

**Answer all questions**

1. (a) Contrast mechanistic structure and organic structure in terms of centralization, formalization, work specialization, and span of control. Identify organization structure suited to the following case.

Case: Paul Abdul Oil Corporation (PAOC) began as a relatively small oil company. As PAOC has grown, the company has gained a highly trained group of managers and analysts at the corporate headquarters. This group is highly adaptive in its structure. Members of this group do not have standardized jobs, but are empowered to handle diverse job activities and problems. [2+1]

(b) Discuss the contingency factors that favor either the mechanistic model or the organic model of organizational design. [4]

2. (a) Samanex Corporation maintains production facilities in 13 different countries on three continents. Each facility is managed by a native of the country where it is located. Identify and discuss the attitude of Samanex Corporation toward global business. [1+2]

(b) Marco works for a multinational corporation as a plant manager but must receive approval from the home office for any management changes to production processes. Identify and discuss the type of Multinational corporation in this case. [1+2]

3. (a) Compare and contrast the ideas of social obligation, social responsiveness, and social responsibility. [3]

(b) A photocopy center is not able to meet the increased demand from photocopies for printed materials. The administration is willing to explore the possibilities by evaluating such alternatives as adding one or two additional units or outsourcing to other image centers and earning a commission of \$30 printed text book. A feasibility analysis showed that three major demand chunks

could occur in the future, summarized as 500, 750, and 1,000 additional photocopying requests. The financial analysis of the potential business summarizes profits and losses under additional photocopy demand chunks in a payoff table shown in Table 1. Here manager of the firm manager can be a pessimist, an optimist, or something in between on that continuum.

Table 1: Demand for additional units

<b>Alternatives</b>	<b>500 cases</b>	<b>750 cases</b>	<b>1000 cases</b>
One unit of photocopy machine	-15 000	200 000	300 000
Two units of photocopy machines	-150 000	100 000	725 000
Outsource the photocopy machine	15 000	22 000	40 000

What would be the management choice and resultant profit or loss if adopted pessimistic approach? [2]

4. You have been recently elected as the General Secretary of your college mess committee. Including you, fifteen members serve on the committee, and all decisions are taken via a majority vote. You will chair the next meeting. The current breakfast menu is widely unpopular among students. However, the menu continues unabated because breakfast menu change is a heated and a deeply divisive topic among students. You wish to overhaul the entire breakfast menu. You have noticed that there exists a strong region/state-centric bonhomie and loyalty among students over food. Based on cultural/cuisine similarities, you have divided your college demography into four groups: A, B, C, and D. The committee demography also broadly reflects the student demography. 4 members on the committee do not confer to any of these groups. As such, you have designated them as "Independents". Group A has the largest representation, with 4 members on the committee who are likely to vote en bloc. Group B has only 2 votes but holds a strong influence over 2 independents. However, Group B members do not see eye to eye on all matters. Group C also has 2 votes and is the most affable. Most of the mess catering staff are also from the Group C region. You are from Group D, and your group forms the second-largest bloc with 3 votes. However, one of them intensely dislikes you. Using the "Calm waters metaphor" theory and Kurt Lewis's 3-step change process, demonstrate your approach to changing the mess menu. [6]

5. Identify and discuss the type of competitive strategy in each of the following case.

(a) Walmart gained a competitive advantage by selling branded items at low costs. Walmart minimize spending, achieve low operational costs, cut outsourcing costs and even help vendors cut costs.

(b) Apple has been well-known for its innovative products, including their Macintosh line computers, the iPod, iPad, and of course – the iPhone. And it has successfully managed to distinguish them from their competitors.

(c) Ferrari sells very expensive, stylish, high-quality cars to very wealthy people.

[2+2+2]

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