

(DEMB 1)

EXECUTIVE M.B.A. DEGREE EXAMINATION, MAY - 2015

First and Second Years

Paper – I : PERSPECTIVES OF MANAGEMENT

Time : 03 Hours

Maximum Marks : 75

SECTION-A

(3 x 5 = 15)

Answer Any Three of the following

- 1) a) Concept of Management.
b) Promotion policy.
c) Strategy.
d) Authority.
e) Plural executive.
f) Situational leader.

SECTION-B

(3 x 15 = 45)

Answer Any Three questions

- 2) Review the evolution of management thought.
3) What are the merits and demerits of MBO?
4) Bring out the process of decision making.
5) State the factors that influence span of control.
6) Explain the barriers to effective communication.
7) Enumerate the modern techniques of control.

SECTION-C

(15)

(Compulsory)

- 8) Katie Perkins's career objectives which attending Rockford State college was to obtain a degree in small business management and upon graduation to start her own business. Her ultimate desire was to combine her love of sports and a strong interest in marketing to start a mail-order⁴ golf equipment business aimed specially at beginning golfers.

In February 1996, after extensive development of a strategic business plan and a loan in the amount of \$75,000 from the Small Business Administration, Performance sports was begun. Based on a marketing plan that stressed fast delivery, error-free customer service, and large discount pricing, performance sports grew rapidly. At present the company employs sixteen people; eight customer service representatives earning between \$9.75 and 11.25 per hour; four shipping and receiving associates paid between \$7.50 and \$8.50 per hour; two clerical employees each earning \$7.75 per hour; an assistant manager earning \$13.10 per hour, and a general manager with a wage of \$14.25 per hour. Both the manager and assistant manager are former customer service representatives.

Perkins intends to create a new managerial position, purchasing agent, to handle the complex duties of purchasing golf equipment from the company's numerous equipment manufacturers. Also the mail-order catalog will be expanding to handle a complete line of tennis equipment. Since the position of purchasing agent is new, Perkins isn't sure how much to pay this person. She wants to employ an individual with between five and eight years of experience in sports equipment purchasing.

While attending an equipment manufacturer's convention in Las Vegas, Nevada, Perkins learns that a competitor, East Valley Sports, pays its customer service representatives on a pay for performance basis. Intrigued by this compensation philosophy, Perkins asks her

assistant manager, George Balkin, to research the pros and cons of this payment strategy. This request has become a priority since only last week two customer service representatives expressed dissatisfaction with their hourly wage. Both complained that they felt underpaid relative to the large amount of sales revenue each generates for the company.

Questions:

- i) What factors should Perkins and Balkin consider when setting the wage for the purchasing agent position? What resources are available for them to consult when establishing the wage?;
- ii) Suggest advantages and disadvantages of a pay-for performance policy for performance sports; and
- iii) Suggest a new payment plan for the customer service representatives.

You are requested to suggest the best leverage alternative. Provide the numerical workings.

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