) Maslow's hierarchy of needs is commonly applied to determine how to manage the workers in an organization. Discuss the human needs as set out in this hierarchy giving practical examples of how managers can provide for these needs at the workplace. [10 marks]
 - (c) It easy to assume that all managers plan. However, in practice most managers do no really plan. What hinders managers from planning and how would you as a good manager overcome these hindrances? [10 marks]
 2. (a) Systems theory holds that organizations are open systems and must interact with their environment. With the aid of practical examples, discuss how any five external environment factors affect a business organization. [10 marks]
 - (b) Why is controlling important to an organization? [10 marks]
 3. (a) There is no best way of leading, it all depends on the situation, the leader, the subordinates and the organization. Explain any five leadership styles that leaders may apply. [10 marks]

- (b) The divisional structure is usually appropriate for large organizations. Discuss five merits and five demerits of this structure. [10 marks]
4. (a) Max Weber envisioned organizations which were impersonal which he referred to this as bureaucracy. Set out any five characteristics of bureaucracy as suggested by Weber showing how they increase organizational efficiency. [10 marks]
- (b) “Managers should be considerate of other stakeholders and not just care about profits After all they cant make profits if they disregard others.” Identify any five business stakeholders showing what their specific needs are from the business. [10 marks]
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