

**PG Odd Semester (CBCS) Exam., November—2016**

**BUSINESS ADMINISTRATION**

**( 1st Semester )**

Course No. : MBACC-101

**( Management Process and Principles )**

*Full Marks : 70*

*Pass Marks : 28*

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

Answer **all** questions

1. (a) "Management is the function of executive leadership." Discuss. 7
- (b) In December 1984, lethal vapours from Union Carbide's pesticide plant in India killed over 2000 people and injured 30000 to 40000 others. It was the worst industrial disaster, which was at first attributed to failed safety devices and procedures. A subsequent investigation theorized that the disaster was due to sabotage by a disgruntled employee.

In 1975, Carbide obtained the permission from the Ministry of Industry in New Delhi, to build a plant for producing methyl isocyanate. After 1982, the plant was turned over to Indian personnel because of governmental pressure to make Indian industry self-sufficient. Safety inspections became the responsibility of UCIL, the Indian subsidiary of Union Carbide, which maintained majority ownership of UCIL. After the accident, Warren Anderson, Carbide's chairman, accepted the moral responsibility for the tragedy. Various theories developed about the real cause of the accident.

American experts and relief were sent to India, followed by American lawyers who wanted to represent the victims. After many arguments, the suit was tried in India, where US lawyers were not allowed to represent the victims. In 1989, the lawsuit was settled in which Union Carbide agreed to pay \$ 470 million.

Still the issue remains as—  
who should be held accountable—  
Top Management at Union Carbide,  
Managers at UCIL, Operators responsible for the methyl isocyanate unit, the Indian Government issuing the permit?  
Give justifications for your answer. 7

OR

2. (a) F. W. Taylor repeatedly contrasts 'scientific' approaches to work with 'traditional' or 'rule of thumb' approaches. What are the differences? 7
- (b) What would workers gain when the workplace is managed according to Taylor's vision? What will employers gain? 4+3=7
3. The divisional manager had recently heard a lecture on Management by Objectives. His enthusiasm, kindled at that time, grew the more he thought about it. He finally decided to introduce the concept and see what headway he could make at his next staff meeting. He recounted the theoretical developments in this technique, cited the advantages to the division of its application, and asked his subordinates to think about adopting it. It was not as easy as everyone had thought. At the next meeting, several questions were raised.
- "Do you have division goals assigned by the president to you for next year?" The finance managers wanted to know.
- "No, I do not," the divisional manager replied.
- "I have been waiting for the president's office to tell me what is expected, but they act as if they will do nothing about the matter."

"What is the division to do then?" The manager of production asked, rather hoping that no action would be indicated.

"I intend to list my expectations for the division," the divisional manager said. "There is not much mystery about them. I expect \$ 30 million in sales; a profit on sales before taxes of 8%, a return on investment of 15%, an ongoing program in effect by December 30, with specific characteristics. I will list later, to develop our own future managers; the completion of development work on our XZ model by the end of the year, and stabilization of employee turnover at 5%."

The staff was stunned that their superior had thought carefully about these verifiable objectives and stated them with such clarity and assurance. They were also surprised about his sincerity in wanting to achieve them.

"During the next month, I want each of you to translate these objectives into verifiable goals for your own functions. Naturally, they will be different for finance, marketing, production engineering and administration. However, you state them, I will expect them to add up to the realization of the division goals."

Questions :

- (a) Can a divisional manager develop verifiable goals, or objectives, when they

have not been assigned to him or her by the president? How? What kind of information do you believe is important for the divisional manager to have from headquarters?

- (b) Did the divisional manager set the goals in best way? 8+6=14

**OR**

- 4. (a) The goal of many MBA graduates is to work in staff positions, using their analytical skills to advise line managers. It has been reported that in 2014 over a third of Harvard’s MBA graduates choose such a career. In earlier years, this percentage was even higher.

In the 2000s, partly owing to the slow economy and competitive pressure, the situation was changing as many large companies reduce their staff length. For example—the task of strategy formulation was carried out more frequently by line managers, who also had to implement the strategy, rather than by strategic planners in headquarters. Consequently, people who used to plan, advise and analyze business situations moved into line positions in which they were required to set priorities, make decisions, and motivate people to contribute to the aims

of the enterprise while some staff personnel made an effective transition into line positions, other failed. Having real authority for executing decisions can be exciting, but not everyone can make the transition.

Explain the reasons for such failure. What should the aspiring managers do in choosing their career path? 10

- (b) Differentiate between formal and informal organization. 4

- 5. (a) If you were the president of a company that was organized along functional lines and a consultant suggested that you organize along territorial or product lines, what might concern you in following this recommendation? 8

- (b) Define span of supervision. How does it affect organizational levels? 3+3=6

- 6. (a) What is motivation? How does effective managing take advantage of and contribute to motivation? 3+5=8

- (b) Explain how McClelland’s theory of motivation fit into a systems approach of management. 6

( 7 )

**OR**

7. (a) Briefly outline different leadership styles. 7
- (b) Explain Fiedler's theory of leadership. 7
8. (a) What advantages do multinational corporations have? What challenges must they meet? Give examples. 7
- (b) What are the key characteristics of Japanese Management Practices? 7

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