

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS**

**CHUKA/EMBU**

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE ,  
COOPERATIVE MANAGEMENT, TOURISM MANAGEMENT, HOTEL  
MANAGEMENT, COMMUNITY DEVELOPMENT, ENTREPRENEURSHIP AND  
ENTREPRISE MANAGEMENT, PROCUREMENT AND LOGISTICS MANAGEMENT  
AND BACHELOR OF SCIENCE IN ANIMAL SCIENCE**

**BCOM 103: PRINCIPLES OF MANAGEMENT**

**STREAMS: 'AS ABOVE' Y1S2**

**TIME: 2 HOURS**

**DAY/DATE: TUESDAY 30/03/2021**

**2.30 P.M – 4.30 P.M**

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**INSTRUCTIONS:**

**Answer question one and any other two questions**

**Marks will be awarded for clarity and originality of ideas**

**Do not write on the question paper**

**QUESTION ONE**

Babu enterprises is a leading shoes distributor in Tharaka Nithi run by Mzee Babu, the founder. Mzee has been experiencing health problems in the recent past and has had to leave his two sons in charge of the business. However his sons who were educated abroad believe that the business is below their caliber and they would prefer to find jobs in multinational corporations. In addition, they believe that trends are changing and so the business should shift to other business lines but since Mzee Babu has refused, his sons are not very keen on the business. The business has therefore been experiencing declining profits. Mzee Babu feels that his sons are disrespecting him since he losing his leadership edge as he grows older.

- (a) Set out features envisioned by Max Weber's theory of bureaucracy and show how Babu enterprises can benefit from these features. [10 marks]
- (b) Discuss any five factors that can affect Babu enterprises from the political legal environment practically illustrating how Mzee Babu can deal with them. [10 marks]
- (c) Demonstrate five benefits that Babu will get by controlling his business. [10 marks]

## QUESTION TWO

- (a) Douglas McGregor formulated theory X and theory Y as perspectives in understanding the human factor at work. As the CEO of your organization, set out theory Y assumptions giving practical examples of measures you would apply in your organization in line with each of those assumptions to enhance your employee's productivity. [10 marks]
- (b) Distinguish between delegation and decentralization and explain six reasons why a manager may be unwilling to delegate. [10 marks]

## QUESTION THREE

- (a) Discuss five leadership styles that managers can employ and give practical examples of organizational scenarios where each style would be most appropriate. [10 marks]
- (b) Distinguish between strategy and tactical decisions and set out the decisional roles that a manager can play in an organization. [10 marks]

## QUESTION FOUR

- (a) Your organization is considering adopting management by objectives. Your boss has never heard of this concept and he is not sure whether the organization should adopt it. Explain to your boss what MBO is in detail and propose six reasons why MBO is good for the organization. [10 marks]
- (b) Discuss performance appraisal and with the aid of practical examples show how failure in performance appraisal can affect the organization. [10 marks]