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ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27

**B.COM IFA - I SEMESTER
SEMESTER EXAMINATION: OCTOBER 2019
BCIFA 1419 – ORGANISATION MANAGEMENT**

Time- 2 1/2 hrs

Max Marks-70

This paper contains 5 printed pages and four parts

SECTION A

Answer any FIVE of the following questions. Each question carries two marks. (5x2=10)

1. Consider the following list of different organisations:

- (i) Government departments
- (ii) Partnerships
- (iii) Charities
- (iv) Companies

Which of these organisations would normally be classified as BOTH a not-for-profit organisation AND a private sector organisation?

- a. (i) and (iii) only
- b. (iii) only
- c. (i) only
- d. (ii) and (iii) only

2. Which of the following are typical macroeconomic policy objectives of governments?

	Yes	No
Economic growth		
Money supply management		

3. Adopting a shared services approach refers to the centralisation of an internal service within the organisation. The operations of the internal service will be unaffected.

Is this statement TRUE or FALSE? Justify your answer.

4. Which of the following is likely to be an advantage of an organisation outsourcing some of its less important operations?

- a. Increased level of skill within the organisation
- b. Increased workload for directors and senior managers
- c. Increased time for management to focus on core operations

d. Increased control over the outsourced function

5. H is an ACCA member. Last year one of her clients, C, asked her to value a business that he wished to purchase. She did so and informed C that the business was competitively priced. C subsequently bought the business for its full asking price of several million pounds. This year, C has become concerned that the business has been underperforming and has asked H to reassess its performance and long-term prospects.

Which type of ethical threat is H facing?

- a. Self-interest
- b. Self-review
- c. Advocacy
- d. Intimidation

6. Two employees have recently been arguing over access to business computer systems. Their manager feels that the conflict is not serious and will sort itself out. Because of this, she has decided not to intervene. Which conflict management strategy is the manager adopting?

- a. Denial
- b. Suppression
- c. Reduction
- d. Resolution

SECTION B

Answer any THREE of the following questions. Each question carries FIVE marks.

(5x3=15)

7. (i) FFD Co is a large national manufacturer of animal feed based in country T. FFD sells dried food – primarily for chickens and sheep. This is not a competitive market and FFD's large number of small farmer customers have little alternative but to purchase FFD's products for their animals. The farming industry is struggling in country T with farmers earning very low margins and many being forced out of business.

The Government of country T has publicly expressed concerns about the state of the national farming industry and has vowed to do whatever is necessary to protect farmers from what one minister has referred to as 'money-making corporations that are making excessive profits from farmers.'

FFD's shares are mainly held by individual investors – many of whom have invested a significant amount of money into FFD. No one shareholder in FFD has more than 4% of the total share capital of the company.

MBV's employees are heavily unionized, making it difficult for the company to change their terms and conditions.										
MBV's products are sold through two main retail chains in country G. Each retailer sells approximately equal amounts of MBV's furniture.										
MBV is much larger than any other fine furniture manufacturers in country G, which has given it an advantage due to significant economies of scale. MBV still retails its products at a similar price to its rivals.										
The market for fine furniture in country G is growing very slowly.										

(ii) A company who sells its product at a price below that of similar rival products is likely to have adopted a differentiation strategy. Is this statement **TRUE** or **FALSE**?

- a. True
- b. False

9. Define Corporate Governance. What are the main recommendations of best practice in effective Corporate Governance?

10. What are the key threats to ethical behaviour that accountants should attempt to avoid?

SECTION C

Answer any TWO of the following questions. Each question carries FIFTEEN marks.

(2x15=30)

11. What is conflict and explain its types. How to avoid conflict and what are the Approaches involved in conflict management?

12. (i) Explain in detail Functional and matrix organisational structures, with merits and demerits of the same.

(ii) Give short notes on Boundaryless structure.

13. Elaborate Porter's five force analysis with a neat diagram.

SECTION D

Answer the following question. The question carries FIFTEEN marks (1X15=15)

14. Patanjali Ayurved limited is the brainchild of Baba Ramdev who is known for his sermons and his devotee Acharya Balkrishna. Acharya Balkrishna is the CEO of Patanjali. Incredibly, Patanjali came into the picture less than a decade back but has taken a huge share of the Indian market due to the large scale following of Baba Ramdev. Patanjali registered a revenue

of INR 5000 crores in 2015-16 growing at 150% over the previous year. Patanjali produces about 700 different types of products. The products were classified into Natural Health Care, Natural Food Products, Ayurvedic Medicine, Herbal Home Care and Natural Personal Care.

The products were sold through medical centres such as Patanjali Chikitsalayas and Patanjali Arogya Kendras, non-medical centres such as Swadeshi Kendras. It has already has 15,000 outlets across India. Recently it has tied up with the Future group for distribution through Modern retail. Patanjali sells very well through the E-commerce companies and has a lot of packages of products which it sells online.

For a new company especially in the consumer goods category, a high share of its expenditure goes into advertisements and promotions. Patanjali followed a word-of-mouth promotion strategy initially and did not spend much on promotions and advertising. Patanjali depended on over the Brand loyalty of its customers.

Owned by Babas and Swamis, Patanjali was supposed to be a conventional Indian company but it has surprised everyone by bringing in various changes required to be at par with its contemporary brands. Be it advertising using celebrities as Brand ambassadors, Entering modern retail or using E-commerce as a platform. Patanjali has also understood the potential of digital media and social media platforms and is also spending on these channels. Patanjali adopted penetrating pricing strategy and entered the market. Hence, it offers much lower margins to distributors and retailers as compared to other consumer goods company, since it is playing a game of volume and not margins. That's the reason for it being a demand run company. Patanjali does not have a large pool of management graduates and thinks tanks which can be a problem when they look for expansion throughout the country or globally.

Questions

1. Perform SWOT analysis on Patanjali. **(5 Marks)**
2. Perform PEST analysis on Patanjali. **(5 Marks)**
3. If Patanjali wish to expand globally, what organisational changes are required and what type of organisational structure you suggest? Justify. **(5 Marks)**

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