

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

PROFESSIONAL-III EXAMINATION-SPRING (SUMMER) 2005

552

Wednesday, the 25th May, 2005

ORGANIZATIONAL BEHAVIOUR & STRATEGIC MANAGEMENT

Time Allowed—3 Hours

Maximum Marks— 100

- (i) Attempt SIX questions, selecting THREE from each section. Question No. 1 & 8 are compulsory with 20 marks each. 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. anywhere inside the answer script.

SECTION "A" —ORGANIZATIONAL BEHAVIOUR

(Marks : 50)

Q. 1 Read the case given below and present your analysis as required :

Jim Miller has been a ticket agent for Friendly Airlines for the past three years. This job is really going to be a hassle. In order to try to reduce the mounting losses that 'Friendly' has suffered in recent months, management has decided to do two things: (1) overbook their flights so that every possible seat will be filled, and (2) improve their service to their customers and live up to their name. Jim, of course, is at the point of application of this new policy. When checking-in passengers, he is supposed to be very courteous and friendly and has been instructed to end every transaction with the statement, "Have a nice flight". The problem, of course is that sometimes there are more passengers holding confirmed reservations checking-in than there are seats of the plane. Rightfully, these people become extremely upset with Jim and sometimes scream at him and even threaten him. During these confrontations Jim becomes "unglued". He breaks into a sweat and his face turns bright red. The company guidelines on what to do in these situations are very vague. When Jim called his supervisor for advice, he was simply told to book passengers on another flight, but be friendly.

P.T.O

	<i>Marks</i>
Required :	
(a) Is Jim headed for trouble ? What would be some physical, psychological, and behavioural outcomes of this type of job stress ?	6
(b) What could the company do to help reduce the stress in Jim's job ?	6
(c) What individual coping strategies could Jim try in this situation ?	8
Q. 2 (a) What is meant by diversity ? What are the major reasons that have made it such an important dimension of today's organizations ?	8
(b) Briefly discuss the individual and organizational approaches to managing diversity.	7
Q. 3 (a) What is the difference among power, authority and influence ? Elaborate.	5
(b) Briefly describe five categories of the sources of power.	10
Q. 4 Define "motivation". Enumerate and discuss types of key secondary needs related to motivation, giving at least, two examples of each type.	15

SECTION "B" — STRATEGIC MANAGEMENT

(Marks : 50)

Q. 5 (a) Discuss 'Strategic' and 'Operational' plans, giving examples and highlighting their importance to organizations.	6
(b) Identify who is responsible for preparing, executing and implementing these plans.	3
(c) Elaborate three core differences between strategic and operational plans.	6
Q. 6 (a) How does creativity differ from innovation ? Elaborate.	4
(b) The creative process in organizations involves three steps. Identify and briefly discuss them.	6
(c) There are certain practices that stifle 'Innovation'. List any five of them.	5

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| Q. 7 | (a) Define 'leadership', and discuss core roles of leaders suggested therein. | 6 |
| | (b) Explain briefly how leadership is different from management. | 5 |
| | (c) List, at least, two recent challenges to the leadership theory, explaining each briefly. | 4 |

Special instructions for Question 8 :

- * Zero mark will be awarded inspite of correct option selected, if the RATIONALE for choosing the answer is not given or is incorrect.
- * An overwritten answer will carry no mark.
- * Use the following format to answer this question .

S. No.	Your Choice	Rationale (Brief reason for your answer)
(i)	True/False	
(ii) and so on		

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|------|--|----|
| Q. 8 | (a) State whether the following statements are 'TRUE' or 'FALSE' : | 10 |
| | (i) No amount of efficiency can make up for lack of effectiveness. | |
| | (ii) All stockholders are stakeholders but all stakeholders are not stockholders. | |
| | (iii) General statements which channel thinking and action in decision making are known as rules. | |
| | (iv) A narrow span of control is normally associated with few organizational levels. | |
| | (v) Controls must reflect plans, and planning must precede controls. | |
| | (vi) Usually informal lines and formal lines follow the same pattern on an organizational chart. | |
| | (vii) Management developmental programs focus only on the current jobs being held by managers. | |
| | (viii) One of the most important reasons for the use of committees is the advantage of gaining group deliberation and judgement. | |

P.T.O

Marks

(ix) Effective upward communication requires an environment in which subordinates feel free to communicate.

(x) Decentralization is not related to the delegation of authority.

Q. 8 (b) Define following management terms :

10

(i) Empowerment

(ii) Downsizing

(iii) Franchise

(iv) Vertical Integration

(v) Theory 'Y'

THE END