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**PRINCIPLES AND PRACTICE
OF MANAGEMENT**

November 2017

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE EXAMINATIONS

**DIPLOMA IN SUPPLY CHAIN MANAGEMENT
DIPLOMA IN BUSINESS MANAGEMENT
DIPLOMA IN HUMAN RESOURCE MANAGEMENT
DIPLOMA IN TRANSPORT MANAGEMENT
DIPLOMA IN TOURISM MANAGEMENT
DIPLOMA IN TOUR GUIDING MANAGEMENT
DIPLOMA IN INFORMATION COMMUNICATION TECHNOLOGY
DIPLOMA IN PROJECT MANAGEMENT
DIPLOMA IN INVESTMENT MANAGEMENT
DIPLOMA IN MARITIME TRANSPORT LOGISTICS
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 in the answer booklet provided.
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** characteristics of management. (10 marks)
- (b) Explain **five** reasons that could make plans fail to achieve set objectives. (10 marks)
2. (a) Explain **five** consequences of adopting a poorly designed organization structure. (10 marks)
- (b) Outline **five** measures that should be taken to ensure effective coordination in the organization. (10 marks)
Handwritten notes: Training, Proper placement & location, Rules & Regulation, Grouping, Supervision, Motivation
3. (a) Explain **five** limitations of using budgets as a tool of control. (10 marks)
- (b) Explain **five** benefits that an organization may derive from using employment agencies to recruit employees. (10 marks)
4. (a) Explain **five** benefits of visionary leadership to an organization. (10 marks)
Handwritten notes: Good Planning, Good communication, Challenging tasks, Proper use of resources, Good industrial relation
- (b) Outline **five** factors that may motivate employees according to Herzberg's Two Factor Theory. (10 marks)
Handwritten notes: Incentives & rewards, Employee work environment, Promotion, Delegating more activities, Communication, Satisfaction, Inadequate work
5. (a) The overall purpose of management is to ensure the smooth running of the organization's operations. Explain **five** ways in which management fulfils this purpose. (10 marks)
Handwritten notes: Improve communication, Motivation, Training, Self-fulfillment, Allocation of enough resources
- (b) Explain **five** challenges that may be encountered when implementing plans in an organization. (10 marks)
Handwritten notes: Resistance, Complexity, Scarce resource, Cost, Not disturb normal operation, Time consuming
6. (a) Explain **five** factors that may influence the nature of decisions made by the management of an organization. (10 marks)
Handwritten notes: Economic condition, Technology, Political factor, Market environment, Social factors, Capital
- (b) Modern managers are expected to continuously monitor the market environment for their goods and services. Explain **five** reasons why this is necessary. (10 marks)
Handwritten notes: Technological advancement, Customer feedback, Change in preference & habit, Financing & marketing the org.
7. (a) Explain **five** ways in which managers can apply the positive reinforcement theory advocated by B. F. Skinner to motivate employees. (10 marks)
- (b) Outline **five** challenges that managers may face in leading modern day organizations. (10 marks)

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