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ÉCOLE DE GESTION  
SCHOOL OF MANAGEMENT

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LEADERSHIP

**ADM1300A,B,C,D - FALL 2010  
MID-TERM EXAMINATION  
PROFESSOR: Peter G. Koppel  
Friday, October 22, 2010; 7-10 P.M.**

**\*\*\*\*\*THIS EXAMINATION IS ONLY FOR TELFER STUDENTS\*\*\*\*\***

**INSTRUCTIONS**

1. This examination consists of THREE Parts: Multiple Choice, Problem, and Essay questions. Use the Scantron answer sheet provided to you when answering the Multiple Choice section.
2. Answer each problem and essay question in the space provided.
3. Candidates must return the examination question paper to the professor or one of the proctors before leaving the room.
4. The time limit for this examination is 3 hours.
5. No notes, dictionaries, or references are permitted. Calculators are permitted, but memories must be erased.
6. Read the entire examination question paper BEFORE proceeding.
7. Budget your time carefully!

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Multiple Choice (40 questions)	20 marks
Problems (2 questions)	25 marks
Essay (6 questions)	55 marks

**TOTAL**

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**LAST NAME (print)**

**FIRST NAME (print)**

**STUDENT NUMBER**

**Circle Class you are registered in: Mon/Thurs    Tues/Thurs    Mon/Wed    Thurs**

## PART I Multiple Choice (20 Marks)

### Instructions:

Candidates must answer ALL questions on the Scantron answer sheet by selecting the most appropriate answer for each question.

1. The Surgeon General's warning on cigarette packages about the health implications of smoking is an example of which of the following ethical issues?
  - A) conflict of interest
  - B) fairness and honesty
  - C) communications
  - D) relationships within a business
  - E) none of the above
  
2. When ethical decisions are based around producing the greatest good for the greatest amount of people, it is said to be which type of ethical model?
  - A) Moral rights model
  - B) Justice Model
  - C) Behavioural Model
  - D) Utilitarian Model
  - E) None of the above
  
3. Which of the following is NOT a stakeholder in an organization?
  - A) shareholders
  - B) employees
  - C) suppliers
  - D) local community
  - E) all of these are stakeholders
  
4. The forces which exist in the external surround of the organization and which are likely to affect the organization in important ways are known as:
  - A) the potential competitors.
  - B) the organizational environment.
  - C) the suppliers.
  - D) the distributors.
  - E) brand loyalty.
  
5. If a female subordinate is offended by posters in her supervisor's office which she feels are degrading to women, this supervisor has exhibited:
  - A) the similar-to-me effect.
  - B) the glass ceiling.
  - C) the salience effect.
  - D) *quid pro quo* sexual harassment.
  - E) a hostile work environment.

6. If a female manager tells a male subordinate that he is in line for a pay raise but that he will get that pay raise only if he becomes sexually involved with her, this manager is exhibiting:
- A) a hostile work environment.
  - B) the similar-to-me effect.
  - C) the salience effect.
  - D) the social status effect.
  - E) *quid pro quo* sexual harassment.
7. The process by which a division of labor occurs as different workers specialize in different tasks over time is known as:
- A) job specialization
  - B) power
  - C) behavioral management
  - D) rules
  - E) norms
8. When the "Big-Buy" retail store in Vancouver, British Columbia, stocks baby trailers for bicycles because its customers want to buy this product in this store, even though "Big-Buy" does not typically stock this product in its other stores, this is an example of:
- A) procedural justice.
  - B) distributive justice.
  - C) managing diversity.
  - D) bias.
  - E) the ombudsman effect.
9. The systematic study of relationships between people and tasks for the purpose of redesigning the work process in order to increase efficiency is known as:
- A) administrative management
  - B) scientific management
  - C) bureaucracy
  - D) behavioral management
  - E) Hawthorne effect
10. Which of the following is an advantage of a partnership?
- A) unlimited liability
  - B) life of partnership
  - C) selling partnership
  - D) limited funding sources
  - E) ease of organization

11. Which of the following requires owners to perform many functions and possess diverse skills to make decisions?
- A) corporation
  - B) partnership
  - C) sole proprietorship
  - D) cooperative
  - E) holding company
12. When McDonald's decided to add breakfast to its hours of operation in order to increase its customers, this was an attempt to improve the organization's:
- A) effectiveness
  - B) planning
  - C) leading strategy
  - D) efficiency
  - E) none of the above
13. The idea that managers who stay with the organization for many years develop skills on the job which can help the organization to become more efficient is consistent with Fayol's principle of:
- A) equity.
  - B) order.
  - C) initiative.
  - D) discipline.
  - E) stability of tenure.
14. A manager who makes a product which customers want to buy but attempts to sell it at a price that is higher than the one they are willing to pay is said to have:
- A) low efficiency/low effectiveness.
  - B) high efficiency/high effectiveness.
  - C) low efficiency/high effectiveness.
  - D) high efficiency/low effectiveness.
  - E) none of the above.
15. A manager who chooses the wrong goals for the organization and makes poor use of the organization's resources in pursuing these goals is said to have:
- A) low efficiency/high effectiveness.
  - B) high efficiency/high effectiveness.
  - C) low efficiency/low effectiveness.
  - D) high efficiency/low effectiveness.
  - E) none of the above.

16. The power to hold people accountable for their actions and to make decisions concerning the use of organizational resources is known as:
- A) bureaucracy
  - B) power
  - C) rules
  - D) theory
  - E) authority
17. All of the following are examples of the task environment of the organization EXCEPT:
- A) distributors.
  - B) customers.
  - C) competitors.
  - D) suppliers.
  - E) sociocultural forces.
18. Which of the following is an example of restructuring?
- A) reducing the number of products
  - B) flattening the organization
  - C) closing plants
  - D) outsourcing the production of a product
  - E) all these choices are correct
19. If the product of a major competitor has a large market share, we say that this product has a large amount of:
- A) political force.
  - B) demographic force.
  - C) brand loyalty.
  - D) potential competition.
  - E) distributor loyalty.
20. The policies and process that determine how an organization interacts with its stakeholders is referred to as:
- A) social responsibility
  - B) corporate governance
  - C) organizational culture
  - D) partnership agreement
  - E) none of the above

21. Obtaining personal information about a person and using that information for illegal purposes is known as:
- A. a database
  - B. Facebook
  - C. Identity theft
  - D. good business sense
22. The cost advantages which are associated with large organizations are known as:
- A) brand loyalty.
  - B) barriers to entry.
  - C) boundary spanning.
  - D) gatekeeping functions.
  - E) economies of scale.
23. The systematic tendency to use information about others in ways that result in inaccurate perceptions is known as:
- A) stereotyping
  - B) bias
  - C) overt discrimination
  - D) the social status effect
  - E) the similar-to-me effect
24. When a manager takes responsibility for correcting an environmental problem that has been created by his or her company, this manager is acting in which type of role?
- A) Liaison
  - B) Disturbance handler
  - C) Leader
  - D) Disseminator
  - E) Figurehead
25. When WestJet allows the agent-in-charge at the gate to decide whether to give out a "free ticket" to some passengers when the flight is overbooked, this is an example of:
- A) innovation.
  - B) restructuring.
  - C) TQM.
  - D) empowerment.
  - E) none of the above.

26. When an organization's customers put pressure on the organization to reduce prices on its goods, this is an example of the organization's:
- A) general environment.
  - B) task environment.
  - C) political environment.
  - D) legal environment.
  - E) sociocultural environment.
27. When the video game marketer Nintendo was investigated for allegedly raising prices excessively during the Christmas buying season and thereby manipulating the supply of games available at that time, this was an ethical issue concerned primarily with
- A) conflict of interest.
  - B) communications.
  - C) fairness and honesty.
  - D) cost control.
  - E) game rules.
28. A set of specific tasks that a manager is expected to perform because of his or her position within the organization is called:
- A) a plan.
  - B) restructuring.
  - C) a role.
  - D) an efficiency strategy.
  - E) none of the above.
29. Which of the following is an example of a customer of Dell Canada?
- A) small businesses
  - B) government agencies
  - C) colleges
  - D) home users of PCs
  - E) all these choices are correct
30. All of the following would likely be found in a company's articles of incorporation except
- A) expected profitability of the corporation.
  - B) classes of stock
  - C) corporation objectives
  - D) name and address of board of directors
  - E) name and address of the corporation.

31. In which form of organization are employees most likely to feel left out?
- A) sole proprietorship
  - B) partnership
  - C) corporation
  - D) cooperative
  - E) none of the above
32. An ethics officer who monitors an organization's practices and procedures to be sure they are ethical is known as a(n):
- A) shareholder
  - B) whistleblower
  - C) ethics ombudsman
  - D) auditor
  - E) snitch
33. Disregard for social responsibility, willingness to engage in and cover up unethical and illegal behaviour is known as a(n):
- A) obstructionist approach
  - B) defensive approach
  - C) accommodative approach
  - D) proactive approach
  - E) distributive approach
34. A moral principle calling for the distribution of pay raises, promotions, and other organizational resources to be based on meaningful contributions that individuals have made and not on personal characteristics over which they have no control is known as:
- A) procedural justice
  - B) distributive justice
  - C) social responsibility
  - D) bias
  - E) accommodative justice
35. In order to increase sales of a particular product, the president of Intel made a number of decisions concerning what organizational goals to pursue, what actions to take, and how to use the company's resources to achieve its goals. This is an example of:
- A) strategy
  - B) leading
  - C) organizing
  - D) motivating
  - E) structure

36. When Kellogg changed the name of its Heartwise cereal to Fiberwise, it was in response to growing concern from the public and the government about unsubstantiated health claims. The primary area of ethical concern in this case was questionable
- A) conflict of interest.
  - B) communications.
  - C) product design.
  - D) business relationships.
  - E) financing.
37. Ethical business decisions foster trust among the following individuals:
- A) buyers.
  - B) sellers.
  - C) borrowers.
  - D) lenders.
  - E) all of the above.
38. Which of the following should help reduce the incidence of unethical behaviour in an organization?
- A) understanding that individual moral standards, the influence of managers and coworkers, and opportunity influence ethical behaviour
  - B) maximizing ethical conflict in work groups
  - C) expanding opportunity by providing punishments for violations of the rules
  - D) overlooking violations of codes of ethics
  - E) all of the above
39. Which of the following is a disadvantage of a partnership?
- A) difficulty of selling ownership
  - B) ease of organizing business
  - C) specialization of partners
  - D) relatively fast decision making
  - E) limited government regulation
40. A store in Moncton, New Brunswick, which is part of a national chain, stocks religious candles in the store because its shoppers want to buy these items in this store, even though the typical store in this chain does not stock this item. This is an example of:
- A) the glass ceiling effect.
  - B) the ombudsman effect.
  - C) managing diversity.
  - D) social responsibility.
  - E) whistle-blowing.

**PART II PROBLEMS (25 Marks) Please show all of your work; Take your answers to decimal points always.**

- 1.) You are given the following information: Selling Price of each Unit = \$45;  
Variable Costs for each unit = \$20; Annual Fixed Costs are \$125,000.

**Draw the Breakeven Point Diagram, labeling each axis and curve appropriately; show the breakeven point, loss, and profit. (9 marks)**

- 2.) The selling price of a unit is \$100; Rent on a 5 year lease is \$1000 monthly; Salaries are \$15,000 monthly; insurance costs are \$10,000 annually. Raw materials are \$15.50 per unit; wages per unit are \$12.00, and overhead (electricity, etc.) are determined to be \$14.50 per unit. **What is the company's Breakeven Point in Sales Dollars? In Units? (10 marks)**

- 3.) The Fixed Costs of ABC Limited are \$145,000. Assuming that variable costs increase by 50% and the selling price is increased by 15%, **what will the new fixed costs equal? (6 marks)**

**PART III - Essay Questions (55 marks)**

**Instructions:**

Candidates must answer all questions in the space provided. If necessary, please write on the back of the sheet to complete your answer.

1. Identify and describe four advantages and four disadvantages of the sole proprietorship form of business ownership (4 marks)

- 2. Draw, label each variable, and discuss in detail the Process of Management as discussed in class. (8 points)**

**3.) Define each of the following terms: (9 marks)**

**1) Proxy:**

**2) Dividend:**

**3) Management:**

**4) Effectiveness:**

**5) Limited liability:**

**6) Coattail effect:**

**7) Proactive approach to social responsibility:**

**8) Pre-emptive Right:**

**9) Crown corporation:**

4. In an organization's general environment there are a number of forces that can affect how the organization performs. Outline and discuss four (4) ECONOMIC forces that affect an organization. (4 marks)

- 5. Outline and discuss in detail F.W. Taylor's Scientific Management approach? What was his philosophy? What were the benefits of his work? What were the problems associated with his work? (8 points)**

**6 a. Who is the Prime Minister of Canada? Who is the Finance Minister of Canada? (2 marks)**

**b. What is the current Bank of Canada rate? (2 marks)**

**c. What is the current value of the Canadian dollar versus the United States dollar? What does this mean for you as a consumer? (2 points)**

**7.) Outline and discuss six (6) rights of the Canadian shareholder. (6 marks)**

**8.) Outline and discuss the three (3) conditions affecting decision-making. (3 marks)**

**9.) Outline and briefly discuss Fayol's fourteen (14) Principles of Management (7 marks)**