

MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2020
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER - I

Subject: Quantitative Approach to Management
Full Marks: 100

R.No.....

Course Code: MGT 516

Time: 4:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)

Tick the best answers.

- Q1. Poisson distribution is the approximation of:
a. binomial distribution
b. t-distribution
c. normal distribution
d. none of the above
- Q2. If A and B are two events which have no point in common, then the event A and B are:
a. complementary to each other
b. mutually exclusive
c. independent
d. dependent
- Q3. Mean of binomial distribution is:
a. npq
b. pq
c. np
d. 0
- Q4. Method in which previously calculated probabilities are revised with new probabilities is classified as:
a. updating theorem
b. revised theorem
c. bayes theorem
d. dependency theorem
- Q5. Discrete probability distribution in which outcome is very small with a very small period of time is classified as:
a. posterior distribution
b. cumulative distribution
c. normal distribution
d. poisson distribution
- Q6. If value of x for normal distribution is 35, mean of normal distribution is 65 and standard deviation is 25 then standardized random variable is.....
a. -1.5
b. -1.2
c. -1.7
d. -4
- Q7. Unknown or exact value that represents whole population is classified as:
a. parameters
b. estimators
c. absolute statistics
d. coverage estimator
- Q8. Number of products manufactured in a factory in a day are 3500 and probability that some pieces are defected is 0.55 then mean of binomial probability distribution is.....
a. 1925
b. 6364
c. 63.64
d. 3500
- Q9. Standard deviation of a sampling distribution is also classified as:
a. statistic error
b. standard error
c. sampling error
d. probability error
- Q10. Cluster sampling, stratified sampling and systematic sampling are the types of:
a. direct sampling
b. indirect sampling
c. random sampling
d. non random sampling
- Q11. Probability can take values from:
a. 0 to 1
b. -1 to 1
c. $-\infty$ to ∞
d. $-\infty$ to 1
- Q12. If β_{XY} and β_{YX} are two regression coefficients, they have:
a. opposite sign
b. same sign
c. either same or opposite
d. nothing can be said

- Q13. A sample consists of:
- 100 % units of the population
 - 50% units of the population
 - 5 % units of the population
 - any fraction of the population
- Q14. Two tailed test depends on:
- alternative hypothesis
 - composite hypothesis
 - null hypothesis
 - simple hypothesis
- Q15. Degree of freedom for t – test is
- $n - 1$
 - $n + 1$
 - $(n - 1)(n+1)$
 - None
- Q16. The correlation coefficient (r) is the geometric mean between:
- rank correlation coefficient
 - regression coefficient
 - partial correlation coefficient
 - multiple correlation coefficient
- Q17. If t_1 is an efficient estimator than t_2 then variance of t_1 isvariance of t_2 .
- greater than
 - equal to
 - less than
 - square of
- Q18. Level of significance is the probability of:
- type i error
 - type ii error
 - not committing error
 - any of the above
- Q19. The formula for calculating the standard error of simple correlation coefficient is
- $\frac{1-r^2}{n}$
 - $\frac{1+r^2}{\sqrt{n}}$
 - $\frac{1-r^2}{\sqrt{n}}$
 - None
- Q20. Regression equation is also named as:
- prediction equation
 - estimating equation
 - line of average relationship
 - all of the above



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Course Code: MGT 516
Time: 4:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)

Answer any **FIVE** questions:

- Q1. Provide definition of probability. If A and B are two events such that $P(A) = 0.4$, $P(B) = 0.6$ and $P(B/A) = 0.5$, find $P(A/B)$ and $P(A \cup B)$. [2+4]
- Q2. a) A working committee of 4 members has to form from among 6 managers 4 technicians, 3 supervisors and 2 trainers.
i. What is the probability that the committee has at least one technician? [1]
ii. What is the probability that the committee has at most 2 managers? [1]
b) A, B, C will pass a certain examination in the proportion of 2:4:6. What is the probability that
i. At least two of them will pass the exam? [2]
ii. At least one of them will pass the exam? [2]
- Q3. a) Point out any four conditions of Binomial distribution. [2]
b) A manufacturer of pins knows that on an average of 2% in production is defective. He sells pins in boxes of 100 and guarantee that not more than two pins will be defective. What is the probability that a box randomly selected i) will meet the guaranteed quality. ($e^{-1} = 0.3679$, $e^{-2} = 0.1353$) [4]
- Q4. Differentiate between
a. Nominal and Ordinal scale
b. Stratified and cluster sampling
c. Correlation and regression. [2+2+2]
- Q5. The mean and standard deviation of the wages of 6,000 workers engaged in a factory are Rs.1200 and Rs.400 respectively. Assuming that the distribution is normal; estimate
a. The percentage of workers getting wages above Rs.1600 [3]
b. Percentage of workers getting wages between Rs.400 to Rs.800. [3]
- Q6. Differentiate between Census and sampling. How large the sample to be kept, if the risk of making error's being 2 or greater is 0.0456? Given that $\sigma = 12$ [3 +3]
- Q7. The average sales of soap bar in retail shop were 120 per week. After launching an advertising campaign, the sales of soap bar in 25 retail shop was increased to 132 with standard deviation of 15.3. Was the advertising campaign successful? [6]

SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)

Answer any **TWO** questions:

- Q8. a) Two independent samples of 8 and 7 items respectively had the following values of the variables.

Sample I	9	11	13	11	15	9	12	14
Sample II	10	12	10	14	9	8	10	

- Do the two estimates of population variance differ significantly? [8]
- b) A sample of 100 light bulbs from a manufacturing lot had average life of 1416 hours with standard deviation of 30 hours.
a. Calculate the standard error of the mean. [2]
b. Set up 95%, and 99% confidence limits for the true population mean. [5]

Q9. a) Three related variable X_1 , X_2 and X_3 take the following sets of values.

X_1	1	2	3	4	5
X_2	2	1	5	4	3
X_3	3	1	4	5	2

Calculate the Multiple correlation coefficient $R_{1.23}$.

b) In a random sample of 200 men, 130 said they used seat belts. In a random sample of 300 women, 180 said they used seat belts. Test the claim that men are more safety-conscious than women, at $\alpha = 0.01$.

Q10. Discuss the types of errors in hypothesis testing.

From the following data, can you conclude that there is association between the purchase of brand and the geographical region?

	Region		
	Central	Eastern	Western
Purchase brand	40	55	45
Do not purchase brand	60	45	55

Use 5% level of significance.

[5+10]

SECTION D: CASE STUDY (20 MARKS)

Q11. Read a case given below and answer the following questions:

The information given below represents the amount of crop produced with the different level of experience and annual income.

Yield of Crop in kg)	10	12	14	16	18	20	22
Amount of rainfall in inches	1	2	3	4	5	6	7
Amount of fertilizer	5	8	10	12	6	10	5

- Estimate the equation to predict the yield of crop from amount of rainfall and amount of fertilizer. And interpret the meaning of slope coefficients. [8+2]
- Predict amount of crop for 10 inch of rainfall and 11 kg of fertilizer. [2]
- Compute the standard error of estimate. [3]
- Compute the coefficient of determination and comment on regression equation. [3+2]



MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2020
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER – I

Subject: Research Methodology
Full Marks: 100

Course Code: MGT 515
Time: 4:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)

Answer any **FIVE** questions:

- Q1. Differentiate between qualitative and quantitative research methods. [6]
Q2. What is APA manual? Give four examples of referencing using APA manual. [2+4]
Q3. Define scaling technique? Describe Likert scale in detail. [2+4]
Q4. When and how purposive sampling method is used in research? [6]
Q5. Why are coding and editing essential parts of data analysis? [6]
Q6. Explain the difference between research methods and methodology. [6]
Q7. State the meaning of conceptual framework? Explain with an example. [4+2]

SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)

Answer any **TWO** questions:

- Q8. Define measurement. Explain the types of measurement with suitable examples. [3+12]
Q9. What are the sources of data collection? Explain when and how we can choose primary and secondary source of data collection. [5+10]
Q10. Why research should follow scientific process? Explain its steps in details. [5+10]

SECTION D: CASE STUDY (20 MARKS)

Q11. Read a case given below and answer the following questions:

Our Census- Our Future

Nepalese population census is one of the largest administrative networks in the world. In order to insure full utility of the population count, census attempts to collect information on various socio-economic characteristics of the entire population. The population census covering more than three crores people is one of the most extensive and complicated statistical operations and thus, requires careful planning and efficient implementation. The census is the most credible source of information on demography (population characteristics), economic activity, literacy and education, housing and household amenities, urbanization, fertility and mortality, schedule cast and scheduled tribes, language, religion, migration, disability, and many other socio culture and demographic data for the government. While collection of census careful consideration to minimize the errors. Most of the vital decision of the authority use demographic data thrown up by the census. Census is the basis for reviewing the country's progress in the past decade, monitoring the ongoing schemes of the Government, and most importantly, plan for the future.

The census survey is a longitudinal study undertaken every ten years. There is no scope for sampling error as the sample and the population is one and the same. There may be due omission or duplication in census enumerations in terms of coverage of census houses/households or individuals. This coverage error is minimized or reduced by post enumeration survey. In conducting this survey, opportunity is also taken to measure errors in responses, or the content error in the recorded household characteristics, with record to certain items canvassed in the census.

The questionnaire is designed to capture all these data comprehensively. The questionnaire is administered face to face where the interviewer presents the items orally so this takes care of ambiguities or misunderstanding of the questions.

Questions

- a. What are the characteristics of census survey as opposed to sample survey? [5]
- b. What types of errors can occur in census survey? Highlight the errors which can be eliminated through census survey. [5]
- c. What are the advantages and disadvantages of census survey over sample survey? [5]
- d. Which business context required census survey? How would it improve over sample survey in making business decisions? [5]



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R.No.....
Course Code: MGT 515
Time: 4:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)

Tick the best answers.

- Q1. When analyzing nominal data, which measure of central tendency is appropriate?
a. Mean
b. Mode
c. Median
d. Frequency
- Q2. The list of all units in a population is called
a. random sampling
b. sampling frame
c. parameters
d. statistics
- Q3. Stratified sampling and systematic sampling are type of
a. non-random sampling
b. random sampling
c. direct sampling
d. indirect sampling
- Q4. The process of changing the original form of the data to a format suitable to perform a data analysis is
a. cheating
b. formatting
c. data transformation
d. normalization
- Q5. Any measure of the population is called:
a. finite
b. parameter
c. without replacement
d. random
- Q6. When a random sample is drawn from each stratum, it is known as:
a. simple random sampling
b. stratified random sampling
c. probability sampling
d. purposive sampling
- Q7. What is a research design?
a. A way of conducting research that is not grounded in theory.
b. The choice between using qualitative or quantitative methods.
c. The style in which you present your research findings, e.g. a graph.
d. A framework for every stage of the collection and analysis of data.
- Q8. What is a cross-sectional design?
a. A study of one particular section of society, e.g. the middle classes.
b. One that is devised when the researcher is in a bad mood.
c. The collection of data from more than one case at one moment in time.
d. A comparison of two or more variables over a long period of time.
- Q9. What effect does increasing the sample size have upon the sampling error?
a. It reduces the sampling error.
b. It increases the sampling error.
c. It has no effect on the sampling error.
d. None of the above.
- Q10. Leading questions should also be avoided because:
a. they suggest ways of answering and so may bias the results
b. they create a mismatch between the question and its possible answers
c. they involve negative terms and unnecessary jargon
d. they ask about several different things at the same time.

- Q11. Which one of the following is a data collection method?
- a. The onion
 - b. The case study
 - c. The interview
 - d. The positivism
- Q12. Which of these is not an example of Nominal scale?
- a. Numbers on football Jersey
 - b. Gender
 - c. Religious group
 - d. Length of the road
- Q13. The order in which participants complete a task is an example of measurement.
- a. nominal
 - b. order
 - c. interval
 - d. ratio
- Q14. What is the name of a variable which is measured using two different values?
- a. Dichotomous
 - b. Binary
 - c. Binomial
 - d. Multiple
- Q15. What sort of data is monthly income of an employee?
- a. Nominal
 - b. Ordinal
 - c. Interval
 - d. Ration
- Q16. The difference between a statistic and the parameter is called:
- a. probability
 - b. sampling error
 - c. random
 - d. non-random
- Q17. An open question is one that:
- a. can help to generate answer for closed questions.
 - b. does not provide a limited range of responses.
 - c. allow respondent in their own words.
 - d. all of the above.
- Q18. You should avoid double barreled question in a survey because
- a. a respondent have one surname
 - b. they make the question too long
 - c. they are too abstract
 - d. they confuse respondents by asking two different things
- Q19. The advantage of self-completion questionnaire over structured interview is:
- a. quicker and cheaper to administer
 - b. to create interviewer effects
 - c. to have greater measurement validity
 - d. more accurate
- Q20. Concept is of two types
- a. abstract and coherent
 - b. concrete and coherent
 - c. abstract and concrete
 - d. none of the above



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MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER - I

R.No.

Subject: Financial and Management Accounting
Full Marks: 100

Course Code: MGT 514
Time: 4:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)

Tick the best answers.

- Q1. Which of the following is the emphasis and focus of management accounting?
a. Future oriented. c. Communication oriented.
b. Past oriented. d. Bank oriented
- Q2. Which of the following is the correct treatment of Interest earned?
a. Personal account c. Nominal account
b. Real account d. Intangible real account
- Q3. Which of the following defines outstanding salary account?
a. Natural personal account c. Representative personal account
b. Artificial personal account d. Real account
- Q4. Which one of the following is the correct treatment of Investment?
a. Personal account c. Nominal account
b. Real account d. Representative personal account
- Q5. How the Profit and loss account starts with?
a. Net profit c. Gross profit
b. Net loss d. None of the above
- Q6. All revenue incomes are credited to.....
a. manufacturing account c. profit and loss account
b. trading account d. none of the above
- Q7. Balance sheet is a form of.....
a. financial reports c. activity reports
b. income statement d. none of the above
- Q8. Assets which are acquired and held permanently and used in the business with the objective of making profits is known as.....
a. fixed assets c. intangible assets
b. current assets d. none of the above
- Q9. What is the recognition of outstanding expenses?
a. Liability c. Asset
b. Income d. None of the above
- Q10. The ratios which reflect managerial efficiency in handling the assets is.....
a. turnover ratios c. short term solvency ratio
b. profitability ratios d. none of the above
- Q11. How the dividend is related to the market value of shares?
a. Interest coverage ratio c. Debt service coverage ratio
b. Fixed dividend coverage ratio d. Dividend yield ratio

- Q12. Cash flow analysis is based on the.....
- capital
 - fixed assets
 - cash concept of funds
 - working capital
- Q13. In cash flow statement, increase in current asset indicates.....
- increases cash
 - decreases cash
 - increases working capital
 - decreases working capital
- Q14. What is the formula of Contribution margin?
- Fixed cost – loss
 - Profit + variable cost
 - Sales - fixed cost – profit
 - Sales - profit
- Q15. Which of the following is an indicator of P/V Ratio?
- The rate at which goods are sold
 - The volume of sales
 - The volume of profit
 - The rate of profit
- Q16. What is the indication of an increase in variable costs?
- Increases p/v ratio
 - Increases the profit
 - Reduces contribution
 - Increases margin of safety
- Q17. CVP analysis is most important for the determination of.....
- sales revenue necessary to equal fixed costs
 - relationship between revenues and costs at various levels of operations
 - variable revenues necessary to equal fixed costs
 - volume of operations necessary to Break-even
- Q18. Which of the following constitute the production cost under marginal costing?
- Prime cost only
 - Prime cost and fixed overhead
 - Prime cost and variable overhead
 - Prime cost, variable overhead and fixed overhead
- Q19. When Quick ratio is 1.8:1, current ratio is 2.7:1 and current liabilities are Rs 60,000. Determine value of stock.
- Rs 54,000
 - Rs 60,000
 - Rs 1,62,000
 - none of the above
- Q20. Analytical reports are based on the comparison of results.
- horizontal
 - vertical
 - symmetrical
 - none of the above



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SEMESTER – I

Subject: Financial and Management Accounting
Full Marks: 100

Course Code: MGT 514
Time: 4:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)

Answer any **FIVE** questions:

- Q1. Give the general formula for a mixed cost. Which term represents the variable cost? And which one represents the fixed cost? (3+3)
- Q2. Managers often assume a strictly linear relationship between cost and volume. How can this practice be defended in light of the fact that many costs are curvilinear? (3+3)
- Q3. A Trading Company was established on June 1, 2018 with an initial capital of 18000 shares of common stock having Rs. 15 par value. During the first month of its operations, the company engaged in following transactions:

Date Transaction

- June 2 An amount of Rs. 72,000 was paid as advance rent for two months.
- June 3 Paid Rs. 60,000 cash on the purchase of equipment costing Rs. 80,000. The remaining amount was recognized as a one year note payable with interest rate of 9%.
- June 4 Purchased office supplies costing Rs. 35200 on account.
- June 13 Provided services to its customers and received Rs. 28,500 in cash.
- June 13 Paid the accounts payable on the office supplies purchased on June 4.
- June 14 Paid wages to its employees for first two weeks of June, aggregating Rs. 38,200.
- June 18 Provided Rs. 54,100 worth of services to its customers. They paid Rs. 32,900 and promised to pay the remaining amount.
- June 23 Received Rs. 15,300 from customers for the services provided on June 18.
- June 25 Received Rs. 8,000 as an advance payment from customers.
- June 26 Purchased office supplies costing Rs. 5,200 on account.
- June 28 Paid wages to its employees for the third and fourth week of June: Rs. 19,100.
- June 31 Paid Rs. 10,000 as dividends.
- June 31 Received electricity bill of Rs. 3,470.
- June 31 Received telephone bill of Rs. 2,494.
- June 31 Miscellaneous expenses paid during the month totaled Rs. 5,470

Required:

- a. Record them in ledger accounts (3)
- b. Prepare the accounting equations for the above transactions. And determine the total assets and liability. (3)
- Q4. Following information are extracted from the factory data of Birgunj Manufacturing Co. for the FY 2074/75.

Opening stock of raw materials	Rs. 40000
Opening stock of work in progress	20000
Opening stock of finished goods	60000
Raw materials purchased	400000
Direct wages	480000
Sales for the year	1800000
Closing stock of raw materials	95000
Closing stock of work in progress	25000
Factory overhead	90000
Direct expenses	80000
Office and Administrative overhead	70000
Selling and Distribution expenses	40000

Required:

- a. Cost of Materials Consumed
 - b. Prime Cost
 - c. Factory Cost
 - d. Cost of Production and
 - e. Profit
- Q5. Company A's costs are mostly variable, whereas Company B's costs are mostly fixed. When sales increase, which company will tend to realize the greatest increase in profits? Explain with real life examples. (3+3)
- Q6. Wheeler Corporation's most recent income statement follows the following information.

	Total	Per Unit
Sales (8,000 units)	Rs.208,000	Rs.26.00
Variable expenses	144,000	18.00
Contribution margin	64,000	Rs.8.00
Fixed expenses	56,000	
Net operating income	Rs.8,000	

Required:

Prepare a new contribution format income statement under each of the following conditions (consider each case independently): (2+2+2)

- a. The sales volume increases by 50 units.
 - b. The sales volume declines by 50 units.
 - c. The sales volume is 7,000 units.
- Q7. "The principal purpose of the cash budget is to see how much cash the company will have in the bank at the end of the year." Do you agree? Explain. (3+3)

SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)

Answer any TWO questions:

- Q8. Koffee Express operates a number of espresso coffee stands in busy suburban malls. The fixed weekly expense of a coffee stand is Rs.1,100 and the variable cost per cup of coffee served is Rs.0.26.

Required:

- a. Fill in the following table with your estimates of total costs and cost per cup of coffee at the indicated levels of activity for a coffee stand. (10)

Cups of Coffee Served in a Week	1,800	1,900	2,000
Fixed cost	?	?	?
Variable cost	?	?	?
Total cost	?	?	?
Cost per cup of coffee served .	?	?	?

- b. Does the cost per cup of coffee served increase, decrease, or remain the same as the number of cups of coffee served in a week increases? Explain. (5)

- Q9. Super Sales Company is the exclusive distributor for a revolutionary bookbag. The product sells for Rs. 60 per unit and has a CM ratio of 40%. The company's fixed expenses are Rs. 360,000 per year.

Required:

1. What are the variable expenses per unit? (5)
2. Using the equation method: (5)
 - a. What is the break-even point in units and in sales Rs.? (5)
 - b. What sales level in units and in sales Rs. is required to earn an annual profit of Rs. 90,000? (5)
 - c. Assume that through negotiation with the manufacturer the Super Sales Company is able to reduce its variable expenses by Rs. 3 per unit. What is the company's new break-even point in units and in sales Rs? (5)

- Q10. The Production Department of the Riverside Plant of Junnen Corporation has submitted the following forecast of units to be produced at the plant for each quarter of the upcoming fiscal year. The plant produces high-end outdoor barbecue grills.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Units to be produced	5,000	4,400	4,500	4,900

Each unit requires 0.40 direct labor-hours and direct labor-hour workers are paid Rs.11 per hour.

Required:

- a. Construct the company's direct labor budget for the upcoming fiscal year, assuming that the direct labor workforce is adjusted each quarter to match the number of hours required to produce the forecasted number of units produced. (15)

SECTION D: CASE STUDY (20 MARKS)

Q11. Read a case given below and answer the following questions:

Ethics and the Manager

Cristin Madsen has recently been transferred to the Appliances Division of Solequin Corporation. Shortly after taking over her new position as divisional controller, she was asked to develop the division's predetermined overhead rate for the upcoming year. The accuracy of the rate is important because it is used throughout the year and any over applied or under applied overhead is closed out to Cost of Goods Sold at the end of the year. Solequin Corporation uses direct labor-hours in all of its divisions as the allocation base for manufacturing overhead.

To compute the predetermined overhead rate, Cristin divided her estimate of the total manufacturing overhead for the coming year by the production manager's estimate of the total direct labor hours for the coming year. She took her computations to the division's general manager for approval but was quite surprised when he suggested a modification in the base. Her conversation with the general manager of the Appliances Division, Lance Jusic, went like this:

Madsen: Here are my calculations for next year's predetermined overhead rate. If you approve, we can enter the rate into the computer on January 1 and be up and running in the job-order costing system right away this year.

Jusic: Thanks for coming up with the calculations so quickly, and they look just fine. There is, however, one slight modification I would like to see. Your estimate of the total direct labor-hours for the year is 110,000 hours. How about cutting that to about 105,000 hours?

Madsen: I don't know if I can do that. The production manager says she will need about 110,000 direct labor-hours to meet the sales projections for next year. Besides, there are going to be over 108,000 direct labor-hours during the current year and sales are projected to be higher next year.

Jusic: Cristin, I know all of that. I would still like to reduce the direct labor-hours in the base to something like 105,000 hours. You probably don't know that I had an agreement with your predecessor as divisional controller to reduce 5% or so off the estimated direct labor-hours every year. That way, we kept a reserve that usually resulted in a big boost to net operating income at the end of the fiscal year in December. We called it our Christmas bonus. Corporate headquarters always seemed as pleased as punch that we could pull off such a miracle at the end of the year. This system has worked well for many years, and I don't want to change it now.

Required:

- a. Explain how reducing 5% off the estimated direct labor-hours in the base for the predetermined overhead rate usually results in a big boost in net operating income at the end of the fiscal year. (5)
- b. Examine the impact of conversation with the general manager of Appliances Division, Lance Jusic on the decision making process. (5)
- c. Should Cristin Madsen go along with the general manager's request to reduce the direct labor-hours in the predetermined overhead rate computation to 105,000 direct labor-hours? (5)
- d. What are the implications of reduced labor hours in operating revenue and firms value creation? (5)



MID-WESTERN UNIVERSITY
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FINAL EXAMINATION: 2020
MASTER IN BUSINESS ADMINISTRATION (MBA)
SEMESTER - I

Subject: Communication for Managers
Full Marks: 100

Course Code: MGT 513
Time: 4:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (5 × 6 = 30 MARKS)

Answer any FIVE questions:

- Q1. What do you mean by 'using technology to improve business communication'? (6)
- Q2. Compare the process of creating message for email and blogs with appropriate examples. (6)
- Q3. Enlist and briefly explain the sub steps of planning a visual presentation. (6)
- Q4. Discuss briefly the informative and analytical types of research report. (6)
- Q5. "Proposal is a blue print for the report." Justify the statement with examples. (6)
- Q6. How does communication function as the life blood of any organization? (6)
- Q7. Why do people write brief messages for electronic media? (6)

SECTION C: LONG ANSWER QUESTIONS (2 × 15 = 30 MARKS)

Answer any TWO questions:

- Q8. Define Business Communication. What are its basic principles? (5+10)
- Q9. Prepare a draft of short report. Highlights the three steps of report writing. (5+10)
- Q10. How does business communication build relation and makes the life worthwhile? Give examples. (10+5)

SECTION D: CASE STUDY (20 MARKS)

Q16. Read the case given below and answer the following questions:

Christmas Eve in Intercultural School

In the middle of the actual Christmas Eve celebration time (as of 2006) a public discussion burst in here, which has a lot to do with monocultural shaped values in a multicultural reality. Hindu parents in a number of Swiss cities demanded ultimately from the relevant Cantonal ministry of education, either to renounce the traditional Christmas celebration in the school classes or to introduce also celebrations dedicated to holy Hindu days. In any case, they demanded, to stop the singing of Christmas songs and -throughout the year - other Christian psalms within the classes. This case created a public controversy not only on the concrete request given by the mentioned Hindu parents but also on tolerance in general, on religious freedom and on the - by some Christian parties supposed - increasing influence of the Hindu religion.

Hindu (H) fears the influence of Christian religion, badly affecting their children. H fear, that their children could act against Hindu rules, values and standards. H fear to lose control on their own children. H fears, however, not only, but demands also tolerance and respect from Christian (C) toward their own culture and its values. Tolerance and respect are two of the most important values of all religions, also the Hindu one, even if this is not always shown by the loudest of their self-appointed representatives. By demanding the celebration of holy Hindu days even in Christian schools, H tries furthermore to defend and to experience their values in a strange environment.

C, on the other hand, fears the increasing amount of "foreign" influence. C, influenced by the current western public tendency on everything called "Islam", fears to get invaded by Muslims and mistrust to everything coming from representatives of the Muslim religion. C fears to lose its proper identity, even if they mostly are not really very conscious about their proper identity, or better, mixed identities.

But there is a third important party, joining the conflict. Another C group, which also refuses most of the demands of M, but with other arguments. They fear the failure of religious freedom, losing of common ground and shared identities within the society and solidarity. They claim to respect as the central value to be defended, instead of misunderstood tolerance. Respect is an active attitude, tolerance means ignorance, they say.

Questions:

- a. What are the sources of such problems and dispute in the society?
- b. Which group's demand is more relevant in this case and why?
- c. If you were the 'Head of the State', how would you solve this problem?
- d. What is the main message of this passage?



MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2020
MASTER IN BUSINESS ADMINISTRATION (MBA)
SEMESTER - I

R.No.

Subject: Communication for Managers
Total Marks: 100

Course Code: MGT 513
Time: 3:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS) / (TIME: 20 MINUTES)

Mark the best answers.

1. The English word communication is derived from the Latin word 'communicare' which means to
- impart
 - talk
 - communicate
 - engage
2. Business communication is popularly identified by formality as against
- formal communication
 - personal communication
 - professional communication
 - official Communication
3. For both personal and business purpose, the.....is more suitable.
- emails
 - podcasts
 - websites
 - instant messages
4. It is important to check email address, subject line, signature and so on at...
- planning stage
 - writing stage
 - completing stage
 - before you send
5. Which one of the followings should be avoided in internal report?
- facts
 - logical conclusion
 - objective evaluation
 - subjective evaluation
6. The chronological development of information in the body of the report is done according to the:
- logical sequence of events
 - collection of data
 - choice of the writer
 - order in which events occurred
7. Paralanguage is a kind of action language that refers to:
- actual words
 - the tone of voice, speed of speech, and hesitation
 - body language
 - personal space
8. To make a presentation effective and impressive, you should use:
- complex sentences
 - passive sentences
 - a simple and active form of sentences
 - jargon
9. When people in the organization communicate with anyone outside the organization, it is called.....
- External communication
 - Intra Communication
 - Inter Communication
 - Beyond the official communication
10. Formal communication network refers to.....
- upward and downward communication
 - business communication
 - internal and external communication
 - oral and written communication

- Q11. According to Javidi and Javidi (1994), "Americans tend to emphasize self-concept in terms of..."
- self-awareness, self-image, self-esteem,
 - self-determination, self-reliance, self-actualization,
 - terrible-needs improvement-average-good-excellent
 - all of the above
- Q12. Which one of the followings does not refer to the context in relation to intercultural communication?
- decision making practices,
 - culture and religion,
 - problem solving technique
 - negotiating style
- Q13. is not the feature of clear language while communicating between and among the culture.
- Use of content words
 - Clear language
 - Numbers and date
 - Humor and culture
- Q14. Formal reports are not classified into:
- informational
 - routine
 - interpretative
 - oral
- Q15. report provides rational findings.
- informative
 - progress
 - interpretative
 - routine
- Q16. Today the most popular social networking site is.....
- my space
 - facebook
 - twitter
 - SMS
- Q17. Two increasingly important ethical aspects of social media are.....
- transparency and privacy
 - identity and honesty
 - ratings and traffic
 - virtue and vitality
- Q18. How many steps are popular in designing and delivering oral and online messages?
- two
 - four
 - three
 - five
- Q19. Asian audiences generally prefer.....eye contact compared to North American audiences.
- the same
 - less
 - much more
 - more
- Q20. Podcasts is more appropriate for.....
- program of FM/Radio
 - business notices
 - journal/newspaper
 - magazine



MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2020
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER – I

Subject: Critical Thinking
Full Marks: 100

Course Code: MGT 512
Time: 4:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)

Answer any **FIVE** questions:

- Q1. What is critical thinking? Point some misconceptions about critical thinking? [2+4]
 Q2. How do differentiate a critical thinker from non-critical thinker? Explain with suitable examples. [6]
 Q3. A group decision making is always superior to individual decision making. Give your arguments. [6]
 Q4. Describe the steps in nominal group technique. Why do you prefer this approach to decision making? [4+2]
 Q5. What types of characteristics should one develop for being a creative thinker? [6]
 Q6. Compare and contrast between imagination and incubation approaches to creative problem solving.
 Does creativity lead to success? [4+2]
 Q7. Write short notes on: [3+3]
 a. Bounded rationality
 b. Evolution method of creativity

SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)

Answer any **TWO** questions:

- Q8. Find the optimal strategies using dominance rule for A and B in the following game. Also obtain the value of the game. [15]

A's strategy	B's strategies		
	B1	B2	B3
A1	18	16	-14
A2	6	-12	8
A3	12	14	-14

- Q9. Problems are inherent in every organization. They are well informed to managers and employees but still not solved. Discuss the various blocks intervening effective problem solving process. How can a manager avoid such blocks? Give your view. [7+8]
 Q10. Briefly describe the judgmental biases commonly manifested in organizational context? How do you evaluate their impacts? Discuss the various ways to correct such biases? [6+4+5]

SECTION D: CASE STUDY (20 MARKS)

- Q11. Read a case given below and answer the following questions:

CREATIVITY IN ACTION

Who could have envisaged fifty years ago the retail development complexity of travel agents or the shopping complexes at airports such as London Heathrow, London Gatwick, Manchester International, Amsterdam, Kuala Lumpur, Munich, Madrid and Barcelona – to mention just a few. Indeed, some of the major airport complexes have developed almost into miniature shopping centers in their own right. The planners of such development complexes continue to exercise their creative problem solving skills in order to find more ways of satisfying their customer en route to various destinations. The airlines themselves have become more creative in their thinking and in the way in which they approach problems. Not everyone, however, is always happy with the outcome of such creativity, as was evidenced in the reaction of some distinguished members of the public to the novel tailfin logo adopted by British Airways in 1998. In recent years airlines have come to pay more attention to the logo on their aircraft, seeing it as an important way of portraying their brand image. Traditionally, Air Canada planes were white with bright red lettering and a big red maple leaf on the tail. However, research showed that the strong image was a real problem with Canadian users because of its

association with government bureaucracy. Apparently, Canadians adore Canada but are much less favourably disposed to its government. Canadians tend to attribute a host of hearth-and-home values to themselves and their country: compassion, friendliness, a progressive outlook and a law-abiding nature. It was decided to emphasize these associations while de-emphasising the government part. The maple leaf was kept but it was rendered in a more natural earthy red on a new evergreen tail – the reasoning being that the stark red-on-white contrast was too much associated with the government image. The overall effect makes the new planes look a lot less like flying Mounties. British Airways, too, has had its dose of creative thinking. It was revitalized by Sir Colin Marshall in the 1980s with a particular directive to focus on the customer. An effective internal marketing programme was based on the notion that employees would not treat customers better until they themselves were treated better. Marshall established profit sharing and a two-day seminar at which attendance was compulsory for all employees. The seminar focused on all relationships employees might have with other employees, bosses, customers or even family members. It was felt that the programme contributed significantly to raising staff morale and to better customer relations. Among the creative ideas to emerge was the installation of TV cameras in passenger disembarking areas enabling them to register complaints immediately on landing. These are then dealt with in a timely manner, and the customer is informed of what action is taken. Changing the image of British Airways was also something to which attention was given. New uniforms for staff, new exterior paint on planes, new interiors for planes, new passenger lounges and an expensive advertising campaign were employed to promote the new image of British Airways. The airline business is immensely competitive, and all companies have to strive to find ways of identifying means of establishing a competitive advantage for themselves. This is often sought by trying to improve the quality of service offered in relationship to the price charged or through the nature of the augmented service offered. Service quality includes such things as:

- *Tangibles*. Do the physical facilities, equipment and appearance of personnel associated with the service promote confidence in the quality of the service?
- *Reliability*: Is there evidence of an ability to perform the promised service properly the first time?
- *Responsiveness*: Is there a willingness to help customers and provide prompt service?
- *Competence*: Do the personnel possess knowledge and skill, and have they an ability to convey trust and confidence?
- *Credibility/trustworthiness*: Is the organisation trustworthy and does it always deliver what it promises to deliver?
- *Empathy*: Does the provider of the service provide its customers with individual attention?
- *Courtesy*: Do customers perceive the service provided to be a friendly one?
- *Communication*: Are customers kept informed about the service offered in the language they can understand? Do the providers of the service listen to what the customers have to say?

The augmented service refers to activities or additional services that are tangential to the physical transportation of customers from the point of departure to their destination.

Questions:

- a. Present the problems mentioned in the case in relation to Air Canada and British Airways. [5]
- b. Write down the various sources of customer dissatisfaction in airline industry. [5]
- c. Provide any five creative techniques to ensure better customer satisfaction. [5]
- d. How do you link the natural beauty of Nepal to an airline service company for better customer satisfaction? [5]



MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2020
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER – I

R.No.....

Subject: Critical Thinking
Full Marks: 100

Course Code: MGT 512
Time: 4:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)

Tick the best answers.

- Q1. Why is critical thinking important?
- It generates wider view of an issue.
 - It serves the correct analysis and evaluation of an issue.
 - It controls the misdeed of people.
 - It is always based on data.
- Q2. Find out the correct statement with regard to critical thinking.
- It is thinking based on perceptual analysis.
 - It is a process involving personal preferences.
 - It is fact based thinking
 - Every type of thinking is called critical thinking.
- Q3. Identify the characteristic of critical thinker:
- underestimating the role of clarity and accuracy of what is mentioned
 - seeing little value in critical thinking
 - close minded and resisting criticism
 - Being open-minded to opposing views
- Q4. Which word best describes that a statement is related to the problem?
- Relevance
 - Clarity
 - Precision
 - Consistency
- Q5. Where do you categorize unwillingness tendency in creative problem solving?
- Compression
 - Constancy
 - Commitment
 - Complacency
- Q6. Perception that whatever true of the whole is also true in a part is referred to as:
- Appeal to ignorance
 - Appeal to tradition
 - Part-whole fallacy
 - Popularity
- Q7. Which point gives the meaning of false dichotomy?
- Seeing only two aspects of possibility despite the present of additional possibility
 - Praising someone instead of hating him
 - Assigning different cause to the problems
 - Being positive to a culprit
- Q8. What does the precision mean?
- Being specific in considering and understanding.
 - Being clear in understanding concepts
 - Being objective in analysing a phenomenon.
 - Being rational in making decision.
- Q9. What does a programmed decision making include?
- Operational decision
 - Non structured decision
 - Strategic decision
 - Long term decision

- Q10. An conceptual decision making involves:
- Low tolerance for ambiguity and low intuitive thinking
 - Low tolerance for ambiguity and rational thinking
 - High tolerance for ambiguity and rational way of thinking
 - High tolerance for ambiguity and high intuitive thinking
- Q11. An analytical decision making involves:
- Low tolerance for ambiguity and low intuitive thinking
 - Low tolerance for ambiguity and rational thinking
 - High tolerance for ambiguity and rational way of thinking
 - High tolerance for ambiguity and high intuitive thinking
- Q12. Ability to understand information, description or phenomenon is known as one of the followings:
- Creative ability
 - Cognitive ability
 - Analytical ability
 - Logical reasoning
- Q13. Group decision making is not preferable in the condition when:
- Implementation needs participation of all people.
 - There is non-routine problem.
 - Immediate actions need to be taken by manager.
 - Any type of problem occurs.
- Q14. Identify the characteristics of creative thinking.
- Vertical thinking
 - Analytical mind
 - Associative thinking
 - Focused thinking
- Q15. What is the characteristic of right brain?
- Imaginative and artistic
 - Planned and organized
 - Analytical and mathematical
 - Controlled and conservative
- Q16. What does factual knowledge relate to?
- creativity relevant skills
 - task motivation
 - domain relevant
 - Nothing can be said.
- Q17. Which one is the highest level of creativity?
- Creation
 - Invention
 - Discovery
 - All of the above
- Q18. Which constraint normally appears during generation of alternatives?
- The first readily available solution is generally accepted.
 - There is tendency of resistance to change.
 - Solution is implemented before problem is defined.
 - There is seldom consensus on definition of problem.
- Q19. In which stage of problem solving do you find resistance to change in your employees?
- Defining a problem
 - Generating alternatives
 - Implementing alternatives
 - Getting feedback
- Q20. Best solution to a problem is generally hindered by:
- Logical reasoning
 - Creative thinking
 - Critical thinking
 - Extremity and centrality



MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2020
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER - I

R.No.....

Subject: Foundations of Management
Full Marks: 100

Course Code: MGT 511
Time: 4:00 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 20 = 20 MARKS)/ (TIME: 20 MINUTES)

Tick the best answers.

- Q1. A manager asks other people for their opinions and ideas, then makes the decision alone. He adopts:
- a. autocratic
 - b. consultation
 - c. joint decision
 - d. delegation

- Q2. Which one of the followings involves the process of planning?

- 1. Forecasting
- 2. Choice among alternative courses of action.
- 3. Wishful thinking
- 4. Decision only by production manager

Of the four statements,

- a. 1, 2, 3 and 4 are correct
- b. 1, 3 and 4 are correct

- c. 1 and 2 are correct
- d. 2 and 3 are correct

- Q3. Rearrange the following steps in the decision-making process logically.

- A. Identification of a problem
- B. Analysis of alternatives
- C. Allocation of weights to criteria
- D. Development of alternatives

- E. Identification of decision criteria
- F. Selection of an alternative
- G. Implementation of the alternative

- a. GFEDCBA
- b. CDBAFEG

- c. AECDBFG
- d. GCDABEF

- Q4. Esprit De corps means _____

- a. Union is strength
- b. Service is our motto

- c. Buyer be aware
- d. Product is our strength

- Q5. What are the three interpersonal roles of managers?

- a. Figurehead, leader and liaison
- b. Spokesperson, leader, coordinator
- c. Director, coordinator, disseminator
- d. Communicator, organiser, spokesperson

- Q6. Which one of the followings best describes the concept that management is needed in all types and sizes of organizations, at all organizational levels, in all organizational work areas, and in all organizations, no matter the country in which they're located?

- a. the partiality of management
- b. the segmentation of management

- c. the universality of management
- d. the cultures of management

- Q7. A difference between traditional organizations and new organizations is that the new organizations will be more

- a. stable
- b. command oriented

- c. rule oriented
- d. dynamic

- Q8. Organizing includes:

- a. defining organizational goals
- b. hiring organizational members

- c. motivating organizational members
- d. determining who does what tasks

- Q9. Making decisions on the basis of experience, feelings and accumulated judgment is called as.....
- a. decision making
 - b. structured problems
 - c. intuitive decision making
 - d. none of the above
- Q10. Span of controls means that
- a. an organization consists of various departments
 - b. each person's authority is clearly defined.
 - c. every subordinate has one superior
 - d. a manager can supervise only a limited number of subordinates
- Q11. As a manager if you are encouraging employees to improve productivity, which role are you playing
- a. Resource allocator
 - b. Entrepreneur
 - c. Leader
 - d. Liaison
- Q12. Another term for efficiency is.....
- a. doing the right things
 - b. doing things right
 - c. making sure things get done
 - d. doing things at the right time
- Q13. A company that makes social responsibility a priority, even if doing so cuts their profit. Which stance to social responsibility is this?
- a. Obstructionist stance
 - b. Defensive stance
 - c. Accommodative Stance
 - d. Proactive stance
- Q14. The purpose of controlling function is:
- a. to recognize gap in knowledge and skills
 - b. to motivate employees
 - c. to delegate authority
 - d. to organize the workflow
- Q15. Which one of the followings is the knowledge that people carry in their minds and is, therefore, difficult to access?
- a. Explicit knowledge
 - b. Tacit knowledge
 - c. Procedural knowledge
 - d. Declarative knowledge
- Q16. What is the full form of MBO?
- a. Management By Opportunity
 - b. Method By opportunity
 - c. Management By Objectives
 - d. Method By Objective
- Q17. What do you call a style of leadership that takes account of others' views, opinions and ideas?
- a. Laissez-faire
 - b. People-oriented
 - c. Democratic
 - d. Autocratic
- Q18. Plans that apply to an entire organization and establish the organization's overall goal are known as:
- a. Specific Plans
 - b. Directional Plans
 - c. Strategic plans
 - d. Tactical plans
- Q19. Globalization helps
- a. accumulate more profit
 - b. increase earnings per share
 - c. develop export sphere
 - d. make competitive decision
- Q20. Find the odd one out.
- a. Goals
 - b. Objective
 - c. Polices
 - d. Motivation



MID-WESTERN UNIVERSITY
EXAMINATIONS MANAGEMENT OFFICE
FINAL EXAMINATION: 2020
MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER – I

Subject: Foundations of Management
Full Marks: 100

Course Code: MGT 511
Time: 4:00 Hours

You are required to answer in your own words as far as applicable. The figures in the margin indicate full marks.

SECTION B: SHORT ANSWER QUESTIONS (5X6 = 30 MARKS)

Answer any **FIVE** questions:

- Q1. Identify barriers to effective interpersonal communication and describe how technology affects managerial communication and organizations. (4+2)
- Q2. What are the components of general environment? Elaborate with suitable examples. (6)
- Q3. What is an organizational chart? What are the principles of organizing function? (2+4)
- Q4. What are the reasons for resistance to change? Discuss the techniques you apply to overcome resistance. (3+3)
- Q5. Define managerial skills. What are the three general skills necessary for becoming a successful manager? Does a manager equally need these skills at different levels? (1+3+2)
- Q6. Outline the managerial role identified by Mintzberg. Give an example of each role. (6)
- Q7. Briefly describe the conflict resolution model. (6)

SECTION C: LONG ANSWER QUESTIONS (2X15 = 30 MARKS)

Answer any **TWO** questions:

- Q8. "A good management control system stimulates action by spotting the significant variations from the original plan and highlighting them for the people who can set things right". Explain the statement highlighting the different steps while carrying out controlling function. (15)
- Q9. With the availability of advanced information technology that allows an organization's work to be done anywhere at any time, is organizing still an important managerial function? Justify your answer. (15)
- Q10. Describe the various approaches to social responsibilities along with the arguments for and against it. (7.5+7.5)

SECTION D: CASE STUDY (20 MARKS)

Q1. Read a case given below and answer the following questions:

With a worldwide recall of some 8 million cars and 51 deaths that U.S. regulators say have been caused by mechanical failures in its cars, Toyota Motor Corporation faces a corporate crisis of epic proportions. What happened at the car company that had finally achieved the title of world's largest car maker? (It overtook General Motors in 2008.) What factors contributed to the mess it now found itself in?

At the core of Toyota's manufacturing process is the Toyota Production System (TPS), which has long been touted and revered as a model of corporate efficiency and quality. Four management principles (the 4P model) were at the core of TPS and guided employees: problem solving, people and partners, process, and philosophy. The idea behind these principles was that "Good Thinking Means Good Product." Taiichi Ohno, a long-time Toyota executive, is widely credited as the innovative genius behind TPS. During the 1950s, Ohno, along with a small core of other Toyota executives, developed several principles of car-making efficiency that became what is now known as lean manufacturing and just-in-time inventory management. "Ohno's ideas not only changed the auto industry, they changed late-twentieth-century manufacturing." At the very core of these concepts were attention to detail and a "noble frugality." However, over the years, it appears that Toyota's executives slowly lost the "purity" of that approach as

the once-strong commitment to quality embedded in Toyota's corporate culture became lost in its aggressive moves to grow market share and achieve productivity gains.

From about 1995 to 2009, Toyota embarked on the "most aggressive overseas expansions in automotive history" and at the same time had a laser-like unparalleled focus on cutting costs. Four major cost-cutting and expansion initiatives severely strained organizational processes and employees. One initiative was localized manufacturing. Starting in the late 1990s, Toyota established manufacturing hubs in Asia, North America, and Europe. Such an approach meant relying more on local suppliers and design teams to tailor cars to local tastes. Another initiative was called Construction of Cost Competitiveness for the 21st Century, or CCC21. It was a massive cost reduction program. Through an ongoing process of redesigning parts and working with suppliers, more than \$10 billion of savings were achieved. The Value Innovation initiative was a more ambitious version of CCC21. Under this program, more savings were achieved by making the entire development process cheaper and by further cutting parts and production costs. And finally, the Global 15 initiative was a master global plan for attaining a 15 percent share of the global car market by 2010. As of mid-2010, Toyota had an 11.7 percent share of the worldwide car market. However, this "combination of high-speed global growth and ambitious cost cuts led to the quality lapses that tarnished the once-mighty brand." Toyota's president, Akio Toyoda apologized for the company's actions and said, "We pursued growth over the speed at which we were able to develop our people and our organization. I regret that this has resulted in the safety issues described in the recalls we face today, and I am deeply sorry for any accidents that Toyota drivers have experienced."

So what is Toyota doing to remedy its problems? In addition to the massive recall, the company's president says that it is setting up a system to respond more quickly to complaints. In fact, the automaker has promised to give regional executives a bigger role in issuing recalls based on local consumer complaints, although Mr. Toyoda says that the final decisions regarding recalls will continue to be made in Japan. The company is also holding twice-yearly global quality meetings and more frequent regional quality meetings. And finally, the company is re-committing itself to better training employees in quality control

Questions

- a. Using the Dimensions of organizational culture and the information from the case, describe the culture at Toyota Motor Corporation. Why do you think this type of culture might be important to a car maker? (5)
- b. How do you think a long-standing culture that had such a strong commitment to quality lost its ability to influence employee behaviors and actions? What lesson can be learned about organizational culture from this? (5)
- c. Do you think it was important for Mr. Toyoda to apologize for the company's decisions? Why? (Think in terms of the company's stakeholders.) (5)
- d. What could other organizations learn from Toyota's experiences about the importance of organizational culture? (5)

