

**INSTITUTE OF BANKERS IN MALAWI**

**CERTIFICATE IN BANKING EXAMINATION**

**SUBJECT: MANAGEMENT (IOBM – C107)**

**Date: Thursday, 7th May 2015**

**Time Allocated: 3 hours (13:00 – 16:30 Hours)**

**INSTRUCTIONS TO CANDIDATES**

1 This paper consists of **TWO** Sections, A and B.

2 Section A consists of 20 multiple questions, each question carries 2 marks.

Answer **ALL** questions.

3 Section B consists of 5 questions, each question carries 20 marks. Answer **ANY THREE** questions.

4 You will be allowed **10 minutes** to go through the paper before the start of the examination when you may write on this paper but not in the answer book.

5 Begin each answer on a new page.

6 **Please write your examination number on each answer book used. All answer books without examination number will not be marked.**

7 All persons writing examinations without payment will risk expulsion from the Institute.

8 If you are caught cheating, you will be automatically disqualified in all subjects seated this semester

9 DO NOT open this question paper until instructed to do so.

**SECTION A (60 MARKS)**

Answer **ALL** questions from this section.

1. An organization that has shareholders is
2. A sole trader
3. A partnership
4. A cooperative
5. A limited company
6. Fredrick W. Taylor is associated with
7. Scientific management
8. Bureaucracy
9. The theory of integration
10. The Hawthorne Studies
11. In strategic planning, SWOT analysis is part of
12. Step three: Assessing organizational resources ,risks and opportunities
13. Step four : formulating strategy
14. Step five : Implementing strategy
15. Step six : Monitoring and adapting strategy
16. The characteristics of a mechanistic organization include

Low individual specialization

1. High standardization
2. Decentralization
3. Limited written communication
4. When Managers motivate their subordinates they are engaged in
5. Planning
6. Organizing
7. Leading
8. Controlling
9. The number of people a Manager can effectively control is called
10. Chain of command
11. Unity of command
12. Scalar chain
13. Span of control
14. The desire to achieve what one is capable of is called
15. Security Need
16. Social Need
17. Esteem Need
18. Self –actualization Need
19. The motivation theory that is concerned with people’s expectations is called
20. ERG Theory
21. Equity Theory
22. Expectancy Theory
23. Goal-setting Theory
24. The power that is based on one’s charisma or special traits is called
25. Reward Power
26. Coercive Power
27. Referent Power
28. Legitimate Power
29. The leadership style which focuses on rewarding members for their effort and compliance is
30. Transformational Leadership
31. Transactional Leadership
32. Task-oriented Leadership
33. Autocratic Leadership
34. In group roles, a Harmonizer is someone who
35. Affirms ,supports and praises the efforts of fellow group members
36. Conciliates differences between individuals
37. Offers to change his or her position for the good of the group
38. Provides feedback to the group about how it is functioning
39. A team comprising of members from various specialties to carry out a task is called
40. Functional Team
41. Self –managed Team
42. Cross-functional Team
43. Virtual Team
44. Establishing standards is the first step in the control process .It is very important because
45. It acts as a bridge between the control process and the planning process
46. It acts as a bridge between the control process and the organizing process
47. It acts as a bridge between the control process and the reading process.
48. It acts as a bridge between the control process and all the other management functions.
49. A system designed to meet the special information processing needs of top managers is called
50. Transaction –Processing systems
51. Basic Management information systems
52. Decision support systems
53. Executive informational systems
54. Organizational strategies in managing diversity include
55. Understanding
56. Empathy
57. Tolerance
58. Diversity Training
59. A job description can be defined as
60. A statement of the requirements of the job holder to successfully do the job
61. A statement of jobs in an organization
62. A statement of the classification of jobs in an organization
63. A statement of the purpose of the job, where the job fits in the organization structure, main responsibilities and accountabilities and key tasks.
64. The motivation theory that focuses on fairness is
65. Two-factor Theory
66. Equity Theory
67. Expectancy Theory
68. Goal-setting Theory
69. Traditional organizational designs include
70. Team structure
71. Matrix –project structure
72. Boundary less structure
73. Divisional structure
74. The leadership style that is based on following rules strictly and ensuring that staff follow procedures exactly is
75. Autocratic Leadership
76. Bureaucratic Leadership
77. Task-Oriented Leadership
78. Transactional Leadership
79. Elton Mayo is best remembered for Identifying

a. Bureaucracy

1. The six activities found in every organization
2. The three sources of authority
3. The informal organization

**SECTION B (60 MARKS)**

Answer **ANY THREE** questions from this section

**QUESTION 2**

1. A student had heard that one of the classical approaches to management was scientific management; explain what is meant by the term scientific management. *(2 marks)*
2. The student also wanted to know the four key ideas behind scientific management. Can you explain these **four** ideas according to Fredrick Taylor

*(8 marks)*

1. Mention the **seven** elements of the Mckinsey T-S model *(7 marks)*
2. Mention **three** management principles identified by Henri Fayol*. (3 marks)*

**(Total 20 marks)**

**QUESTION 3**

1. A student who has completed Advanced Diploma of Institute of Banking in Malawi is intending to pursue a degree program in Banking and Finance .There are several Universities and colleges offering this degree program .

**Required:**

Explain briefly in **seven** steps the process required by the student to select the university or college where to pursue the degree program. *(14 marks)*

1. A manager of a bank service centre has recommended to head office how much profit his centre will achieve in a year. There are various activities that departments of the centre need to carry out to achieve the profit and periodic performance appraisals to ensure deviations from targets are speedily corrected.

**Required:**

Identify the **three** decisions and the areas of planning to which they relate

*(6 marks)*

**(Total 20 marks)**

**QUESTION 4**

1. Explain **three** differences between centralization and decentralization

*(6 marks)*

1. What is the degree of formalization in the following two types of organisation

i) Mechanistic organisation

ii) Organic organization *(6 marks)*

1. Explain **two** similarities and **two** differences between Matrix –Project structure and Boundary less structure. *(8 marks)*

**(Total 20 marks)**

**QUESTION 5**

1. Define motivation *(2 marks)*
2. Explain **two** similarities and **one** difference between Hierachy of Needs theory and the Two –Factor theory *(6 marks)*
3. Explain the role of each of the following three variables of Expectancy theory of motivation
4. Valence *(4 marks)*
5. Effort –to-Performance Expectancy *(4 marks)*
6. Performance –to-Outcome Expectancy (*4 marks)*

**(Total 20 marks)**

**QUESTION 6**

Mr. Zuze who had been a service centre manager for Peoples Bank in Limbe for the past four years had been transferred to the Banks head office in Lilongwe .He was replaced by Mr Phiri. Since Mr Phiri took over the centre six months ago five employees have already resigned .When Mr. Zuze was in charge he shared his vision of where he wanted the centre to be in the future with his staff. He took time to explain the vision to staff, how it would be achieved, the expected contributions of each staff to the achievement of the vision and its benefits .Before he made a decision he consulted staff to obtain their views and he knew each employee in person. From time to time he would find out what the needs of each employee were and what the organisation could do to meet them. He even welcomed criticisms from his staff. As a result his staff was highly motivated and worked extra hard to achieve the centre’s goals. During his tenure, the centre exceeded its profit targets and the Banks management was extremely pleased .Consequently all employees were rewarded with good bonuses at the end of each year.

However, when Mr Phiri took over he believed in doing things alone and in his own way. He had no time to share his vision of the centre with employees let alone to know them or consult them. His main concern was to get the work done and to ensure rules and procedures were precisely followed by all staff .Within two months staff started complaining but he had no time to listen to them. Performance has already started to go down and it is unlikely that annual profit targets will be met.

**Required***:*

1. Identify and explain the leadership styles of the two managers*. (8 marks)*
2. Which leadership style in the scenario is superior and why? *(8 marks)*
3. Identify and explain the **two** sources of power Mr. Zuze uses*. (4 marks)*

**(Total 20 marks)**

**END OF THE EXAMINATION PAPER**