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**PRINCIPLES AND PRACTICE  
OF MANAGEMENT**

**July 2016**

**Time: 3 hours**



**THE KENYA NATIONAL EXAMINATIONS COUNCIL**

**DIPLOMA IN SUPPLY CHAIN MANAGEMENT  
DIPLOMA IN BUSINESS MANAGEMENT  
DIPLOMA IN HUMAN RESOURCE MANAGEMENT  
DIPLOMA IN TRANSPORT MANAGEMENT  
DIPLOMA IN TOURISM MANAGEMENT  
DIPLOMA IN TOUR GUIDING MANAGEMENT  
DIPLOMA IN INFORMATION COMMUNICATION MANAGEMENT  
DIPLOMA IN PROJECT MANAGEMENT**

**MODULE III**

**BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE EXAMINATIONS  
STAGE III**

**PRINCIPLES AND PRACTICE OF MANAGEMENT**

**3 hours**

**INSTRUCTIONS TO CANDIDATES**

*This paper consists of **SEVEN** questions.*

*Answer any **FIVE** questions.*

*All questions carry equal marks.*

*Write your answers in the answer booklet provided.*

*Candidates should answer the questions in English.*

**This paper consists of 2 printed pages.**

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

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**Turn over**

1. (a) The management of Foka Limited has adopted the bureaucratic principles of management as advocated by Max Weber. Outline **five** ways in which the company is likely to benefit from this adoption. (10 marks)
- (b) Explain **five** precautions that should be taken when using tests in employee selection to ensure that they achieve the intended purpose. (10 marks)
2. (a) Organizations that adopt Management by Objectives (MBO) are likely to encounter certain challenges. Explain **five** such challenges. (10 marks)
- (b) Highlight **five** criticisms that can be raised against the use of Herzberg's Two Factor theory in the motivation of employees in an organization. (10 marks)
3. (a) Give **five** reasons that make planning an important function of management. (10 marks)
- (b) Explain **five** challenges that an organization may face from heavily relying on casual workers as a source of labour supply. (10 marks)
4. (a) Explain **six** circumstances under which a manager may find it necessary to use the autocratic style of leadership in an organization. (12 marks)
- (b) Outline **four** ways through which the management of an organization can fulfill the self actualization needs of employees. (8 marks)
5. (a) The management of Maji Mazuri Limited reviews all the organization's budgets after every six months. Explain **six** benefits that may accrue to the organization from this practice. (12 marks)
- (b) Explain **four** leadership behaviours that are associated with the Path Goal Theory of leadership. (8 marks)
6. (a) Explain **six** roles that supervisors are expected to play in order to ensure proper coordination of activities in their departments. (12 marks)
- (b) Highlight **four** limitations of using written reports as a tool of control in an organization. (8 marks)
7. (a) Outline **four** ways in which an organization may benefit from engaging in corporate social responsibility activities. (8 marks)
- (b) There are certain challenges that are associated with committee decision making in organizations. Explain **six** such challenges. (12 marks)

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