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CHUKA



UNIVERSITY

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**UNIVERSITY EXAMINATIONS**

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

**DIBM: 0217 ORGANIZATION THEORY**

**STREAM: DIBM**

**TIME: 2 HOURS**

**DAY/DATE: THURSDAY 9/04/2020**

**11.30 A.M - 1.30 P.M.**

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**INSTRUCTIONS:**

- **Answer question One and any other Two.**

1. (a) Explain the applicability of any Five principles of management advocated by Henry Fayol. [10 Marks]
- (b) Explain the importance of organization structures. [6 Marks]
- (c) Differentiate between: (i) Tall and flat structures [2 Marks]
- (ii) Line and staff authority [2 Marks]
- (d) Explain the ways in which organization, can be socially responsible to internal stakeholders. [10 Marks]

2. (a) McGregor in his study suggested two kinds of assumptions that managers hold.  
Explain the assumptions of theory X and theory Y. [10 Marks]
- (b) Discuss the basic principles of Manslows hierarchy of needs theory [10 Marks]
- 3.(a) You are a newly appointed human resource manager in a service organization, Explain the merits and demerits of decentralization to departmental heads of department. [10 marks]
- (b) Delegation is the transfer of authority and responsibility. Explain the guidelines to effective delegation. [10 Marks]
4. (a) Explain Five characteristics of an organization. [10 Marks]
- (b) Discuss any Five barriers of effective communication. [10 Marks]