



© Copyright Reserved

Index No.

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | | | | |
|--|--|--|--|--|--|--|--|

Institute of Certified Management Accountants of Sri Lanka
Foundation Level
November 2014 Examination

Examination Date : 16th November 2014 **Number of Pages :** 06
Examination Time: 9.30 a.m. – 11.30 a.m. **Number of Questions:** 50

Instructions to Candidates

1. Time allowed is **two (2) hours**.
2. Total: **100 Marks**.
3. Answer **all** questions.
4. You will need to write your **index number** on the question paper as instructed. Please ensure that your index number is written on each page and that you collate and secure your script at the end of the assessment.
5. **Indicate your answers in the question paper itself**. Strictly prohibited to take out your question paper / working sheets from the Examination Centre.
6. **Encircle** the correct answer in relation to **Multiple Choice Questions**.
7. The answers should be in **English Language**.

| <u>Subject</u> | <u>Subject Code</u> |
|--|----------------------------|
| Management, Corporate Governance and Ethics | (MGE / FL 4 - 104) |

- (1) Which one of the following are the correct four managerial functions under traditional classification?
 - (a) organizing, leading, communicating and controlling
 - (b) planning, organizing, directing and controlling
 - (c) planning, organizing, communicating and controlling
 - (d) planning, organizing, staffing and controlling
- (2) Which one is not a main duty of a production supervisor?
 - (a) Ensure smooth functioning of day to day activities.
 - (b) Recruit, train and supervise operational employees.
 - (c) Prepare departmental/ functional plan.
 - (d) Help middle managers to prepare divisional plans.
- (3) Robert L Katz has identified
 - (a) Three basic kinds of Managerial Skills.
 - (b) Two Factor Theory.
 - (c) Reinforcement Theory.
 - (d) Theory of Three Needs.
- (4) The term management is also explained as a :
 - (a) simple process
 - (b) cyclic process
 - (c) way to lead
 - (d) way to communicate
- (5) Which one of the followings is not an assumption made by Fredrick Taylor when he defined scientific management?
 - (a) Workers doing jobs should be paid more for increased efficiency and outputs.
 - (b) Money would motivate people.
 - (c) Efficiency is proportional to the working condition.
 - (d) Organizations succeed due to personality of leader.

- (6) Burns and Stalker identified
- (a) Stable and volatile environments
 - (b) Dynamic environments
 - (c) ERG Theory of Motivation
 - (d) Theory X and Theory Y
- (7) Organic and mechanistic types of organizations are defined by three general factors:
- (a) complexity, formalization and centralization
 - (b) simple, informal and tall
 - (c) dynamic, informal and centralize
 - (d) None of the above
- (8) is the term used for short term plan.
- (a) Strategic plan
 - (b) Tactical plan
 - (c) Corporate plan
 - (d) None of the above
- (9) **SMART** model appropriately described by
- (a) Specific (S), Manageable(M), Achievable(A), Reliable (R) and Time –Based (T)
 - (b) Specific (S), Manageable(M), Achievable(A), Realistic (R) and Time –Based (T)
 - (c) Specific (S), Measurable (M), Achievable(A), Realistic (R) and Time –Based (T)
 - (d) Specific (S), Manageable(M), Achievable(A), Realistic (R) and Technological (T)
- (10) Which one of the followings is not a characteristic of the organic structure?
- (a) Fewer rules
 - (b) More emphasis on flexibility and adaptability
 - (c) Centralized authority
 - (d) None of the above
- (11) Which one of the followings is an advantage of decentralization?
- (a) Increases the quality of decision
 - (b) Train top-level managers
 - (c) Easy in communication
 - (d) Avoid duplication of work
- (12) The simplest organizational structure is based on:
- (a) Functions
 - (b) Specialties
 - (c) Products
 - (d) Customers
- (13) Training and development of staff embody the same set of training and development needs. They are:
- (a) Knowledge and Attitudes
 - (b) Knowledge and Skills
 - (c) Attitudes and Skills
 - (d) Knowledge, Skills and Attitude
- (14) Organizing is a process of the resources.
- (a) planning , arranging and controlling
 - (b) sourcing , allocating and arranging
 - (c) allocating , arranging and controlling
 - (d) None of the above

- (15) is the authority exercised to achieve the primary goals.
- (a) Line authority
 - (b) Staff authority
 - (c) Traditional authority
 - (d) None of the above
- (16) Employee procurement is the process of
- (a) planning human resources.
 - (b) obtaining a new employee.
 - (c) providing meals for employee.
 - (d) terminating an employee.
- (17) Collective Bargaining is
- (a) The agreement between the management and the trade union.
 - (b) The agreement between the management and employees.
 - (c) The negotiation that takes place between the management and trade unions during a particular period.
 - (d) The negotiation that takes place between the management and employees during a particular period.
- (18) Expectancy Theory is propounded by..... .
- (a) Mc Clelland
 - (b) Maslow
 - (c) Alderfer
 - (d) V.H. Vroom (Victor H. Vroom)
- (19) Which one of the followings is a guideline for application of the Reinforcement Theory in the work place?
- (a) Ignore undesirable behavior as far as possible.
 - (b) Apply punishing as a principal means to achieve desired performance.
 - (c) Specify desired behavior in general terms.
 - (d) None of the above
- (20) Which one of the following is not a motivation theory?
- (a) Expectancy theory
 - (b) Reinforcement theory
 - (c) The path goal theory
 - (d) None of the above
- (21) Which one is a characteristic of a mission statement of an organization?
- (a) Define current business activities.
 - (b) Serve as a concrete foundation for the organization.
 - (c) Focus on future
 - (d) None of the above
- (22) Which one is not a principle followed in delegating to subordinate?
- (a) Ensure that the objective to be achieved is made clear.
 - (b) Allocation of adequate resources.
 - (c) Both (a) & (b)
 - (d) Do not indicate the standard of performance
- (23) Purpose of a discipline administration is
- (a) To reduce employees in an organization.
 - (b) To reduce conflict and confusions.
 - (c) To evaluate the performance of the employees.
 - (d) To establish a discipline in an organization.

- (24) The content (Need Theory) of motivation mainly focuses on the that energizes and direct human behavior.
- (a) external factors
 - (b) internal factors
 - (c) environmental factors
 - (d) financial factors
- (25) Which one is not the intrinsic outcome at work?
- (a) Self-respect
 - (b) Sense of achievement
 - (c) Status within the company
 - (d) None of the above
- (26) Existence of Herzberg's hygiene factors lead to:
- (a) Motivation
 - (b) Frustration
 - (c) Reduce dissatisfaction
 - (d) Satisfaction
- (27) According to Maslow's Hierarchy of Needs, which needs are predominately satisfied internally:
- (a) Safety
 - (b) Esteem
 - (c) Physiological
 - (d) Social
- (28) Based on Hawthorne studies, Schein indicated that people are predominantly motivated by social needs and this has been identified as
- (a) Self-actualization man
 - (b) Rational man
 - (c) Economic man
 - (d) Social man
- (29) Which one is not an element of Model Communication Process?
- (a) Conceive
 - (b) Channel
 - (c) Encode
 - (d) noise
- (30) Which one of the followings is an advantage of Two-way Oral Communication?
- (a) Serves as evidence on event/ proceedings.
 - (b) Can effectively convey lengthy communication.
 - (c) Allows feedback and spontaneous thinking.
 - (d) Spirit of authority can be transmitted effectively.
- (31) When communication takes place in an organization from highly placed officer to subordinate, it is referred to as
- (a) Lateral communication
 - (b) Vertical communication from top to bottom
 - (c) Vertical communication upward
 - (d) None of the above
- (32) Select from the followings the advantage of efficient feedback system of communication.
- (a) Getting the recipients' attention
 - (b) Reduce misunderstandings
 - (c) Check whether the recipient has any objection
 - (d) Repeat the message

- (33) Leadership is an integral part of
- (a) management
 - (b) communication
 - (c) fellowship
 - (d) None of the above
- (34) Which one of the following is not a characteristic of leadership?
- (a) Leadership is a personal quality earned.
 - (b) Leadership is a continuous and consistent process of influencing behavior of people.
 - (c) Leadership is related to a particular situation under a specific set of circumstances.
 - (d) Leadership style cannot be different under different circumstances.
- (35) Which one of the following is a leadership competency developed by the institute of leadership Dynamics?
- (a) Managing vision for purpose
 - (b) Good follower
 - (c) Industrial knowledge
 - (d) None of the above
- (36) The use of reward power is not effective;
- (a) when the reward is achievable
 - (b) when the reward is attractive
 - (c) when the rules and penalties are violated
 - (d) when the leader does it objectively
- (37) provides an opportunity for others to look leaders and then to emulate them.
- (a) Behavior Theory of leadership
 - (b) The Trait Theory of leadership
 - (c) Path-Goal theory of leadership
 - (d) Modern Theories of leadership
- (38) Which one of the following is a leadership style described in leadership theories?
- (a) Complex man style
 - (b) Self- Motivatory style
 - (c) Rational man style
 - (d) None of the above
- (39) Which one of the following is **not** a Management Information System and application control at the practical level?
- (a) Database system
 - (b) Enquiry System
 - (c) Decision Support system
 - (d) Human Resource system
- (40) Which of the following statement denotes an organization's responsibility towards its shareholders?
- (a) To carry promotional campaign for brand image.
 - (b) To improve the quality of public health.
 - (c) To ensure a steady growth for their investment.
 - (d) To promote the company globally.
- (41) The leaders are having a view to lead the followers and also motivate them and will initially decide the role and the need of the followers.
- (a) Transactional
 - (b) Transformational
 - (c) Democratic
 - (d) Traditional

- (42) Which one of the followings is not a feature of the controlling function of an organization?
- (a) Controlling is not an end function.
 - (b) Controlling is a dynamic process.
 - (c) Controlling is related with planning.
 - (d) Controlling is pervasive function.
- (43) Which one of the following statements is **true**?
- (a) Planning precedes controlling and controlling succeeds planning.
 - (b) Planning and controlling are separable functions of management.
 - (c) The function control is not a sub process in the cyclic management process.
 - (d) Controlling is directing company resource towards its goal.
- (44) An ethical stance is the extent to which
- (a) an organization meets the expectations of its stakeholders.
 - (b) an organization will exceed its minimum obligations to stakeholders and society at large.
 - (c) an organization meets regulatory requirements.
 - (d) an organization respects the dominant religious beliefs of the country in which it operates.
- (45) Which one of the following indicates the good features of international service organizations?
- (a) Impartiality
 - (b) Neutrality
 - (c) Universality
 - (d) All of the above
- (46) **“Every enterprise requires commitment to common goals and shared values”**. This is one of the essential principles enunciated by.....
- (a) Richard L. Daft
 - (b) E.F.L Brech
 - (c) Henry Fayol
 - (d) Peter F. Drucker
- (47) Which one of the following is a principle of good governance?
- (a) Exercising control
 - (b) Being closed and unaccountable
 - (c) Co-ordinate activities
 - (d) None of the above
- (48) Which one of the following is the most appropriate goal of a firm?
- (a) Profit maximization
 - (b) Shareholders wealth maximization
 - (c) Maximize stakeholders wealth
 - (d) Maximize Earning per share
- (49) refers to meeting the needs of the present without compromising the ability of future generation to meet their own needs.
- (a) Corporate Social Responsibility (CSR)
 - (b) Sustainability
 - (c) Convergence
 - (d) Modern economy
- (50) The company's are the most effective instrument of corporate governance.
- (a) Stakeholders
 - (b) Shareholders
 - (c) Employees
 - (d) Board of directors