

**INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS
OF PAKISTAN**

PROFESSIONAL -III (NEW/EXISTING) EXAMINATION— SUMMER 2003

Wednesday, the 21st May, 2003

MANAGEMENT

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Time Allowed — 3 Hours

Maximum Marks—100

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- (i) Attempt SIX questions including question No. 6 which is compulsory and carries 20 marks. All other questions carry equal marks.
- (ii) Answer must be neat, relevant and brief.
- (iii) In marking paper, the examiners take into account clarity of exposition, logic of arguments, presentation and language.
- (iv) Read the instructions printed on the top cover of answer script CAREFULLY before attempting the paper.
- (v) DO NOT write your Name, Reg. No. or Roll No., inside the answer script anywhere.
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Marks

Special instructions for Question 1.

- An overwritten reply will carry no mark.
- Use following format to answer this question:

<i>Sr. No.</i>	<i>Your choice</i>	<i>Rationale (brief reason for your answer)</i>
<i>(i)</i>		
<i>(ii)</i>		
<i>so on</i>		

Q. 1 State whether the following statements are TRUE or FALSE:

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- (a) Informal organization is clearly shown on an organization chart.
- (b) Procrastination refers to pursuit of perfection.
- (c) Planning is the foundation for organizing, implementing and control.
- (d) Vision and mission are synonymous.
- (e) Extrinsic rewards are self-granted and internally experienced.
- (f) Verbal communication in the form of facial expressions and body movements is known as body language.
- (g) Redesigning a job to increase its motivating potential is known as job enrichment.
- (h) The process of assigning various degrees of decision making authority to subordinates is called delegation.

P.T.O.

- (i) Managers are classified on two different dimensions of the 'Managerial Grid'.
- (j) Action plans by which strategies are implemented are known as policies and procedures.
- (k) 'Esprit de corps' is one of the Fayol's fourteen principles.
- (l) All important and urgent tasks must be performed by the managers themselves.
- (m) Critical path represents the least time consuming chain of activities and events in PERT network.
- (n) Peter's Principle enunciates that managers tend to be promoted until they reach the level of their incompetence.
- (o) Organic organizations are rigid in design and have strong bureaucratic qualities.
- (p) Noise is any interference with the normal flow of understanding from one person to another.
- Q. 2 Explain Herzberg's Two Factor Theory of Motivation in detail. Do you agree with this theory? Justify your reply with reasons. 16
- Q. 3 (a) What do you understand by macro-environment and how do environments affect organizations? 10
- (b) Which one of the macro-environment will affect the car manufacturing industry of Pakistan the most and why? 6
- Q. 4 Define power, and explain its functions. Describe the five bases (types) of power, giving examples. 16
- Q. 5 (a) List down types of Plans. Give practical examples of each. 10
- (b) Why do plans fail sometimes? 6
- Q. 6 Read the following case and present your analysis as required:
 "The trouble with management as a field of study and practice," Fred Denny, a space physicist, said to his Laboratory Head, Claude Greenwood, "Is that it has no scientific basis. I feel I know what I am doing when I design a guidance system for a missile because I have the space, propulsion, and other sciences available to tell me what to do. But, when you ask me if I am doing a good job as a supervisor of my engineering and technical team, there is nothing, no science of management, to guide me. In my reading of the books on management, I get the idea that managers must operate on a closed-system basis, that the best things managers can do are to be friendly, consult with their subordinates on every little thing, and develop strict rules and procedures so that no subordinate can make a mistake.

"As I think about it, Claude, I cannot see much science in management. And I wonder what good management books, articles, and management development courses are ever going to do for any of us. Do we have to wait for centuries when a science of management, as an exact science like physics, is developed?"

Claude Greenwood, having been exposed to a number of management development seminars that had emphasized the usefulness and importance of management knowledge, was taken aback by Fred's outburst. But he was impressed that what his subordinate had said did make a lot of sense. He was, however, at loss as to how to respond to Fred.

Required :

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|---|----|
| (i) If you were Claude Greenwood, how would you respond to Fred Denny's statement? | 10 |
| (ii) What would you suggest to be done to make management more scientific? | 10 |
| Q. 7 What do you understand by Managerial Training and Development? Explain four on-the-job approaches used for this purpose. | 16 |
| Q. 8 Write short notes on the following : | |
| (a) Brainstorming | 6 |
| (b) Flextime | 5 |
| (c) Functional Authority | 5 |

THE END