

ADM1300A Mid-Term Examination

This review is 75% of the material covered on the exam

Material covered from chapter 1-7

- From managers and managing to individual and group decision-making process

Exam will be a series of short essay questions and multiple choice.

15 Short Essay Questions - 4 marks each

20 MC - 2 marks each

Room Art026 for A-N*

1. What is management? Explain the different parts of the formal definition.

- Management is a process, involving a series of activities and operations, such as **planning, organizing, leading and controlling** (2 marks) an enterprise's **financial, physical, human and information resources** (2 marks) to achieve the organization's goals of **supplying various products and services to consumers (or consumers)** (2 marks).
- Finally, management involves activities carried out in organization setting by people with different functions intentionally structured and coordinated to achieve common purposes. Basically, the management is structured around the **areas of financial, human resources, operation, marketing and information organizational functions**. (2 marks)

2. What creates the "personality" of an organization?

- Each organization has its own personality, created by **experiences, skills, personalities and mannerisms** among the people who make up the organization.

3. Complete this sentence: The rational decision making process requires managers to...

- evaluate the effectiveness of their decision
- make sure that the chosen alternative has serviced its original purpose
- adopt an alternative that had previously been discarded
- recognize that the situation was not correctly defined to begin with and start the process all over again if required.

4. What is the importance of each of Mintzberg's 10 managerial roles? Name and present a short explanation for each of them.

- the figurehead role involves an emphasis on ceremonial activities
- a leader role is essentially one of influencing or directing others
- the liaison role emphasizes the contacts that a manager has with those outside the formal authority chain of command
- the monitor role involves extensive information seeking that managers engage in to keep aware of crucial developments that may affect their unit and their own work

- the disseminator role involves the sending of critical information to others
- the spokesperson role is carried out when a manager represents views of the unit for which he or she is responsible
- the entrepreneurial role involves the exploration of new ideas and opportunities
- etc

5. What are the four behavioural aspects of decision making?

- organizational politics, intuition, escalation of commitment, risk propensity

6. What are the main purposes in organization goal setting?

- provides direction, guidance and motivation for all managers
- helps firms allocate resources
- helps to define corporate culture
- helps managers assess performance

7. What is the difference between the mission statement and the corporate culture?

- mission statement: an organization's statement of how it will achieve its purpose in the environment in which it conducts its business
- corporate culture: represents the shared experiences, stories, beliefs, norms and ethical stance that characterize an organization

8. The corporate culture is shaped by four forces which are fundamental. Identify each of those forces.

- the values held by top management
- the firm's history
- stories and legends
- a strong behavioural norms help define and sustain corporate cultures

9. In your own words, give the definition of entrepreneurship.

- the process of identifying an opportunity in the marketplace
- and accessing the resources necessary to capitalize on that opportunity

10. What is the difference between "forecast" and "bootstrapping" in the entrepreneurial process?

- Sales forecast: an estimate of how much of a product or service will be purchased by the prospective customers for a specific period of time
- bootstrapping: financing techniques whereby entrepreneur make do with as few resources as possible and use other peoples' resources wherever they can
 - can also refer to the acquisition of other types of resources, such as people, space, equipment or materials that are loaned or provided free by customers or suppliers

11. Name two advantages and two disadvantages of the sole proprietorship.

- advantages:
 - Ease and cost of starting and ending business
 - Secrecy

- Pride of ownership
- Distribution and use of profit
- No special taxes
- No government regulation
- disadvantages:
 - Unlimited liability
 - Limited financial resources
 - Limited skills pool
 - Overwhelming time commitment
 - Few fringe benefits

12. Name four reasons for failure in “small business”

- managerial incompetence or inexperience
- Neglect
- Weak control systems
- Insufficient capital

13. Define the “task environment” and identify four “task environment components”.

- Forces that have a high potential for affecting the organization on an immediate basis.
- Competitors, customers, suppliers, strategic partners, labour, regulators, media

14. What are Porter’s five forces? Give a short explanation for each of those.

- Nature of competition or rivalry among existing competitors: who are our competitors? How big are they? What technology are they using? How strong are they? Price or Quality competition?
- Threat of potential entrants: how hard is it to establish a presence in this industry?
- Substitutes: to what extent can alternative products or services substitute for existing product or service
- Suppliers: mostly the effectiveness and the efficiency of the suppliers. It is also the cost of items bought from such as raw materials, components, equipment and their dominance on the market
- Buyers: when there are fewer and united customers, they have more power to demand lower prices, customized products or services or attractive financing terms from producers thus these demands reduce profits
- Strategic partners, labour and regulators are NOT include in Porter’s five forces model

15. About the ethical origins, what are the standards of behavior that guides individual manager’s in their work? Support your answer with a short explanation.

- Societal ethics: standards that members of society use when dealing with each other. They are based on **values and standards** found in society’s legal rules, norm and more. They are also **codified in the form of law** and society customs. Norms dictate how people should behave. Societal ethics vary based on a given society.
- Professional ethics: values and standards used by groups of managers in the workplace. Applied when decisions are not clear-cut ethically.

- Individual ethics: values of an individual resulting from their family&upbringing. If behavior is not illegal, people will often disagree on if it is ethical. Ethics of top managers...

16. The degree to which people see an issue as an ethical one is called “moral intensity”. Define the concept and then identify and shortly describe each of the components involved in this process.

- moral intensity is the degree to which people see an issue as an ethical one.

- Six components:

- Magnitude of consequences

- Social consensus

- Probability of an effect

- Temporal immediacy

- Proximity

- Concentration of effect

17. What is a code of ethics and what are the sources of an organization’s code of ethics? Briefly support your answer

- formal statement outlining types of inappropriate behavior addressing three issues:

- Being a good organization citizen

- Guiding employee behavior away from unlawful or improper acts that could harm the organization

- Directives to be good to customers

- The sources are societal, professional and individual

18. What are the areas of social responsibility?

- local communities and environment

- Employees

- Customers/consumers

- Investors

19. There are many ways managers respond to the social responsibility. Name and briefly describe the four approaches presented in class.

- obstructionist approach: managers choose not to be socially responsible

- Managers behave illegally and unethically, hide problems

- Defensive approach: managers stay within the law but make no attempt to exercise additional social responsibility

- Put shareholders interest above all other stakeholders

- Managers say society should make laws if change is needed

- Accommodative approach: managers realize the need for social responsibility

- Try to balance the interests of all stakeholders

- Proactive approach: managers actively embrace social responsibility

- Go out of their way to learn about and help stakeholders

20. Identify 3 arguments for social responsibility?

- business helped to create many of the social problems that exist today, so it should play a role in solving them, especially in pollution reduction and cleanup
- They have the financial and technical resources to help resolve social problems
- Members of society, should do their part

21. Conference question

22. Can you name four factors that inhibit accurate problem identification and analysis within the decision-making process?

- information bias
- Uncertainty absorption
- Selective perception
- Stereotyping
- Cognitive complexity
- Stress

23. What are the symptoms of Groupthink?

- illusion of invulnerability
- Collective rationalization
- Illusion of morality
- Stereotyping
- Illusion of unanimity
- Mindguards

24. What are the guidelines for the company and for the leader for overcoming Groupthink while the group decision-making process?

- Company:
 - Establish several independent groups to examine the same problem
 - Train managers in groupthink prevention techniques
- Leader:
 - Assign everyone the role of critical evaluator
 - Use outside experts to challenge the group
 - Assign a devil's advocate role to one member of the group
 - Try to be impartial and refrain from stating your own views

25. The strategy formulation involves three basic steps including five key goals and the entire environment. What are the steps, the goals and the environments involved in the strategy formulation?

- setting strategic (smart) goals which are:
 - Specific, measurable, achievable, relevant, time-framed
- Analyzing the organization and its environment
 - SWOT analysis (strengths, weaknesses, opportunities and threats)
- Matching the organization and its environment
 - This process may determine whether an organization/company/firm takes risks or behaves more conservatively

