

**INDIAN MARITIME UNIVERSITY**  
**(A Central University, Govt. of India)**

First Semester- MBA(PSM/ ITL)  
December 2015 End Semester Examinations

**Principles and Practices of Management**

Subject Code: PG21T2101/PG22T2101

Time : 3 hrs  
Date: 07.12.2015

Max.Marks :60  
Pass Marks: 30

**Section – A (MCQ)**

Answer all the questions (12x1Marks = 12 Marks)

1. 'Harmony not Discord' is associated with
  - a. Modern management
  - b. Scientific management
  - c. Traditional management
  - d. Cultural management
2. Which of these are not true of MNCs?
  - a. Franchisee agreement
  - b. Subsidiary of a foreign corporate
  - c. An Indian company opening branch abroad
  - d. Expanding from North to South Indian market
3. A Policy refers to
  - a. A small impact plan
  - b. A specific rule
  - c. A broad guideline to action
  - d. A short term program
4. Blue ocean strategy means
  - a. A well tried plan to increase market
  - b. A market strategy to cover new innovation
  - c. An entry strategy to a competitive market
  - d. A market for maritime products
5. Decision making includes
  - a. Evaluation of alternatives
  - b. Choosing the best alternative
  - c. Implementing the best alternative
  - d. All of the above

6. The following does not affect Span of Management.
  - a. Space,
  - b. supervisor's ability,
  - c. nature of function,
  - d. educational level
7. Coordination includes
  - a. cooperation,
  - b. control
  - c. cohesiveness,
  - d. all of the above
8. ----- and control are parallel functions
  - a. Organising
  - b. Coordination
  - c. Planning
  - d. Review
9. Concurrent control takes place
  - a. when action is in progress,
  - b. after work is done,
  - c. before work is done,
  - d. none of above
10. Which of the following is not delegation?
  - a. assigning shifts,
  - b. applying leave,
  - c. work order to supervisor,
  - d. project manager's schedule to work stations
11. Theory X was mooted by
  - a. David McClelland
  - b. Mary Parker Follet
  - c. Abraham Maslow
  - d. Douglas McGregor
12. \_\_\_\_\_ undertakes systematic search of effectiveness and efficiency of an organisation
  - a. Budgeting
  - b. Management audit
  - c. Leadership
  - d. Departmentation

**Section – B (200 Words)**

Answer any 4 out of 7 (4x5 Marks=20 Marks)

13. Trace the evolution of Management thought
14. How are MNCs coping with cultural differences?
15. Describe the planning process
16. Bring out the importance of Forecasting in business
17. Explain Line and staff authority with example
18. Write a note on 'Managing change'
19. Explain the concept of 'Cognitive Dissonance'

**Section - C ( 500 Words, Case Study/ Essay Type)**

First question of the section is compulsory (1x7Marks=7Marks)

Answer any 3 out of 5 (3x7 Marks=21 Marks)

20. Read the following case study and answer the questions at the end of the case.

**MALDEN MILLS- A CASE STUDY**

In late 1995, a fire at Malden Mills put 3,000 union jobs at risk. The timing couldn't have been worse. The 90-year-old manufacturer in Lawrence, Mass., has seen its revenues triple and employment double since emerging from bankruptcy in 1982. It's popular *Polartec* and *Polarfleece* fabrics were one reason. A loyal and productive workforce was the other. In a time when offshore manufacturing became standard procedure in American business, Malden Mills' CEO Aaron Feuerstein opted to stay put and to rebuild his factory on the very site where his family had made textiles for 90 years.

**But what would the employees do in the meantime?**

The fire came just two weeks before Christmas, affecting employees both financially and emotionally. So just 2 days after the blaze, Feuerstein announced plans to pay his employees their full wages for 30 days. He would eventually extend that offer to 90 days for the paychecks, 180 days for benefits. Total cost to Malden Mills: \$25 million.

**Business madness?**

Many thought so. But in an interview with CBS News/60 Minutes, Feuerstein disagreed: "I think it was a wise business decision, but that isn't why I did it. I did it because it was the right thing to do." It took years, but Malden rebuilt in Lawrence and eventually hired back all the displaced workers. The workforce repaid Feuerstein with cooperation and productivity. According to the report in the Center & Jackson text, commitment to employees drove significant bottom-line outcomes.

- Business grew 40% from pre-fire levels.
- Customer and employee retention reached 95%.
- Off-quality products dropped from 6-7% pre-fire to just 2%.
- Production increased from 130,000 to 200,000 yds. per week.

#### **A business fairy tale?**

It would seem so. Unfortunately, the case doesn't end here. Feuerstein found himself back in bankruptcy court, saddled with \$140 million in debt, much of it tied to the rebuild. The company hired a new president in 2004 as part of the Chapter 11 reorganization. It was in 2007, Malden Mills made its 3rd trip to bankruptcy court, this time emerging as a company named for its flagship brand, "Polartec". It's still in Lawrence, but employs around 1,000 people worldwide, versus the 3,000 who once worked at the New England mill. Aaron Feuerstein is out of the picture

**Did Aaron Feuerstein do the right thing in 1995?** Or did he let his high moral principles cloud his business judgment? Putting people before profits certainly seems the ethical thing to do, but is it the prudent thing? Write your analysis in not more than 500 words

21. Write a brief essay on Fayol's' principles of Management
22. Bring out the meaning of Portfolio matrix using a BCG matrix
23. Explain leadership traits with examples from contemporary business leaders
24. Write a brief note on ERG theory and Expectancy theory of Motivation
25. Explain the new techniques adopted in control function.

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