

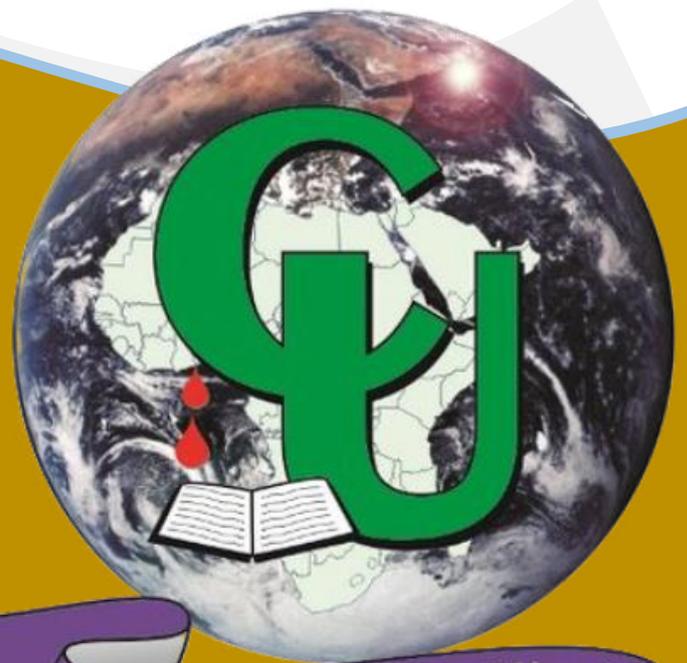
COVENANT UNIVERSITY

TUTORIAL KIT

PROGRAMME: BUSINESS  
MANAGEMENT

ALPHA SEMESTER

400 LEVEL



*Raising A New Generation Of Leaders*

## **DISCLAIMER**

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# COVENANT UNIVERSITY

CANAANLAND, KM 10, IDIROKO ROAD  
P.M.B 1023, OTA, OGUN STATE, NIGERIA.

**TITLE OF EXAMINATION:** B.Sc DEGREE EXAMINATION

**COLLEGE:** BUSINESS & SOCIAL SCIENCES

**SCHOOL:** BUSINESS

**DEPARTMENT:** BUSINESS MANAGEMENT

**SESSION:** 2014/2015

**SEMESTER:** ALPHA

**COURSE CODE:** BUS 410      **CREDIT UNIT:** 3      **DATE:** November,2014

**COURSE TITLE:** BUSINESS POLICY & STRATEGY

**INSTRUCTION:** Attempt ANY FOUR(4) Questions      **TIME:** 3Hours

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**Q 1:** (a) No matter what the size of the business, business policies can be simple to write and implement, while adding structure to the great things you are already doing. Discuss the specific reasons for creating business policies. **(10marks)**

(b) The etymology of "business" relates to the state of being busy either as an individual or society as a whole, doing commercially viable and profitable work. Discuss

**(7½marks).**

**Q 2:** (a) The Historical Perspective of the Evolution of Business Policy has been viewed in terms of four paradigm shifts. Elucidate. **(7½marks)**

(b) Business policy is important as a course in the management curriculum and as a component of executive development programmes for middle-level managers who are preparing to move up to the senior management level. Discuss.

**(10marks)**

**Q 3:** (a) What is strategy implementation? **(2½ marks)**

(b) Outline and discuss the various steps in strategy implementation **(5 marks)**

(c) With the aid of a model, discuss and explain in details what a typical organizational implementation process should look like. **(10 marks)**

**Q 4: CASE - Profile of the Porsche Buyer**

It was Mr. John Wells' first day on his new job as chairman of Porsche. In the last six years sales dropped from 53,000 units in 2009 to around 12,000 units in 2014. In these dismal 6years, the company had lost over \$200 million. He knew the challenges that faced him. His first concern was cost. Porsche has always been expensive. Another challenge known to him is the type of person who buys a Porsche or who would like to be a Porsche owner. For the profile of the car buyer, John asked Mr. Richard Ford, Porsche's VP of sales and marketing in Nigeria, to commission a study that would

reveal that profile. Mr. Ford hired a consulting firm of anthropologists to find out the profile of typical Porsche owners. A few months after, a report indicated that the typical owner is between 40-60 year old male college graduate earning over \$200,000 a year. The report further categorized owners into 5 personality types as follows:

**Top Guns** represent 27% of owners. These individuals are driven and ambitious. What matters to them are power and control as well as strong desire to be noticed? **Elitists** represent 24% of owners. To them, a car is just a car, no matter how expensive. They do not feel that the car is an extension of the owner's personality. **Proud Patrons** represent 23% of owners. Ownership is an end in itself. Their car is a trophy earned for hard work. **Bon Vivants** represent 17% of owners. They are worldly jet setters and thrill seekers. The car is a means of heightening the excitement in their busy lives. **Fantasists** represent 9% of owners. The car is an escape. Feeling a little guilty about owning a Porsche, they avoid impressing others with the fact that they own one. Mr. Ford thought of its possible implications to car design and promotion. Concerning the first area, he wondered if it would be desirable to produce a different car model to fit the psychographic profile of each segment. Concerning promotion, he realized advertising appeal has to take into consideration both what motivates buyers and what turns them off.

**Questions:**

1. Think of advertising appeals that would effectively promote the Porsche to each of the 5 personality types listed in the report. **(6**

**marks)**

2. Assume Mr. Ford were to decide that producing 5 separate Porsche models to fit the personality types listed in the report would be a workable strategy. Would you concur? Why or why not? **(6**

**marks)**

3. In addition to the 2 specific areas Mr. Ford was concerned about when he glanced over the report (advertising appeals and car models), what are the ramifications of this personality report to Porsche with regard to other areas of the marketing mix such as pricing, distribution, and media selection? **(5½**

**marks)**

**Q 5: (a) Draw and explain with examples the four quadrants of the Ansoff Matrix (4 marks)**

(b) Pick an organization or product of your choice and analyze same using SWOT as a

tool (6 marks)

(c) Explain 5 bases for decision making (5 marks)

(d) Write a short note on 3 reasons why firms diversify (2<sup>1</sup>/<sub>2</sub> marks)

**Q 6:(a)** Discuss six reasons why a business organization should have mission and vision Statements. (6 marks)

(b) List and discuss 5 uses of SWOT analysis to a manager (2<sup>1</sup>/<sub>2</sub> marks)

**(c) To Sandbag or Not?**

It has been raining for four days, and the weather forecast states that the rain will continue for five more days. The river is rising, but is not expected to crest for three more days. Just how high the river will crest is unknown as the rain continues to fall. The Director of Public Works has advised you that he doesn't think that sandbags will be effective along the local levee, and has suggested that the area be evacuated. Community groups, however, are concerned about their properties and are spontaneously gathering to fill sandbags to add support to the levee. In an effort to gather all information available from all parties, you have called a meeting of the heads of primary response agencies and the community group leaders.

**Question:** Assuming you are the Mayor of the city, how should this decision be made and what is your rationale for selecting this decision-making process? You are required to situate this within a model of your choice (9 marks)

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**SCHOOL:** SCHOOL OF BUSINESS

**DEPARTMENT:** BUSINESS MANAGEMENT

**SESSION:** 2014/2015

**SEMESTER:** ALPHA

**COURSE CODE:** BUS413

**CREDIT UNIT:** 3

**COURSE TITLE:** MANAGEMENT THEORY I

**INSTRUCTION:** ANSWER FOUR QUESTIONS

**TIME:** 2½Hours

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1. In the field of management and practice, several schools of management thoughts abound and this has led to the debate of management a science or an Art? How would you as a policy maker clarify this doubt and also bring to light the inter-relationship between the different school of thoughts and its implications for contemporary organizational setting. **(171/2marks)**.
  
2. (a) The Scientific Management School is not a complete invention of Frederick Taylor Identify and discuss the contributions of three pre-classicist to management thought. (**9marks**)  
(b) Identify the pre-classics and their main thoughts that you considered as precursors Taylor's scientific management movement? **(8marks)**
  
3. (a) Write short notes on the following functional areas of management **(6marks)**
  - Marketing
  - Human Resource Management
  - Information and Communication Technology
  - Administration  
(b) Discuss 5 levels of skills required of a manager **(5marks)**  
(c) List and explain in details 6 resources as an asset to a chosen organization **(6 marks)**
  
4. Management has been in practice for thousands of years though a systematic body of knowledge of management was missing'. Examine this statement with reference to evidences of the practice of management in the bible, the ancient empires of Rome, China, Greek and the Roman Catholic Church and the military. **(171/2marks)**
  
5. Communication is simply the process by which information is exchanged between two or more people. Based on this,
  - (a) Differentiate between vertical and horizontal communication in a firm **(4marks)**
  - (b) List and explain briefly seven barriers to effective communication **(7marks)**
  - (c) Discuss grapevine communication and describe how a manager can effectively manage it **(6marks)**

6. Africans are not without history or contributions to the development of management thoughts. Are there any evidences from the past empires in African of the appreciation of management? To what extent are the Cameralist contributions of any value to development of management thoughts? (171/2marks)

**Good luck**

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**SESSION:** 2014/2015

**SEMESTER:** ALPHA

**COURSE CODE:** BUS 412

**CREDIT UNIT:** 2

**COURSE TITLE:** QUANTITATIVE ANALYSIS OF BUSINESS DECISIONS 1

**INSTRUCTION:** ANSWER FOUR QUESTIONS      **TIME:** 2Hours 30min

## Question 1

Discuss the different roles played by qualitative and quantitative approaches to managerial decision making. Identify and discuss the basic investigative procedures in quantitative analysis of managerial problems and decision making (17½ marks)

## Question 2

- (a) Enumerate four basic features required for a problem to be amenable to linear programming modelling (4 marks)
- (b) Edwin Brothers produces two basic plastic pipe. Three resources are crucial to the output of the pipe: extrusion hours, packaging hours, and a special additive to the plastic raw material. The following data represent next week's situation. All data are expressed in units of 100 feet pipe

	Product		
Resource	Type 1	Type 2	Resource Availability
Extrusion	4hr	6hr	48hr
Packaging	2hr	2hr	18hr
Additive mix	2lb	1 lb	16 lb

The contribution to profits and overhead per 100 feet of pipe is N34 for type 1 and N40 for type 2

- (a) Formulate the problem as a linear programming problem and using the graphical approach determine how much of each type of pipe should be produced to maximize contributions to profit and to overhead (10½ marks)
- (b) Which of the constraints are binding? (1½ marks)
- (c) Is any constraints redundant? Why/why not? (1½ marks)

## Question 3

The Finance Department of Covenant University is contemplating three (3) investments alternatives for N100million Trust Fund recently acquired. The investment alternatives are stocks, bonds and real estate. The estimated returns of each of the alternatives under three (3) possible economic conditions are as shown in the table below:

Alternatives	States of Nature		
	E <sub>1</sub>	E <sub>2</sub>	E <sub>3</sub>
Stocks	N2,400,000	N1,200,000	-N800,000
Bonds	N1,800,000	N1,000,000	N400,000
Real Estate	N3,600,000	N1,600,000	N1,600,000

**Required:**

Determine the best alternatives under each of the following criteria

- Laplace (3½ marks)
- Maximin (1½ marks)
- Maximax (1½ marks)
- Hurwicz. ( $\beta=0.4$ ) (3½ marks)
- Salvage Regret (3½ marks)
- Suppose the probabilities estimated for the state of nature are given as  $E_1 = 0.4$ ,  $E_2 = 0.3$  and  $E_3 = 0.3$

What is the best alternative using the **expected opportunity loss** criteria (3½ marks)

**Questions 4**

- Write short notes on: (a) Iconic Model (b) Analogue Model (c) Qualitative model (3 marks)
- Yerokun Investments produces Electric Jug for the Nigerian market. The company estimated production setup cost to be N6, 000:00; the setup cost is fixed regardless of number of units produced. In addition the company estimated the variable labour and material costs to be N25:00 for each unit produced
  - Develop a cost-volume model for producing X units of the Electric jug (2 marks)
  - Using the model developed in “a” above compute the total cost of producing 2,400 Electric Jug (2 marks)
  - Suppose a unit of the Electric Jug sells for N100 only, develop a model for the company’s total revenue (1 mark)
  - Develop a Total Profit model for the company and use the model to calculate the profit or loss if 100 Electric Jug is projected to be sold in the incoming year (4 marks)
  - Compute the number of Electric Jugs the company must sell to breakeven (2½ marks)
  - What is the company’s Marginal cost and Marginal revenue? Comment on your result (3 marks)

**Question 5**

Two catering firms, Hebron Bakery and Food to go, compete with each other in the market place in a one shot game where they both produce barbeques for a wedding fete. The managers accidentally meet at an occasion a few days before the fete and discuss the upcoming wedding. As they both know they can charge a higher price when they jointly produce than when they decide to restrict (R) supply so that they both make a higher profit of N2000 each. If they both choose not to co-operate (NC), they would only make N1500 each. So co-operation at that point seemed like a good thing to do.

However, when they got back to their respective offices the next morning, they each separately started having second thoughts. Knowing if their opponent does not keep to their arrangement (Does not co-operate, NC) whilst they in contrast unilaterally restrict (R) their output that their own profit will fall to N1200, whilst their opponent’s will rise to N2300. They also know that the opposite is true, that is they

know they could make N2300 pounds if they do not co-operate when their opponent restricts (R) (who in that case makes N1200).

Required:

- (a) Draw this game in a sequential (full information) game where Food to Go moves first (8 marks)
- (b) Draw the normal form or strategic representation for this game and derive the equilibrium (4 marks)
- (c) Enumerate five approaches to decision making (2½ marks)
- (d) The coefficient of the decision variables in the constraint equation is called (1 mark)
- (e) Distinguish between decision making under risk and decision making under uncertainty (2 marks)

**Question 6**

Firm A and Firm B are deciding on the type of advertisement to use for their firms (Advertisement H and Advertisement B) respectively for their new product. The payoff is given as follows

A B	H	B
H	( 2, 1)	(-1, -1)
B	(-5, -5)	(1, 2)

- (a) Redraw this in an extensive form as a sequential (full information) game where A moves first. (4 marks)
- (b) Redraw this in an extensive form as a sequential (full information) game where B moves first. (4 marks)
- (c) What conclusions can you draw with respect to the sequential game versions? (2 marks)
  - (i) List four components of a decision model (2marks)
  - (ii) Coefficient of Optimism is also known as..... (1 mark)
  - (iii) Identify three application areas of Linear Programming (1½mark)
  - (iv) Under what condition will a constraint be considered as redundant in linear programming problem solution (1 mark)
  - (v) Explain the term ‘Limiting Factor’ in a Linear programming Problem Solution (1½ marks)

Name of Examiner: .....

Signature: ..... Date:.....

Name of Chief Examiner: .....

Signature: ..... Date: .....

External Examiner: .....

Signature: ..... Date: .....

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**SCHOOL:** BUSINESS

**DEPARTMENT:** BUSINESS MANAGEMENT

**SESSION:** 2014/2015

**SEMESTER:** ALPHA

**COURSE CODE:** BUS 414

**CREDIT UNIT:** 3 **DATE:** November, 2014

**COURSE TITLE:** CORPORATE PLANNING

**INSTRUCTION:** Attempt ANY FOUR(4) Questions **TIME:** 3Hours

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Q1(a). Planning covers the whole process of determining what purpose to pursue and the means of attaining them as well as the mechanism for monitoring results. Discuss. (10marks)

(b). What is the relationship between planning and organizational performance? (7<sup>1</sup>/<sub>2</sub>marks)

Q2(a). Do you agree that corporate planning, strategic planning and corporate strategy are the same? Give reasons for your answer. (10marks)

(b). What do you understand by the term corporate planning? Why do corporate plan fail and what can be done to ensure its success? (7<sup>1</sup>/<sub>2</sub> marks)

Q3. (i). "Decision making is the primary task of the manager". Discuss. (3marks)

(ii). Describe well-structured problems and programmed decisions. (4marks)

(iii). Describe ill-structured problems and non-programmed decisions. (3marks)

(iv). List the roles of a manager as a rational decision maker. (3marks)

(v). List the steps involved in decision making process. Briefly discuss each of them. (4<sup>1</sup>/<sub>2</sub>marks)

Q4. (i). What do you understand by the term Management by Objectives (MBO)? (5marks)

(ii). What are the steps in a typical MBO programme? (12<sup>1</sup>/<sub>2</sub> marks)

Q5. (i). How effective is forecasting as a planning technique? (5marks)

(ii). Describe the different types of forecasting. (5marks)

(iii). What does the benchmarking process involve? (4<sup>1</sup>/<sub>2</sub>marks)

(iv). Differentiate between forecasting and planning premise (3marks)

Q6. (i). What is the value of breakeven analysis as a planning tool? (5marks)

(ii). For what types of planning situations would linear programming be appropriate? (4marks)

(iii). Describe how the following are used in planning: queuing theory, probability theory and breakeven analysis. (8<sup>1</sup>/<sub>2</sub>marks)

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**COLLEGE:** COLLEGE OF BUSINESS AND SOCIAL SCIENCES

**SCHOOL:** SCHOOL OF BUSINESS

**DEPARTMENT:** BUSINESS MANAGEMENT

**SESSION:** 2014/2015

**SEMESTER:** ALPHA

**COURSE CODE:** BUS416

**CREDIT UNIT:** 2

**COURSE TITLE:** OPERATIONS MANAGEMENT

**INSTRUCTION:** ANSWER FOUR QUESTIONS      **TIME:** 2½ Hours

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## **Question 1**

1. (a) What do you understand by Operations Management? (2½ marks)
- (b.) Differentiate between Operations Research and Operations Management (3 marks)
- (c) Provide a brief functional classification of operating systems (8 marks)
  
- (d) ‘The structure of operating system indicates how the operations manager tackles problems and how the system functions to provide output’ With the aid of examples, identify and discuss the types of system structure common for manufacturing operating systems (4 marks)

## **Question 2**

‘Management students who failed to understand the evolution of management thought are not free from repeating past mistakes’ Provide a detailed historical discourse of the evolution of Operations Management. Is Frederick Winslow Taylor of any relevance to the field of contemporary operations management? (17½ marks)

## **Question 3**

- (a) Products and services are believed to exist within the framework of a life’s span described as the product/service life cycle. Enumerate the components of this framework and explain the challenges faced by the operations manager at each stage. (9½ marks)
- (b) Briefly discuss the differences between service and tangible product (8 marks)

## **Question 4**

- (a) You have been appointed to manage the Covenant University Micro-Finance Bank Identify and discuss the various competitive priorities that you could employ to secure competitive edge in the industry (10marks)
- (b) Briefly examine the relationship between corporate mission and operations strategy (7½ marks)

## **Question 5**

- (a) Define the term Operation Scheduling (3 marks)
  - (b) Identify and briefly discuss the key activities or output of operations scheduling system
- The service department of Don Auto works operates with four mechanics: Bill, David, Seun and Jim, all of comparable training. However, the estimated labour requirements for jobs

scheduled for service vary with each mechanic. Processing times for each possible assignment are as shown below:

Jobs	Time in Minutes			
	Bill	David	Seun	Jim
A	70	50	50	60
B	30	30	90	110
C	30	10	20	60
D	50	20	70	60

Required

- Determine the optimal assignment (2½ marks)
- Determine the minimum total labour time of the optimal assignment (12 marks)

### Question 6

- The human element play an important role as component of the production process. Identify and discuss two human resource policies for achieving employment stability in operations management (6 marks)
- In a time study conducted to determine the standard for a certain Job the observed elements of the job, cycle time and performance ratings are specified in the table below. (Assume an allowance factor of 15% and a liberty to delete unusual or nonrecurring observations)

Job element	Cycle time observed (n Minutes)					Performance Rating
	1	2	3	4	5	
A	8	10	9	21	11	120%
B	2	3	2	1	3	105%
C	2	1	5	2	1	110%

Required:

- Compute the average time for each element of the Job (4½ marks)
  - Determine the normal time for each element and the total normal time for the job (3½ marks)
  - Determine the standard time for the job (2 marks)
  - Suppose a certain employee spend 35minutes on this job and a query is always given if an employee exceeds the standard time by more than 7 minutes. What is the likely outcome of this performance? (1½ marks)
-

Name of Examiner: .....

Signature: ..... Date: .....

Name of Chief Examiner: .....

Signature: ..... Date: .....

External Examiner: .....

Signature: ..... Date: .....

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**DEPARTMENT:** BUSINESS MANAGEMENT

**SESSION:** 2014/2015

**SEMESTER:** OMEGA

**COURSE CODE:** BU417

**CREDIT UNIT:** 3

**COURSE TITLE:** SMALL BUSINESS MANAGEMENT & ENTREPRENEURSHIP

**INSTRUCTION:** ANSWER FOUR QUESTIONS

**TIME:** 2½ Hours

**INSTRUCTIONS: ANSWER QUESTION 1 AND ANY OTHER FOUR.**

1. You have been asked to explain the basic elements of a sound business plan to your friend, who is considering beginning a new business. What elements should you recommend he include in his business plan? Be detailed in your answer (14 marks).
2. (a). Discuss the potential benefits and drawbacks of entrepreneurship (7 marks).  
(b). Describe the factors that are driving the current entrepreneurial trend in the world economy (7 marks).
3. Assume you own a small camera shop that sells and repairs cameras and equipment. Discuss some of the methods you might select to allow you to successfully compete against the many large retailers that are nearby (14 marks).
4. (a). Investors are said to be more market-oriented than product-oriented. What does this mean? What is the logic behind this orientation? (7 marks)  
(b). For the entrepreneur starting a new venture, a business plan has three basic purposes. Discuss the three and other purposes of a business plan (7 marks).
5. (a) A boutique has a sale of N150, 000 in a particular month. The cost of purchasing goods for resale is N60, 000. Calculate the gross profit as a percentage of sales for that month (5 marks)

(b) A supermarket makes a sale of 100 pairs of shoes daily at N5, 000 per pair. The cost of purchasing each pair of shoe is N2000.00. From the given analysis state:

- i) State if the supermarket is making a daily profit or a loss on shoes? (3 marks)
- ii) Considering the business operational level of the supermarket, do you think the supermarket is operating at optimal level on daily sale of shoes? (3 marks)
- iii). Give reasons for your answer. (3 marks)

6. (i). Write short notes on the following:

a) Variable costs (3 marks)

b) Fixed costs (3 marks)

c) Start up costs (3 marks)

(ii). State the implications of variable costs for small business management (5 marks)