

Name: _____

Index No.: _____

1906/101

FUNDAMENTALS OF MANAGEMENT
AND ENVIRONMENT

November 2011

Time: 3 hours

Candidate's Signature: _____

Date: _____



THE KENYA NATIONAL EXAMINATIONS COUNCIL

CRAFT CERTIFICATE IN BUSINESS MANAGEMENT

MODULE I

FUNDAMENTALS OF MANAGEMENT AND ENVIRONMENT

3 hours

INSTRUCTIONS TO CANDIDATES

Write your name and index number in the spaces provided at the top of this page.

Sign and write the date of the examination in the spaces provided above.

*This paper consists of **TWO** sections; **A** and **B**.*

*Answer **ALL** the questions in section **A** and any **FOUR** questions from section **B**.*

*Answers to section **A** must be written in the spaces provided in this question paper.*

*Answers to section **B** should be written in the answer booklet provided.*

This paper consists of 5 printed pages.

Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

SECTION A (32 marks)

Answer ALL the questions in this section in the spaces provided.

1. Outline **three** ways in which an organization can act socially responsible to its shareholders. (3 marks)

(i) _____

(ii) _____

(iii) _____

2. Give **three** factors that may influence the ethical behaviour of an individual employee. (3 marks)

(i) _____

(ii) _____

(iii) _____

3. The management of Kazuri Limited has introduced a new motivation package for its employees. Highlight **three** circumstances under which the package may fail to achieve its intended objectives. (3 marks)

(i) _____

(ii) _____

(iii) _____

4. Highlight **four** limitations of involving employees in management decision-making. (4 marks)
- (i) _____

 - (ii) _____

 - (iii) _____

 - (iv) _____

5. List **three** characteristics of good corporate policies. (3 marks)
- (i) _____

 - (ii) _____

 - (iii) _____

6. Outline **four** duties of a middle level manager in an organization. (4 marks)
- (i) _____

 - (ii) _____

 - (iii) _____

 - (iv) _____

7. State **three** responsibilities of an internal audit team in an organization. (3 marks)

(i) _____

(ii) _____

(iii) _____

8. Give **three** advantages of internally filling vacant positions in an organization. (3 marks)

(i) _____

(ii) _____

(iii) _____

9. State **three** ways through which an office receives information. (3 marks)

(i) _____

(ii) _____

(iii) _____

10. Outline **three** reasons that make it necessary for organizations to avoid corrupt practices when hiring employees. (3 marks)

(i) _____

(ii) _____

(iii) _____

SECTION B (68 marks)

*Answer any **FOUR** questions from this section in the answer booklet provided.*

11. (a) Outline **six** principles that should be considered when designing an organization structure. (9 marks)
- (b) Explain **four** ways through which consumption of office stationery can be controlled. (8 marks)
12. (a) Highlight **six** circumstances under which the autocratic leadership style may be adopted in an organization. (9 marks)
- (b) Explain **four** weaknesses of the scientific approach to management. (8 marks)
13. (a) Highlight **six** areas that may be covered in an induction training programme. (9 marks)
- (b) Explain **four** ways in which the use of manuals may improve performance in an organization. (8 marks)
14. (a) Some organizations may be reluctant to engage in corporate social responsibility activities. Highlight **six** reasons that such organizations may have for the reluctance. (9 marks)
- (b) Describe the procedure that should be followed in the organizational planning process. (8 marks)
15. (a) Outline **six** measures that a supervisor may take in order to enhance work flow in an office. (9 marks)
- (b) Outline **four** benefits that may accrue to employees as a result of efficient management practices in an organization. (8 marks)