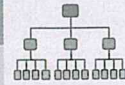


Chapter 2 Introduction to Management

Section I

Management Functions



1. Which of the following is the correct procedure of management?

- (1) organising
- (2) planning
- (3) controlling
- (4) leading

- A. (1) → (2) → (3) → (4)
- B. (2) → (1) → (3) → (4)
- C. (2) → (1) → (4) → (3)
- D. (2) → (3) → (1) → (4)

2. Which of the following is/are the difference(s) between efficiency and effectiveness?

- (1) Efficiency means doing the right thing while effectiveness means doing the thing right.
- (2) When the organisational goal is achieved, an organisation is said to be effective though it may not be efficient.
- (3) Efficiency emphasises cost control while effectiveness stresses the final production.

- A. (1) only
- B. (2) only
- C. (1) and (3) only
- D. (2) and (3) only

3. Which of the following is/are the correct description(s) of management functions?

- | <u>Management functions</u> | <u>Tasks</u> |
|-----------------------------|---|
| (1) planning | deciding objectives of the firm |
| (2) organising | guiding work efforts to implement the action plans |
| (3) leading | completing different tasks in order to achieve the objectives of the firm |

- A. (1) only
- B. (2) only
- C. (2) and (3) only
- D. (1), (2) and (3)

4. Which of the following is/are the reason(s) for the existence of the management?
- (1) set a direction and guideline for a company to meet goals
 - (2) enhance shareholders' involvement in company's affairs
 - (3) help profit-making organisations but not non-profit-making organisations to achieve objectives
- A. (1) only
 - B. (2) only
 - C. (1) and (2) only
 - D. (2) and (3) only
5. Which of the following statements is/are correct about the levels of management?
- (1) Middle management carries out business plans formulated by the top management.
 - (2) Middle management needs to supervise the frontline employees regularly.
 - (3) First-line management needs to handle daily problems in the workplace.
- A. (1) only
 - B. (2) only
 - C. (1) and (3) only
 - D. (2) and (3) only
6. Which of the following statements about planning are correct?
- (1) It clarifies the roles of each person.
 - (2) It designs alternative arrangements to handle potential problems.
 - (3) It designs and creates an organisational structure.
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
7. _____ determines the best way to achieve organisational goals and objectives.
- A. Planning
 - B. Organising
 - C. Leading
 - D. Controlling

8. Which of the following are the reasons for carrying out planning?
- (1) It helps direct the company and employees to accomplish organisational goals.
 - (2) It helps predict potential problems.
 - (3) It helps managers identify the organisational strengths and weaknesses.
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
9. Which of the following are the advantages of adopting a flat organisational structure rather than a tall one?
- (1) improvement in flexibility of management
 - (2) enhanced communication
 - (3) better decisions made
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
10. _____ identifies which employees and what resources are to support the plan.
- A. Management by Objectives
 - B. Organising
 - C. Leading
 - D. Delegation
11. Which of the following is/are correct about the functions of organising?
- (1) Workers coordinate to achieve organisational goals through organising.
 - (2) All organisations should follow the same organisational structure to ensure the effectiveness and efficiency of the company.
 - (3) Organising helps identify what tasks are needed to be done by each job position.
- A. (1) only
 - B. (2) only
 - C. (1) and (3) only
 - D. (2) and (3) only
12. Which of the following statements about the level of organisational structure is correct?
- A. A flat structure has more layers than a tall structure.
 - B. A tall structure improves the communication within the company.
 - C. A flat structure improves the flexibility in the company.
 - D. A tall structure has a wider span of control per manager.

13. Which of the following descriptions about staff managers is/are correct?
- (1) Staff managers give order to and monitor line managers.
 - (2) Staff managers give advice to line managers to make decisions.
 - (3) Staff managers have more authority than line managers.
- A. (1) only
 - B. (2) only
 - C. (1) and (3) only
 - D. (2) and (3) only
14. A multinational company has operations in many countries. Its departments are usually formed by _____ .
- A. process
 - B. product
 - C. location
 - D. function
15. In a company, the marketing director organises its marketing activities by setting up a sales department, marketing research department and product development department.
- The marketing department is formed by _____ .
- A. process
 - B. product
 - C. location
 - D. function
16. Which of the following are the disadvantages of a tall structure over a flat structure?
- (1) lower flexibility in operation
 - (2) higher administration costs
 - (3) a slower decision-making process
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

17. In which of the following situations is autocratic leadership style appropriate to be adopted?
- (1) Subordinates are passionate about taking up responsibilities.
 - (2) Superiors are not willing to delegate authority to lower levels.
 - (3) Decisions need to be made quickly.
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
18. In which of the following situations is participative leadership appropriate to be adopted?
- A. Workers are willing to take up extra job responsibilities.
 - B. The tasks require freedom of expression.
 - C. Workers are inexperienced and passive.
 - D. Information is only available to the managers.
19. Arrange the following steps for the controlling process in correct order.
- (1) compare the actual performance with the performance standard
 - (2) set a performance standard
 - (3) measure the actual performance
 - (4) carry out corrective measures
- A. (2) → (3) → (4) → (1)
 - B. (2) → (3) → (1) → (4)
 - C. (3) → (2) → (1) → (4)
 - D. (3) → (2) → (4) → (1)
20. Production activities are said to be efficient if the organisation can _____ .
- A. carry out the activities very quickly
 - B. accomplish its organisational goals
 - C. get the most output from the least input
 - D. maximise its profit
21. Which of the following are the adverse effects of poor management in the company?
- (1) low employees' morale
 - (2) confusing policies
 - (3) no unity of command
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

Based on the following information, answer Questions 22 to 23.

Sandy is the CEO of Star Limited, which provides wedding planning services. She wrote an email to ask Frankie, the department head of the Kowloon Division, to run a new programme, called “First time and Forever.”

22. Sandy is a _____, while Frankie is a _____.
- A. middle manager first-line manager
 - B. first-line manager top manager
 - C. top manager first-line manager
 - D. top manager middle manager
23. Which of the following is the duty performed by Frankie in the above case?
- A. cope with customers' complaints
 - B. carry out plans and decisions made
 - C. make decisions on running the newly launched programme
 - D. deal with problems occurred in the stores
24. Giving awards to outstanding staff is an example of _____.
- A. planning
 - B. organising
 - C. leading
 - D. controlling
25. Joseph, the CEO of MJ Limited, is planning to establish a customer service department. He would like to recruit employees and set up the department in 11 months. Mary is the centre director of the new customer service centre and she has to organise all the important affairs about this plan, like deciding the geographical location of the centre and the number of employees.
- Which of the following tasks is **NOT** done by Joseph?
- A. deciding the company's vision and mission
 - B. making decisions about the relocation of production bases
 - C. meeting with Mary and giving orders to her
 - D. resolving disputes among workers in shops

26. Which of the following are the characteristics of effective goals?
- (1) measurable
 - (2) remarkable
 - (3) time-based
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
27. In which of the following situations should laissez-faire leadership be adopted?
- (1) Workers are competent and experienced.
 - (2) The task requires a high level of creativity.
 - (3) The workers are not willing to take up job responsibilities.
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
28. Yuri is the chief executive officer of a large convenience store chain. She sets a new target for the chain: "We should improve our customer services within one year." Which of the following characteristics of an effective goal are **NOT** met in this target?
- (1) time-based
 - (2) specific
 - (3) measurable
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
29. Which of the following is **NOT** a disadvantage of autocratic leadership?
- A. Workers have a low job satisfaction.
 - B. Workers are less motivated.
 - C. The decision-making process is slower.
 - D. Workers become passive.

30. Which of the following are the responsibilities of a first-line manager?

- (1) resolve conflicts among workers
- (2) create mission and vision
- (3) handle customer complaints

- A. (1) and (2) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

Based on the following information, answer Questions 31 to 32.

James, the general manager of BOP Limited, is making an important decision. Since the company is facing a severe financial crisis, he is considering whether to fire his employees, which is likely to be opposed by them.

31. Which of the following leadership styles should be adopted by James to make his decision?

- A. autocratic leadership
- B. laissez-faire leadership
- C. democratic leadership
- D. communist leadership

32. Which of the following statements are **INCORRECT**?

- (1) James is the first-line manager of the firm.
- (2) James should lay off all workers who are dissatisfied with the decision.
- (3) When workers are inexperienced, James should not use participative and laissez-faire leadership styles.

- A. (1) and (2) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

33. Arrange the following steps of planning in the correct order.

- (1) monitor the progress towards goal completion
- (2) establish goals and objectives
- (3) develop and implement action plans
- (4) conduct analysis of the business resources

- A. (2) → (4) → (1) → (3)
- B. (2) → (4) → (3) → (1)
- C. (4) → (2) → (1) → (3)
- D. (4) → (2) → (3) → (1)

Based on the following information, answer Questions 34 to 37:

Joe is a salesperson newly employed at the beginning of the year. Throughout the year, he is responsible for promoting and selling smartphones in a shop of the store chain. In the year end, Banjo, the shop supervisor, decides to carry out controlling to evaluate the performance of Joe and other salesmen.

34. Which type of management does Banjo engage in?
- A. top management
 - B. middle management
 - C. first-line management
 - D. special management
35. Which of the following are tasks done by Banjo?
- (1) coach salesmen
 - (2) settle conflicts between salesmen and customers
 - (3) work out the development plans for the store chain
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
36. Which of the following are within the process of controlling carried out by Banjo?
- (1) set sales targets
 - (2) group salesmen into different teams
 - (3) record sales of all salespeople
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
37. Which of the following is **NOT** a performance indicator for Joe as a salesman?
- A. number of complaints received from customers
 - B. sales volume
 - C. frequency of being late for work
 - D. quality of products sold by him

38. Which of the following descriptions of the differences between a flat and a tall organisational structure is correct?
- A. A tall organisational structure has fewer layers.
 - B. The span of control in a tall organisational structure is narrower.
 - C. Decision-making in a flat organisational structure is slower.
 - D. Administration costs in a flat organisational structure are usually higher.
39. Which of the following are the functions of Management by Objectives (MBO)?
- (1) review employees' performance regularly and give rewards to those who achieved the objectives
 - (2) enable each individual to know how his work can contribute to the accomplishment of the organisation's objectives
 - (3) help workers at different levels be better coordinated to carry out the organisation's plans
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
40. Which of the following is/are the advantage(s) of division of labour?
- (1) Practice makes perfect.
 - (2) It will increase job satisfaction as repetitive work can motivate workers to do better.
 - (3) Workers can easily find another job if the industry in which they currently work declines.
- A. (1) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
41. Which of the following are the disadvantages of division of labour?
- (1) difficulty of changing tasks among workers
 - (2) great interdependence
 - (3) boredom
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

42. Which of the following statements is/are the correct description(s) of unity of command?
- (1) Each employee should receive orders from one superior only.
 - (2) Each employee should receive only one order from each superior.
 - (3) Each employee should have the same goal as the company.
- A. (1) only
B. (2) only
C. (1) and (2) only
D. (2) and (3) only
43. Which of the following is/are the advantage(s) of adopting unity of direction?
- (1) It prevents conflicting instructions from being given by two or more superiors.
 - (2) It prevents conflicting goals that may act against each other in an organisation.
 - (3) It ensures that the subordinates have sufficient power to complete their assigned duties.
- A. (1) only
B. (2) only
C. (1) and (3) only
D. (2) and (3) only
44. Which of the following are the correct descriptions of unity of direction?
- (1) Each plan is led by one person only.
 - (2) It avoids conflicting instructions from being given by two or more superiors at the same time.
 - (3) It guides the effort paid by each worker towards achieving a particular goal.
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)
45. Which of the following are benefits of effective management?
- (1) Staff morale can be enhanced.
 - (2) Operational efficiency can be increased.
 - (3) Profits are guaranteed.
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)

46. Which of the following is the meaning of authority?
- A. It refers to the formal right to receive orders.
 - B. It refers to the formal right to give orders.
 - C. It refers to the informal power given to employees to give responsibilities.
 - D. It refers to the informal power given to employees to receive responsibilities.
47. Which of the following is the meaning of responsibility?
- A. It refers to the obligation for employees to perform the job.
 - B. It refers to the right of employees to perform the job.
 - C. It refers to the power of employees to finish the job.
 - D. It refers to the employees' abilities to finish the job.
48. Which of the following descriptions about division of labour is correct?
- A. Workers specialise in doing one task in each job only.
 - B. Workers are still required to finish the entire job.
 - C. Workers are strictly supervised under division of labour.
 - D. Workers are only required to do parts of the job.
49. Which of the following descriptions about delegation are correct?
- (1) The manager transfers formal authority to another person to complete the task.
 - (2) The manager transfers the responsibility to another person to complete the task.
 - (3) The manager is held accountable for the final result.
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)
50. Which of the following are factors affecting the extent of delegation in a company?
- (1) ability of employees
 - (2) leadership style of managers
 - (3) importance of the tasks
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

51. Which of the following are the reasons for delegation of tasks?
- (1) as training to subordinates
 - (2) limited knowledge of managers
 - (3) heavy workload of managers
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)
52. Which of the following are the importance of Management by Objectives (MBO)?
- (1) It can maintain a good relationship between managers and subordinates.
 - (2) It can help improve the performance of subordinates.
 - (3) Subordinates acquire a clear understanding of objectives they need to achieve.
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)
53. Which of the following is **NOT** a benefit of using Management by Objectives in a firm?
- A. improve staff morale
B. enhance communication between managers and employees.
C. reduce workload of managers
D. ensure better supervision of staff members
54. Which of the following are advantages of applying division of labour in a business?
- (1) better supervision of workers
 - (2) new approach of doing tasks
 - (3) more skilful labour
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)

55. Hinson is the manager of a boutique. Bouki is an assistant in his shop. Recently, Hinson has delegated to Bouki the authority and responsibility to serve an important client. Which of the following statement is **INCORRECT**?
- A. Hinson can take back the authority from Bouki.
 - B. Hinson is accountable for the result if Bouki cannot manage to finish the task.
 - C. Bouki should not independently finish his task and he should ask Hinson for help if needed.
 - D. Bouki cannot reject Hinson's delegation.
56. Which of the following descriptions about Management by Objectives is/are correct?
- (1) Workers understand how their effort can contribute to achieving the company's goals.
 - (2) It is a process of meeting a company's long-term goals.
 - (3) It can enhance the motivation of managers as the workload of managers can be shared by workers.
- A. (1) only
 - B. (2) only
 - C. (1) and (3) only
 - D. (2) and (3) only

Based on the following information, answer Questions 57 to 58:

JB Ltd is a shop selling sports equipment. Lilian and Fiona, managers of the same rank, supervise all the shop assistants. One day, Fiona hired a new shop assistant. She asked him to handle the inventory for the whole day. In the afternoon, Lilian told this assistant to go out and take the purchased products for the company.

57. Which principle of effective management has been violated?
- A. authority and delegation
 - B. unity of direction
 - C. unity of command
 - D. Management by Objectives
58. Which of the following are possible problems arisen from the violation of the principle of effective management in Q.57?
- (1) Conflicting commands may be given.
 - (2) Staff efforts are not directed towards the same plan.
 - (3) Employees are confused.
- A. (1) and (2) only
 - B. (1) and (3) only
 - C. (2) and (3) only
 - D. (1), (2) and (3)

59. Which of the following are ways for managers to exercise their authority?

- (1) give orders and make decisions
- (2) supervise subordinates
- (3) reward subordinates with good performance

- A. (1) and (2) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

60. Which of the following is/are correct about the significance of the planning process?

- (1) ensure all risks are eliminated in the business progress
- (2) select employees to attain goals
- (3) make sure employers clearly understand their roles and responsibilities

- A. (2) only
- B. (3) only
- C. (1) and (3) only
- D. (2) and (3) only

61. In a firm adopting departmentalisation by function, _____ .

- A. activities with similar functions are put in the same department
- B. products with similar functions are grouped in one department
- C. all staff members of the same department have the same function
- D. flat organisation structure is used

62. John and Terry are two managers in Wong's International. John, the manager of sales department, sets sales targets and handles related affairs. Terry is the IT manager who maintains the smooth running of IT systems.

John is a _____(i)_____ manager while Terry is a _____(ii)_____ manager.

- A. line (i) level (ii)
- B. authority (i) line (ii)
- C. staff (i) authority (ii)
- D. line (i) staff (ii)

63. International Beverage produces international drinks and packs them in cartons. It has products like Chinese tea, French special drinks and Australian milk. Different departments are established accordingly. What kind(s) of departmentalisation is/are adopted by International Beverage?
- (1) departmentalisation by function
 - (2) departmentalisation by product
 - (3) departmentalisation by location
- A. (2) only
B. (3) only
C. (1) and (2) only
D. (2) and (3) only
64. Which of the following is/are true about Management by Objectives?
- (1) Managers set objectives together for subordinates to follow.
 - (2) It enhances the monitoring of staff performance.
 - (3) Discussions between managers and subordinates help save time.
- A. (1) only
B. (2) only
C. (1) and (2) only
D. (1), (2) and (3)
65. Leo operates a traditional Chinese restaurant in Kwun Tong. To attract customers, he develops a mobile phone application for customers to reserve seats, with the goal “to shorten the waiting time drastically in the future.”

Which of the following characteristics of a SMART goal are missing from the above goal?

- (1) measurable
 - (2) relevant
 - (3) time-framed
- A. (1) and (2) only
B. (1) and (3) only
C. (2) and (3) only
D. (1), (2) and (3)

66. In a mobile phone trading firm, the managers and the salespeople first discuss and agree on the sales target of a particular model. Then, the manager meets the salespeople regularly to discuss problems encountered such as the increasing complaints from customers so as to give suitable advice and support. After a month, the manager reviews the performance of the salespeople and gives feedback to the sales team.

Which of the following is the main advantage of applying the principle of effective management demonstrated above?

- A. It avoids conflicting instructions.
- B. It helps the firm achieve its long-term goals more effectively.
- C. Salespeople are more motivated.
- D. Salespeople can perform better by practising for many times.