

3182            2912/303        2926/303  
2903/303       2918/303        2927/303  
2906/303       2920/303  
2908/303       2922/303  
2909/303       2925/303

**PRINCIPLES AND PRACTICE OF  
MANAGEMENT**

**July 2018**

**Time: 3 hours**



**THE KENYA NATIONAL EXAMINATIONS COUNCIL**

**BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE EXAMINATIONS  
STAGE III**

**DIPLOMA IN SUPPLY CHAIN MANAGEMENT  
DIPLOMA IN BUSINESS MANAGEMENT  
DIPLOMA IN HUMAN RESOURCE MANAGEMENT  
DIPLOMA IN ROAD TRANSPORT MANAGEMENT  
DIPLOMA IN TOURISM MANAGEMENT  
DIPLOMA IN TOUR GUIDING MANAGEMENT  
DIPLOMA IN INFORMATION COMMUNICATION TECHNOLOGY  
DIPLOMA IN PROJECT MANAGEMENT  
DIPLOMA IN MARINE TRANSPORT LOGISTICS  
DIPLOMA IN HUMAN RESOURCE MANAGEMENT  
DIPLOMA IN DISASTER MANAGEMENT  
MODULE III**

**PRINCIPLES AND PRACTICE OF MANAGEMENT**

**3 hours**

**INSTRUCTIONS TO CANDIDATES**

*This paper consists of SEVEN questions.*

*Answer any FIVE questions.*

*Write your answers in the answer booklet provided*

*All questions carry equal marks.*

*Candidates should answer the questions in English.*

**This paper consists of 2 printed pages.**

**Candidates should check the question paper to ascertain that  
both pages are printed as indicated and that no questions are missing.**

1. (a) Outline **five** ways in which a stable economic environment may impact on management practice. (10 marks)
- (b) Highlight **five** types of information that may be contained in a strategic plan of an organization. (10 marks)
2. (a) Explain **five** demerits of adopting a matrix organizational structure. (10 marks)
- (b) Explain **five** benefits that may accrue to an organization from establishing an effective co-ordination function. (10 marks)
3. (a) Outline **five** objectives of budgetary control. (10 marks)
- (b) Explain **five** challenges that an organization may face in the training and development of its employees. (10 marks)
4. (a) Outline **five** traits that define a good leader. (10 marks)
- (b) Non-monetary motivational packages may take various forms. Explain **five** such forms. (10 marks)
5. (a) Highlight **five** duties of a middle level manager in an organization. (10 marks)
- (b) Explain **five** reasons why the planning function is important to an organization. (10 marks)
6. (a) Explain **five** measures that should be taken by a manager to ensure effective delegation in an organization. (10 marks)
- (b) Explain **five** types of financial ratios that may be used for control purposes in an organization. (10 marks)
7. (a) Many organizations find it necessary to include corporate social responsibility in their mandate. Explain **five** reasons that may account for this inclusion. (10 marks)
- (b) Senior managers are sometimes recruited by a process of "executive search" or "head hunting". Explain the benefits of using this mode of recruitment. (10 marks)

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3182	2912/303	2926/303	2
2903/303	2918/303	2927/303	
2906/303	2920/303		
2908/303	2922/303		
2909/303	2925/303		

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