

**Navrachana University**  
**School of Business & Law MBA**  
**End-Semester Examination November 2017**  
**2017 Semester I**  
**Principles of Management & Business Environment MG 112**

Date: 23/11/2017

Marks: 40

Time: 10.30 am to 12.30 pm

**Instructions:**

- Write each answer on a new page
- Use of a calculator is permitted/not permitted
- Any other relevant instruction

**Q 1. Read following case and answer questions:****( 11 Marks)**

Mary Roberts had been with the company three years when she was promoted to manager of the tax department which was part of the controller's division.

Roberts started with the company when she graduated from college as an accounting major. She entered the organization as a management trainee, and during the one-year program she demonstrated considerable leadership ability as an informal leader her peers. Mary also impressed many senior managers in the company with her sense of responsibility and her willingness to work hard. All of her training assignments were completed on time with considerable skill for an inexperienced person. Since she was very interested in tax accounting, Roberts was assigned to the tax department to be developed further as staff accountant.

Within four months she became a supervisor of ten staff as a staff accountants to fill a vacancy created by an unexpected early retirement. Her superior believed her to be the most qualified individual to fill the position even though others in the department had more experience in tax accounting. None, however, demonstrated leadership ability or the commitment to work that Mary possessed.

The tax department manager was promoted to fill a vacancy in the financial planning department eight months later, and he recommended to the controller that Mary Roberts be promoted to fill the position he was leaving. He mentioned that her work was excellent and that she was a very effective supervisor.

The tax department had 45 employees including 3 supervisors, 10 clerical employees, and 3 typists. Several people in the department were senior personnel with 10 to 30 years of experience in tax work. Some of these were more technically knowledgeable in taxation than Mary.

There was some resentment in this group that so young a person was made a department head, and three of these people were particularly upset because they desired the promotion and felt they deserved it. What made them even more upset was the fact that the tax manager did not discuss the promotion with them.

1. What can Mary Roberts do about the resentful senior employees? (5 Marks)
2. Can higher management do anything to help Roberts make the transitions to greater responsibility? (4 Marks)
3. Will her lack of technical knowledge hinder Mary's managerial effectiveness? (2 Marks)

**Q 2. Read following case and answer questions:**

( 13 Marks)

The general manager has hired the services of a personnel administrator but has purposely not defined the newcomer's role in the organisation.

You, a line supervisor, have become involved in several arguments with this personnel administrator when he attempted to relieve you and other supervisors of the authority for transferring and promoting employees, changing pay rates, and other matters on which he should only be advising line management. You feel that he does not have the proper perspective for his job and that he is trying to take over more and more power in order to create a good job for himself.

You have mentioned this usurping of authority to your boss, the general manager, and have asked him to define the personnel job. The boss has answered that he is allowing the personnel administrator to find his own niche in the organization. You feel that the morale of the people in your department will suffer unless the personnel administrator's position is made clear.

1. Discuss the above situation from a line point of view. (3 Marks)
2. Discuss the situation from a personnel administrator's point of view. (3 Marks)
3. Develop a practical working relationship based on the current situation. (4 Marks)
4. It is desirable to allow the personnel administrator to find his own niche in the organization? (3 Marks)

**Q 3. Read following case and answer questions:**

(10 Marks)

In the past two years Horton Manufacturing Company had expanded very rapidly. It was producing a unique electronic device, and sales were excellent. Because of this expansion many additional employees were added in most areas of the company's operations. This increased staff required more first-level supervisors, and these people were largely promoted from the existing work force. In most instances the supervisors were chosen because they were efficient and dependable workers who knew their jobs well. The rapid growth of the company caused much overtime work, and many employees became used to the extra income this provided. Horton was a nonunion company and had a very good labour relations record.

When employees were promoted to supervisory positions, they were considered members of management, and they became salaried employees. They usually entered the salary range for the job just above the minimum, but were considered for increases in six-month periods until they reached the midpoint of the range after which annual consideration took place. Thus a newly appointed supervisor who performed well could reasonably expect three or four increases in the first two years on the supervisory job. Supervisors, however, did not receive overtime pay which was restricted to the hourly paid factory staff and the nonexempt office clerical employees.

In the past six months ten people had been promoted to first-level supervisory positions. Eight of these were in manufacturing and two in the office administration area. All of these people along with eight more supervisors are now confronting the company's president with the fact that they are now earning less money as a supervisors than they did as line employees when the regular overtime they worked increased their pay. They were quite adamant about their position, believing that they had more responsibility and were working harder than ever. They firmly believed that they deserved overtime pay or a higher salary.

1. What should the president do? (5 Marks)
2. Could the company have planned their growth and promotion process more effectively? Explain. (5 Marks)

Q. 4 Explain Functional, Product based and Matrix organization structures with examples. (6 Marks)

-----End of Question Paper-----