



Where Leaders are Made

UNIVERSITY EXAMINATIONS: 2025/2026

**EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE IN
INFORMATION TECHNOLOGY**

BACHELOR OF COMMERCE

BACHELOR OF BUSINESS AND INFORMATION TECHNOLOGY

BACHELOR OF BUSINESS LEADERSHIP

BIT203 /BSIT 203/BCM104/BUS3113/DSM211

PRINCIPLES OF MANAGEMENT

DATE: WEDNESDAY 10TH DECEMBER, 2025 TIME: 11:00AM-1:00PM

DURATION: 2 HOURS

INSTRUCTIONS: Question One is Compulsory, Choose Three Other Questions

SECTION A (COMPULSORY)

QUESTION ONE (15 Marks) Compulsory

Read the case below and answer the following questions:

Koko Juice Ltd is a small fruit processing company based in Nakuru that produces fresh juice for supermarkets and schools. The company started as a two-person business but has grown to employ 25 people.

Recently, the Managing Director, Njeri, noticed growing inefficiencies — delays in deliveries, duplicated work, and confusion over responsibilities. For example, both the marketing assistant and the sales clerk were calling the same customers. The production team also complained about unclear reporting lines and inconsistent supply of raw materials.

Njeri realized that as the business grew, the informal way of assigning work was no longer working. She decided to reorganize the company's structure. She created clear departments:

- Production Department – responsible for processing and packaging juice.
- Sales and Marketing Department – handles customer orders, promotion, and distribution.
- Procurement Department – purchases fruits, packaging materials, and coordinates with farmers.
- Finance and Administration Department – manages payroll, budgeting, and HR records.

Each department got a supervisor who reports directly to her. She also introduced weekly coordination meetings to improve communication. After a few weeks, employees reported better teamwork and fewer delays. However, some workers still complained that they didn't fully understand who approves certain decisions, and some supervisors struggled with their new responsibilities.

- Discuss THREE principles of organizing Njeri applied at Koko Juice Ltd. **(6 marks)**
- Identify the level of management at which Njeri working. **(1 marks)**
- Explain TWO other functions being performed by Njeri. **(2 marks)**
- Identify the type of organizational structure Koko Juice now has. **(1 marks)**
- Describe THREE advantages of the organizational structure Koko Juice now has in (d) above. **(3 marks)**
- Suggest TWO ways she can improve communication and clarify roles. **(2 marks)**

SECTION B: (ANSWER ANY THREE (3) QUESTIONS IN THIS SECTION)

QUESTION TWO (15 marks)

A shoe manufacturing company wants to become a market leader. For this a detailed planning is required. The first step taken by the firm is to set targets for the three months duration for selling maximum number of shoes in the market which they set as 250,000. The team does not want to make any mistake so they decided to approach you for assistance.

- Explain to the management why planning is important. **(5 marks)**
- Discuss how you would conduct planning for this shoe company. **(10 marks)**

QUESTION THREE (15 marks)

- Ochieng is a manager at Textile company and is a speaker on leadership and motivation. He references motivational theorists such as Douglas McGregor and Clayton Alderfer. Giving examples, explain how a business manager could use each level of ERG Theory to motivate their staff. **(10 marks)**

- b) Mary, an employee, is motivated to work overtime and she believes her extra effort will improve sales and that higher sales will result in a bonus and that the bonus is worthwhile. Using expectancy theory, explain why Mary's motivation increased.

(5 marks)

QUESTION FOUR (15 marks)

- a) Discuss Taylor's viewpoints regarding management that are still relevant in managing a modern business organisation. **(6 marks)**
- b) A business has been rapidly expanding and requires additional staff.
- i. Describe TWO monetary reward that could be offered during the recruitment process. **(2 marks)**
 - ii. Explain non-monetary reward that could be offered during the recruitment process. **(3 marks)**
- c) The expansion of the business has led to conflict and uncertainty in the workplace. Recommend TWO solutions to resolving this conflict. **(4 marks)**

QUESTION FIVE (15 marks)

Discuss how can companies ethically manage their relationships with reference to the following stakeholders:

- | | |
|-------------------|------------------|
| i). Consumer | (3 Marks) |
| ii). Government | (3 Marks) |
| iii). Suppliers | (3 Marks) |
| iv). Shareholders | (3 Marks) |
| v). Employees | (3 Marks) |

QUESTION SIX (15 marks)

- a) Using examples, discuss FIVE reasons why employees might resist change within organizations **(10 Marks)**
- b) You have just taken over a team of 10 experienced software engineers. The previous manager had an autocratic, highly directive style, which resulted in a high degree of structure but also low team morale and high turnover (three key members left in the last quarter). While individual tasks were completed on time, project deadlines are consistently missed due to lack of coordination. The team members are highly skilled but seem disengaged. Explain which leadership style would be most effective in this specific situation and why. **(5 Marks)**