

1. Henry, a **first-line manager**, should spend most of his time on \_\_\_\_\_.
  - 1 the implementation of policies, plans and strategies formulated by top managers
  - 2 tactical planning, concentrating on medium-term and short-term planning
  - 3 applying policies, procedures and rules to achieve a high level of productivity
  - 4 monitoring the environmental influences that may affect his functional area
  
2. As an effective first-line manager, Henry should have certain skills, particularly \_\_\_\_\_ skills, and he should perform certain management **functions**, including \_\_\_\_\_.
  - 1 technical; planning and decision making
  - 2 planning; organising and control
  - 3 technical; organising and leading
  - 4 conceptual; planning and goal setting
  
3. Henry should use the components of the **management process** to transform the inputs of his section into outputs.

*These components include \_\_\_\_\_.*

  - 1 human resources, planning, and products and services
  - 2 leading, control and decision making
  - 3 human resources, leadership and control
  - 4 planning, organising, leading and control
  
4. One of the top managers at the clock manufacturing company where Henry works went on a fact-finding trip to Switzerland and Japan to gather information on the latest trends in the clock manufacturing industry. He shared his findings with various decision makers in the organisation, fulfilling the **role** of \_\_\_\_\_.
  - 1 monitor
  - 2 analyser
  - 3 problem solver
  - 4 entrepreneur
  
5. \_\_\_\_\_ developed the \_\_\_\_\_ **approach to management**. He proposed that management entails five basic functions of administration, namely planning, organising, commanding, coordinating and control.
  - 1 Ludwig von Bertalanffy, systems
  - 2 Max Weber; bureaucratic
  - 3 Frederick Taylor, scientific
  - 4 Henri Fayol, process

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Total quality management entails \_\_\_\_\_.

- 1 an integrated systematic approach to the identifying, sharing and management of information
- 2 a significant reassessment of what a particular organisation is all about
- 3 the creation of an organisation committed to continuous improvement
- 4 a fundamental reappraisal of the way that an organisation operates

“Management must challenge their own assumptions and generalisations about the organisation and the world around it.”

This statement refers to a specific, systems-based approach to management, namely \_\_\_\_\_.

- 1 total quality management
- 2 the contingency approach
- 3 information management
- 4 re-engineering

The \_\_\_\_\_ environment of an organisation must be analysed to identify strengths and weaknesses, whilst \_\_\_\_\_ is specifically used to analyse the competitiveness of an industry.

- 1 macro-, the analysis of the market environment
- 2 internal, an analysis of the macro environment
- 3 micro-, Porter's model
- 4 macro-, a SWOT analysis

KWV exports wines internationally. A strong rand is a variable in KWV's \_\_\_\_\_ environment and represents a/an \_\_\_\_\_ for this specific organisation.

- 1 international, opportunity
- 2 economic; opportunity
- 3 international; threat
- 4 economic; threat

0. Which one of the following statements is wrong?

- 1 The organisation has a negligible effect on the macro-environment.
- 2 The macro-environment influences the organisation indirectly through variables such as interest rates and legislation.
- 3 The micro-environment influences the market environment through the organisation's marketing strategies.
- 4 The market environment has a direct influence on the internal environment of the organisation.

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11. An organisation has the following two goals: "To increase market share to 30%" and "To reduce manufacturing capacity to 10 000 units per month until the demand increases by 20%".

The goals do not meet the \_\_\_\_\_ and the \_\_\_\_\_ specifications of goal setting.

- 1 measurability, flexibility
- 2 congruency, measurability
- 3 specificity, congruency
- 4 flexibility, specificity

12. Management by objectives is a technique designed to achieve the integration of \_\_\_\_\_ and \_\_\_\_\_.

- 1 official goals; operative goals
- 2 the organisation's purpose; the mission of the organisation
- 3 individual goals; organisational goals
- 4 long-term goals; short-term goals

13. The mission statement can best be described as \_\_\_\_\_.

- 1 the long-term outputs of the organisation's plans
- 2 the strategy which the organisation will implement
- 3 the portrayal of the character of the organisation
- 4 a particular future state to be achieved by the organisation

14. It is important to adhere to certain planning premises when plans are formulated, because they demarcate the parameters within which planning takes place.

One of the planning premises involves the \_\_\_\_\_.

- 1 values of management
- 2 customer base of the organisation
- 3 market share of the organisation
- 4 structure of the organisation

15. The production management team of SABMiller has developed a plan to reduce waste during the production of beer. The plan states that a new information reporting system will be developed to identify deviations early in the process. The plan must be implemented within the next two years.

This is an example of \_\_\_\_\_.

- 1 a strategic plan
- 2 a project
- 3 a tactical plan
- 4 an operational plan

6. In First Time Bank's credit department, the operational manual states that a branch manager can only approve loans up to a maximum of R10 000. Applications for loans exceeding this amount must be referred to the central credit department.

*This is an example of a/an \_\_\_\_\_.*

- 1 programme
- 2 rule
- 3 procedure
- 4 operational plan

7. The management of Clever Ideas Computing had made the mistake of being complacent about the success of their software programme. They assumed that their programme needed no further updating. Three years later they were out of business because their competitors launched a new product.

*This illustrates a barrier to effective planning, namely a \_\_\_\_\_.*

- 1 resistance to change
- 2 reluctance to establish goals
- 3 lack of environmental knowledge
- 4 lack of organisational knowledge

8. \_\_\_\_\_ is a graphic planning and control method in which a project is broken down into separate tasks, and estimates are made about how long each task will take, as well as the time it will take to complete the whole project.

- 1 Scheduling
- 2 A decision tree
- 3 Technological forecasting
- 4 Programme Evaluation and Review Technique (PERT)

9. "We strive to provide high-quality refreshments at affordable prices to students in Pretoria."

*This is an example of a \_\_\_\_\_.*

- 1 strategic objective
- 2 corporate strategy
- 3 mission statement
- 4 vision

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**Questions 20 to 22**

Study the following activities to answer questions 20 to 22:

- a) benchmarking
- ~~b~~ an evaluation of the functional segments of the organisation
- c determining those internal factors that are currently weaknesses in the organisation
- d a comparison with an organisation's competitors
- e determining those internal factors that provide the organisation with an edge over its competitors
- ~~f~~ using the value chain method to identify key success factors in the internal environment
- ~~g~~ using financial analysis to assess the organisation's strengths and weaknesses
- h a comparison with key success factors in the organisation's industry

20 Which of the activities listed above form part of the **first step** in the **internal analysis of an organisation** to identify the strategically important strengths and weaknesses on which the organisation should base its strategy?

- ~~1~~ abd
- ~~2~~ adh
- 3 bfg
- 4 efg

21 Which of the activities listed above form part of the **second step** in the **internal analysis of an organisation** to identify the strategically important strengths and weaknesses on which the organisation should base its strategy?

- 1 adh ✓
- 2 bcd
- 3 cdg ✗
- 4 cdf ✓

22 Which of the activities listed above form part of the **third step** in the **internal analysis of an organisation** to identify the strategically important strengths and weaknesses on which the organisation should base its strategy?

- 1 ad ✓
- 2 bf ✓
- 3 ce
- 4 dh

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The Trading Company is considering the development of an information system.

*During which step in the development of an information system is an in-depth study of end-user requirements conducted?*

- 1 systems analysis
- 2 systems investigation
- 3 systems design
- 4 systems implementation

After Trading Company had implemented the **information system**, changes occurred in its business environment, forcing Trading Company to modify the system.

*This is an example of \_\_\_\_\_.*

- 1 systems maintenance
- 2 systems investigation
- 3 systems security
- 4 systems analysis

The sales manager of Trading Company wants to develop a new budget for the sales force for the next financial year. He wants to develop different budgets before deciding on a final one.

*This type of requirement is best supported by a/an \_\_\_\_\_ system.*

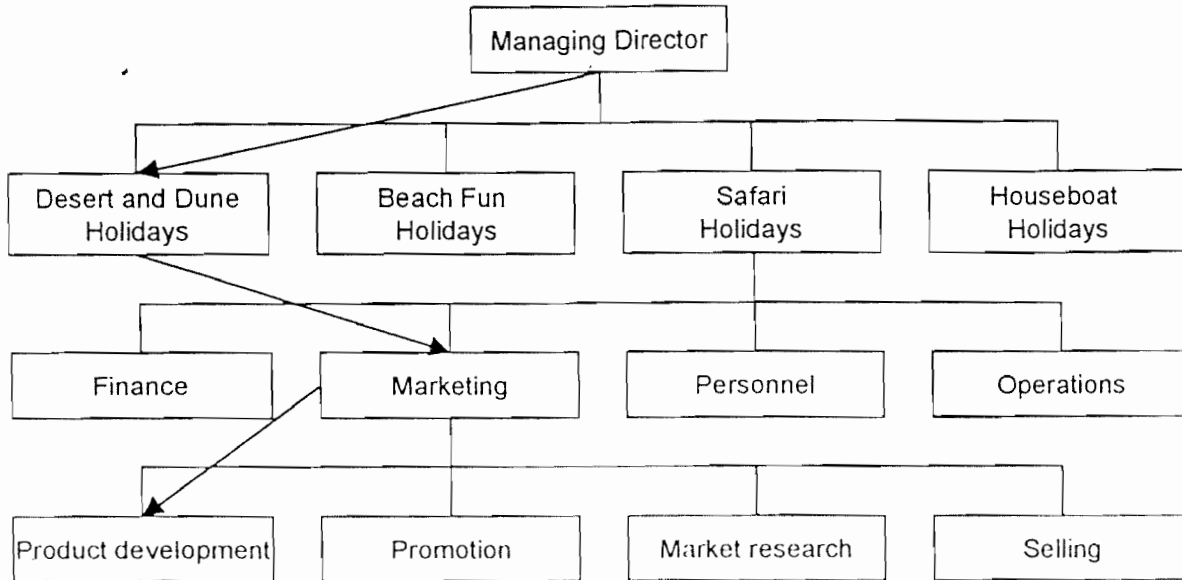
- 1 process control
- 2 executive information
- 3 decision support
- 4 information reporting

[TURN OVER]

## Questions 26 to 32

Consider the following organisation chart.

The organisation chart of Afro Sun Holidays



26. The organisation chart indicates that Afro Sun is organised according to \_\_\_\_  
**departmentalisation.**
- 1 location
  - 2 functional
  - 3 customer
  - 4 product
27. The marketing manager gives some of his work to the product development manager to do. To enable the product development manager to do this work, the marketing manager must also hand over \_\_\_\_, but not \_\_\_\_.
- 1 accountability and responsibility; authority
  - 2 responsibility and authority; accountability
  - 3 authority and accountability; responsibility
  - 4 responsibility and power; accountability

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## Questions 28 and 29

Match the description of a feature in the **structure** of Afro Sun in column A with a **principle of organisation** in column B.

COLUMN A	COLUMN B
28. The managing director has the following four managers who report to her: the managers of Desert & Dune Holidays, Beach Fun Holidays, Wilderness & Swamps Holidays, and Houseboat Holidays.	1 Unity of command 2 <del>Division of work</del> 3 Span of control
29. The financial manager reports to the manager of Wilderness & Swamps Holidays, who reports to the managing director.	4 <del>Delegation</del> 5 Chain of command

30. The downward arrows on the organisation chart indicate the \_\_\_\_\_ **authority** relationships in Afro Sun

- 1 informal
- 2 line
- 3 staff
- 4 functional

The managing director of Afro Sun allows the product development manager, the promotions manager, the market research manager and the sales manager to make important decisions regarding their work, because they are closer to the situations where the decisions need to be taken. This kind of **authority** has certain advantages, including \_\_\_\_\_ and \_\_\_\_\_.

- 1 improved decision making; the fostering of a competitive climate
- 2 a reduced workload for top managers; and a need for sophisticated planning methods
- 3 improved training, morale and initiative; and no integration of subunits
- 4 flexible decision making; and a need for more intensive training

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32. Leadership and management are two distinct, but complementary sets of management activities. The managing director of Afro Sun is often described as a leader.

*In terms of the distinctions between leadership and management, she is likely to \_\_\_\_\_.*

- a develop a structure for the assignment of tasks and resources
- b steer people in the right direction through motivation and by checking control mechanisms
- c focus on nonbehavioural aspects of management
- d deal with change
- e motivate people and teams to follow a vision

- 1 abc
- 2 ac
- 3 bde
- 4 de

### Question 33 to 35

Match the **statement** in column A with a **perspective on leadership** in column B.

COLUMN A		COLUMN B	
33	Four kinds of leadership behaviour are identified in this perspective on leadership, namely, directive, participative and achievement-oriented leadership behaviour. 4	1	Transformational leadership
34	A key leadership behaviour that is identified in this perspective on leadership refers to the ability of a leader to be aware of the organisation's environment and to sense needs, opportunities and dangers. 1	2	Hersey and Blanchard's leadership cycle model
35	This perspective is based on the assumption that the most effective management style for a particular situation is determined by the job maturity of subordinates. 2	3	The Vroom-Yetton-Yago model
		4	Path-Goal theory
		5	Fiedler's contingency theory of leadership

36. Identify the **wrong** statement.

- 1 The first organised efforts by researchers to learn more about leadership involved the identification of the personal traits of leaders.
- 2 The situational approach to leadership is based on the premise that the behaviour of successful leaders differs from those of unsuccessful leaders.
- 3 Charismatic leaders have an emotional impact on followers.
- 4 The transactional leader clarifies the role of subordinates, initiates structures, and provides appropriate rewards.

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7. A leader with **high employee orientated** and **low task orientated** leadership behaviour, is classified as a/an \_\_\_\_\_ manager on the leadership grid.

- 1 team
- 2 middle-of-the-road
- 3 autocratic
- 4 country club

#### Questions 38 to 45

Read the following extract from *Pick 'n Pay's Annual Report (2004:2)*.

### OUR PLEDGE TO OUR STAKEHOLDERS

**For our employees:** To establish compensation, working conditions, benefits, job security, opportunity and personal recognition in such a way as to make our company the best to work for in the retail industry.

**For our customers:** To make products available to customers, reflecting a combination of quality, price and service through honest and efficient selling practices that will make our company the best from which to buy.

**For our suppliers:** To establish efficient and fair business practices for our mutual benefit and to encourage the development and marketing of products in response to consumer needs and environmental imperatives.

**For our shareholders:** To operate at a fair profit that will represent an attractive return on investment and provide funds for the future growth and sustainability of the organisation so that our company will become the best in which to invest.

**For South Africa and our communities:** To give back to the communities in which we operate through an investment in education and literacy programmes, housing, self-help schemes, child welfare, parent support groups, feeding schemes, relief programmes, cultural projects, sports development and environmental programmes.

Consider Pick 'n Pay's pledge to their employees.

*In terms of the **process theories of motivation**, Pick 'n Pay endeavours to create an environment where their employees will be motivated by \_\_\_\_\_.*

- 1 satisfying the esteem and self-actualisation needs of their employees
- 2 accepting that employees will behave according to their perception that their efforts will lead to certain desired outcomes, which may include good compensation, or personal recognition
- 3 satisfying the power, achievement and affiliation needs of the employees
- 4 rewarding employees when they exhibit desired behaviour with intrinsic or extrinsic rewards.

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39. Consider Pick 'n Pay's pledge to their employees.

*In terms of the content theories of motivation, Pick 'n Pay endeavours to create an environment where their employees will be motivated by \_\_\_\_\_.*

- 1 accepting that the employees will behave according to their perception that their efforts will lead to certain desired outcomes, which may include good compensation; or personal recognition
- 2 being transparent regarding their compensation policy, because they realise that employees will compare their input-output ratios to that of other employees whom they regard as their equals
- 3 satisfying the esteem and self-actualisation needs of their employees
- 4 rewarding employees when they exhibit desired behaviour with intrinsic or extrinsic rewards.

40. A well-known **motivation theory** proposes that **different needs predominate in different people**. According to the **theory** of \_\_\_\_\_, employees at Pick 'n Pay with a **high need for** \_\_\_\_\_, will be highly motivated if the company keeps its pledge to the employees.

- 1 McClelland; self-actualisation
- 2 Herzberg; affiliation
- 3 McClelland; achievement
- 4 Maslow; power

#### Questions 41 to 43

Consider the following elements in Pick 'n Pay's pledge to their employees:

- a compensation
- b working conditions
- c job security
- d opportunity
- e personal recognition

41. Which of the factors listed above will motivate employees, according to **Maslow's hierarchy of needs theory**?

- 1 ab
- 2 de
- 3 abc
- 4 abcde

Which of the factors listed above are **hygiene factors**, according to **Herzberg's two-factor theory**?

- 1 ab
- 2 bc
- 3 abc
- 4 ade

Which of the factors listed above will satisfy the esteem needs of the employees, according to **Maslow's hierarchy of needs theory**?

- 1 ab
- 2 bc
- 3 cd
- 4 de

Pick 'n Pay's pledge to "South Africa and our communities" reflects their \_\_\_\_\_ **level of social responsibility**.

- 1 social responsiveness
- 2 social obligation
- 3 social reaction
- 4 societal

Identify the **wrong** statement.

- 1 A Pick 'n Pay stakeholder is any individual or group who can affect, or is affected by the actions, decisions, policies, practices or goals of Pick 'n Pay.
- 2 Pick 'n Pay's pledge to their suppliers reflects their concern for their secondary stakeholders.
- 3 The local communities where Pick 'n Pay stores operate demand social responsibility efforts from them.
- 4 The institutional shareholders of Pick 'n Pay have a special interest in Pick 'n Pay's image, because it affects the price of their shares.

Selective perception is an example of a/an \_\_\_\_\_ factor that could be a **barrier to effective communication**.

- 1 interpersonal
- 2 intrapersonal
- 3 structural
- 4 technological

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47. Which **one** of the following statements is **correct**?

- 1 ~~✓~~ Lateral communication follows the chain of command.
- 2 ~~×~~ Using symbols to formulate a communication message is known as decoding.
- 3 ~~×~~ A manager should ignore the grapevine.
- 4  Feedback is the channel through which the message of the receiver reaches the sender.

48. "All empty tables will be cleared within five minutes after they have been vacated."

*This is an example of A Touch of Class Restaurant's \_\_\_\_\_.*

- 1 mission
- 2 productivity standards
- 3 performance standards
- 4 quality control system

49. The **control process** can be described in four steps.

*Identify the correct sequence of steps in the process from the following:*

- a Determine why the desired performance is different from the actual performance within a specified period.
- b This step involves the improvement of the actual performance, reviewing the strategy, or lowering performance standards.
- c Through planning and setting goals, the organisation's realistic goals in terms of profit, market share, productivity and personnel development can be determined.
- d Through the collection and reporting of raw data and the transformation thereof into information, an organisation can measure its actual performance within a given period of time.

- 1  abcd
- 2 bcda
- 3 cdab
- 4 dabc

Bob Marley is the manager of Kaapse Snoek, a smoked fish packing business in Cape Town. The smoked fish are packed into boxes to be exported or sold at airports and in speciality food shops. The cost of the boxes is approximately R3 000 per week. Sometimes it is a little more, sometimes it is a little less, but nobody is worried as long as the amount is close to R3 000 per week. One day Bob is told that the cost of the boxes for that week has been R4 000. Bob is very concerned and immediately investigates possible causes for the excessive cost of the boxes.

*In terms of the incident at Kaapse Snoek, what is the outcome of the third step in the control process?*

- 1 R1 000
- 2 R2 000
- 3 R3 000
- 4 R4 000

#### Questions 51 to 70

Read the following case study and answer the questions that follow

#### HYUNDAI GETS HOT

Chung Mong Koo's appointment as chief executive officer (CEO) of Hyundai Motor Co. in March 1999, had the industry yawning. At the age of 63 it was assumed he would maintain the status quo of cranking out cheap imitations of Japanese cars and flooding the market with them. Chung has proved his skeptics wrong. The socially awkward CEO had a real agenda, and he was prepared to use unconventional means to ensure the success of Hyundai. Days after he had taken over, Chung visited Hyundai's sprawling plant at Ulsan, on the southeastern tip of the Korean peninsula. To the shock of his employees, Chung strode onto the factory floor and demanded a peek under the hood of a Sonata sedan. He didn't like what he saw: loose wires, tangled hoses, bolts painted in four different colours --- the kind of sloppiness you would never see in a Japanese car. On the spot he ordered the plant manager to paint all bolts and screws black and ordered workers not to release any car unless all was orderly under the hood. The plant chief recalls Chung fuming: "You've got to go back to the basics. The only way we can survive is to raise our quality level."

Today Chung is well on his way, mainly as a result of improved quality and design, and brisk sales in the United States (US). Sales in the US have risen by 8% to 1,34 million vehicles, and these results prompted Chung to authorise the opening of Hyundai's first US plant, while increasing the design process to America.

The encounter at the Ulsan plant was the opening salvo in Chung's battle to turn Hyundai into a global player. Within months, Chung had established a quality-control system. Chung's team bought out the controlling interest in Kia Motors for the same reason. Chung led at the depth of the Asian crisis. After these initial restructuring moves, Chung has reshaped Hyundai more profoundly.

He spent 20% more on research and development, with the aim of building cars that could not only compete on price, but also deliver on quality. He chose to make the US the key battleground.

That required a radical shift in mind-set. Korean executives were ordered by Chung to act on key recommendations made by their American colleagues in lower ranks. At the same time, Chung was determined to build cars that would appeal to drivers in the US. The result: the Santa Fe 4 x4, which has developed an almost evangelical following in the US, and US drivers reporting that the quality of the Santa Fe is exceptionally high. The company reported that Hyundai's quality has risen by 28% over the past four years, compared to 14% for the industry as a whole. The key was creating the new post of "quality-control czar", something Hyundai never had before. For this purpose, Chung turned to Kim Sang Kwon. Kim's first job was to develop a "quality-control bible". After studying the manuals of US and Japanese auto makers, he and his 100-strong team developed their own. It makes clear who is responsible for each step in the manufacturing process, what outcomes are required, and who checks and confirms performance levels. To drive home the message, Kim held a ceremony where 380 of Hyundai and Kia's section heads vowed to uphold the manual.

With the quality-control issue under control, Chung focused his attention on producing hits. "We needed attention-grabbing models to improve our image," he says. As the designers were experimenting with clay models of the Santa Fe, Toyota and Honda launched the RAV4 and CR-V respectively. Hyundai bought several of them and took them apart to analyse them and devise features that would set the Santa Fe apart. "We looked at every interior and exterior component to find a way to improve on it," one designer recalls. One of Hyundai's moves was the decision to feed the American driver's hunger for horsepower. The RAV4 and CR-V came equipped with only two-litre engines. The Santa Fe offers a 2,7 litre, V-6 engine. "It turned out to be a winning factor," says Lee Hyoung Keun, who runs global marketing.

### **A new image**

So far so good --- Chung and his managers have rescued Hyundai's image and designed cars that people want. The next question is whether customers will stick with Hyundai when they decide to buy another vehicle. Back in Korea, Chung exudes confidence. "Our prospects are good as long as we offer value for money," he says. Chung aims to make Hyundai one of the top five car makers in the world before 2010. To do so, he will have to resist the temptation to overreach --- the fatal mistake of many a Korean executive. For an example of what can go awry, Chung needs look no further than his own father --- the man who founded Korea's top conglomerate only to see it crumble under a mountain of debt.

### **The Korean mouse that roared**

Analysts and investors were sceptical when Hyundai announced in 1998 its intention to purchase insolvent Kia Motors. After all, the Asian crisis was raging. Today Kia is a company transformed. Its pretax profit the first nine months of 2001 was \$368 million, up 180% from a year earlier. At first Chung's turnaround plan looked preposterous. When senior executives drew up a plan to cut Kia's loss to \$855 million in the first year, Chung ordered them to double the sales target for the year to 880 000 vehicles --- and make a profit. "It looked like a goal you couldn't pull off without a miracle," recalls Yang Sung Joon, Kia's vice president in charge of planning. "But then Kia made it."

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What Hyundai brought to the table was swift decision making --- something new for Kia. The first thing Hyundai did was to cut the number of models from 30 to 20. Next Hyundai began looking for synergies. To boost Kia's lineup, the larger auto maker shared the platform of its popular Sonata sedan with Kia's new mid-size Optima. Kia also shed about one-third of its workforce, a decrease from 44 000 to 29 000 employees while merging Hyundai and Kia's research and development, after-sales services, and purchasing departments. Projected savings from sharing parts, purchasing and platforms from 1999 to 2004 approximately \$5,7 billion.

"We have only plugged the holes so far," says Lee Ji Won, Kia's marketing chief.

*Adapted from Pearce, JA. & Robinson, RB. 2003. Strategic management: formulation, implementation and control. Boston: McGraw-Hill.*

1. Hyundai's entrance into the American market meant that it had to compete against new rivals, for example Honda and Toyota.

*This is an example of a variable in the \_\_\_\_\_ environment of Hyundai.*

- 1 micro-
- 2 market
- 3 macro-
- 4 economic

2. The Asian crisis was the result of high inflation and high interest rates, and resulted in a decrease in consumers' ability to purchase new motor vehicles.

*This is an example of how a variable in Hyundai's \_\_\_\_\_ environment influenced the organisation through its \_\_\_\_\_ environment.*

- 1 micro-; macro-
- 2 market; competitive
- 3 macro-; micro-
- 4 macro-; market

3. Kim Sang Kwon held a ceremony in which he addressed 380 section heads on the importance of quality.

*Kim was fulfilling his \_\_\_\_\_ managerial role.*

- 1 interpersonal
- 2 informational
- 3 entrepreneurial
- 4 decision making

[TURN OVER]



54. Chung Mong Koo needs strong \_\_\_\_\_ skills and he also needs \_\_\_\_\_ skills.
- 1 conceptual; interpersonal and technical
  - 2 strategic planning; conceptual and interpersonal
  - 3 technical; decision making and conceptual
  - 4 interpersonal, planning and control
55. When Hyundai's quality-control drive was established Chung Mong Koo's focus turned to the creation of synergies, a primary characteristic of the \_\_\_\_\_ approach to management.
- 1 scientific
  - 2 total quality
  - 3 systems
  - 4 quantitative
56. Chung openly declared that he aimed to make Hyundai one of the top five car manufacturers in the world before 2010.
- This goal can be classified as an \_\_\_\_\_ goal pegged at the \_\_\_\_\_ level.*
- 1 official; tactical
  - 2 operative; strategic
  - 3 operative; operational
  - 4 official; strategic
57. Hyundai developed a "quality-control bible" in an attempt to improve the quality of their motor vehicles. The "bible" explains who is responsible for each step in the manufacturing process, what outcomes are required, and who checks and confirms performance levels.
- The "quality-control bible" is an example of a \_\_\_\_\_, which is a \_\_\_\_\_ plan.*
- 1 policy; single-use
  - 2 procedure; standing
  - 3 policy; standing
  - 4 procedure; single-use
58. The **corporate combination strategy** which Hyundai followed when they bought Kia Motors is a/an \_\_\_\_\_.
- 1 strategic alliance
  - 2 joint venture
  - 3 acquisition
  - 4 merger

Once the quality-control measures were established at Hyundai, management's focus shifted to creating new, attention-grabbing models, such as the Santa Fe.

*Hyundai followed a \_\_\_\_\_ strategy.*

- 1 market development
- 2 conglomerate diversification
- 3 horizontal integration
- 4 product development

In 1999 Kia Motors decreased its workforce from 44 000 employees to 29 000 employees.

*This managerial action is known as \_\_\_\_\_.*

- 1 restructuring
- 2 delayering
- 3 re-engineering
- 4 downsizing

Kia's decision to decrease its workforce had an impact on the remaining employees' feelings of job security.

*Job security, a \_\_\_\_\_ according to Herzberg's two-factor motivation theory, is classified as a \_\_\_\_\_ need in Maslow's hierarchy of needs motivation theory.*

- 1 factor in the job content; security
- 2 factor in the job context; lower-order
- 3 motivator; higher-order
- 4 hygiene factor; physiological

Chung Mong Koo walked into the Ulsan plant, looked under the hood of a Sonata and did not like what he saw. He told the plant manager that they should get "back to basics" and raise their quality levels. He also instructed the plant manager to paint all bolts and screws black, and not to release any vehicle until everything was perfect under the hood.

*These actions of Chung Mong Koo can be classified as \_\_\_\_\_ management on the leadership grid.*

- 1 country club
- 2 autocratic
- 3 impoverished
- 4 team

63. During the designing process of the new Santa Fe, the managers at Hyundai examined the products of their competitors and then designed the Santa Fe to outperform the competitive products. They went to great lengths to gather the information, which assisted them in deciding on the final design of the Santa Fe.

*The information system that is used for this type of information provision, is a/an \_\_\_\_\_ system.*

- 1 executive information
- 2 transaction processing
- 3 decision support
- 4 information reporting

64. Chung Mong Koo used unconventional means to ensure the success of Hyundai, and was able to bring about dramatic changes.

*According to the contemporary leadership theories, Chung Mong Koo displayed \_\_\_\_\_ leadership behaviour.*

- 1 charismatic
- 2 situational
- 3 transformational
- 4 transactional

65. Hyundai's decision to move into the USA market is an example of a \_\_\_\_\_ strategy

- 1 market development
- 2 conglomerate diversification
- 3 horizontal integration
- 4 product development

66. Chung Mong Koo's decision to create the post of "quality control czar" is an example of a \_\_\_\_\_ decision, made under conditions of \_\_\_\_\_.

- 1 programmed; certainty
- 2 nonprogrammed; uncertainty
- 3 programmed; uncertainty
- 4 nonprogrammed; risk

Korean executives were ordered by Chung Mong Koo to act on key recommendations made by their American colleagues in lower ranks.

*Chung Mong Koo's order is an example of \_\_\_\_\_ authority, while the Americans' recommendations to the executives are an example of \_\_\_\_\_ authority.*

- 1 staff; official
- 2 line; staff
- 3 official; centralised
- 4 centralised; line

A lack of trust between the Korean managers and their American counterparts could possibly have resulted in communication problems.

*A lack of trust can be classified as a/an \_\_\_\_\_ barrier to effective communication.*

- 1 structural
- 2 intrapersonal
- 3 interpersonal
- 4 technological

The Korean and American managers are very far apart from one another ---, they work on different continents.

*This spatial constraint is a/an \_\_\_\_\_ barrier to effective communication.*

- 1 structural
- 2 intrapersonal
- 3 interpersonal
- 4 technological

The chief executive officer of Hyundai, Chung Mong Koo, often gives orders based on his \_\_\_\_\_ **power** to the managers at Hyundai. The American managers in lower ranks also give orders to them, but they rely on their \_\_\_\_\_ **power**.

- 1 referent; legitimate
- 2 legitimate; coercive
- 3 expert; referent
- 4 legitimate; expert