

TROY PROGRAM

Department of Management

Field	Details
Assessment Session	Midterm Exam
Course ID	MGT371
Course Name	Principle of Management
Class ID	_____
Exam Group	_____
Semester	Spring
Student Name	_____
Student ID	_____
Signature	_____
Form	Midterm Exam
Duration	60 minutes
Exam No	1
Academic year	2025-2026

School/Department Approval

Grade	Examiner's Signature	Proctor's Signature

Note: CLOSED BOOK, students does not allow to use hard copy and soft copy materials.

PART 1: MULTIPLE-CHOICE QUESTIONS (5 marks)

Answer the multiple-choice questions in the table below by marking (x) in **ONE** corresponding box to the order of question, and answer options in the test.

1. Which management function involves setting goals and deciding how best to achieve them?

- A. Organizing
- B. Leading
- C. Planning
- D. Controlling

2. Management is the process of getting things done, effectively and efficiently, through and with:

- A. Machines
- B. Other people
- C. Technology
- D. Financial resources

3. Internal resources that an organization does well are called:

- A. Opportunities
- B. Weaknesses
- C. Strengths
- D. Threats

4. The degree to which tasks in an organization are divided into separate jobs is known as:

- A. Departmentalization
- B. Work Specialization
- C. Span of Control
- D. Formalization

5. In Mintzberg's managerial roles, which role involves transmitting information internally?

- A. Monitor
- B. Spokesperson
- C. Disseminator
- D. Figurehead

6. Who is responsible for making decisions about the direction of the entire organization?

- A. First-line managers
- B. Middle managers
- C. Top managers
- D. Team leaders

7. The "Task Environment" of an organization includes:

- A. Economic conditions
- B. Competitors and Suppliers
- C. Political/Legal factors
- D. Technological factors

8. A plan that is flexible and sets out general guidelines is a:

- A. Specific plan
- B. Single-use plan
- C. Standing plan
- D. Directional plan

9. Management by Objectives (MBO) focuses on goals that are:

- A. Set solely by top management
- B. Jointly determined by subordinates and supervisors
- C. Informal and unwritten
- D. Only for the long term

10. The number of employees a manager can efficiently and effectively manage is called:

- A. Unity of Command
- B. Chain of Command
- C. Span of Control
- D. Power Hierarchy

11. Environmental uncertainty is determined by two dimensions:

- A. Size and Technology
- B. Degree of Change and Degree of complexity
- C. Effectiveness and Efficiency

- D. Profits and Losses

12. Which organizational structure groups similar or related occupational specialties together?

- A. Simple structure
- B. Functional structure
- C. Divisional structure
- D. Matrix structure

13. Which departmentalization type groups jobs based on territory or geography?

- A. Product
- B. Functional
- C. Geographical
- D. Customer

14. Conceptual skills are most important for which level of management?

- A. First-line managers
- B. Middle managers
- C. Top managers
- D. Non-managerial employees

15. Which contingency factor suggests that a mechanistic structure is more effective for routine technology?

- A. Strategy and Structure
- B. Size and Structure
- C. Technology and Structure
- D. Environmental Uncertainty

16. In an environment with high uncertainty, managers should:

- A. Only check and monitor the environment
- B. Manage stakeholders through direct methods
- C. Build strategic relationships with stakeholders
- D. Limit communication to internal members only

17. Qualitative evaluation of alternative solutions in the planning process often involves:

- A. Net Present Value (NPV)
- B. Marginal Cost (MC)
- C. Marginal Revenue (MR)
- D. Experience and deductive analysis

18. **A Matrix structure violates which traditional management principle?**

- A. Span of Control
- B. Unity of Command
- C. Work Specialization
- D. Decentralization

19. **"Doing things right" refers to _ while "doing the right things" refers to _.**

- A. Effectiveness; Efficiency
- B. Efficiency; Effectiveness
- C. Planning; Organizing
- D. Organizing; Planning

20. **Organic organizations are characterized by:**

- A. High formalization and rigid departmentalization
- B. Narrow spans of control and centralization
- C. Cross-hierarchical teams and free flow of information
- D. Clear chain of command and high specialization

PART 2. TRUE or FALSE (3 marks)

Please select the True or False answer by tick on the **T** or **F** column below.

No.	Statements	T	F
21	First-line managers are ultimately responsible for the entire organization's strategies.	☐	☐
22	Mechanistic organizations are highly adaptive and flexible structures that permit change.	☐	☐
23	The wider the span of control, the more levels of management an organization will have.	☐	☐
24	Efficiency is known as "doing the right things" to achieve organizational goals.	☐	☐
25	In traditional goal setting, the assumption is that top managers understand the "overall picture" best.	☐	☐
26	Decentralization is more appropriate when an organization is facing a crisis or risk of failure.	☐	☐
27	Planning is concerned with both the ends (what is to be done) and the means (how it is to be done).	☐	☐
28	Stakeholders are individuals or organizations affected by an organization's decisions.	☐	☐
29	A Hybrid structure combines both simple and functional organizational designs.	☐	☐
30	Formal planning identifies specific goals for the long term and shares them with all members.	☐	☐

PART 3. Open question (2 marks): Surviving in a Volatile Market

"FastTech" is a traditional household appliance manufacturer that has operated successfully for 20 years using a **Mechanistic Structure** with highly specialized jobs and a clear chain of command. However, the market is shifting. New competitors are launching smart, AI-integrated appliances, and technological conditions are changing more rapidly than ever, shifting FastTech into a **"Cell 4" environment of high uncertainty**. Sales are dropping because the current rigid structure and traditional top-down goal setting are too slow to react to these changes. As a newly appointed Strategic Manager, please provide a brief report addressing the following three points:

1. **Environment Analysis:** Identify one factor from the **General Environment** and one factor from the **Task Environment** that are currently creating the most "uncertainty" for FastTech.
2. **Structural Recommendation:** Should FastTech maintain its **Mechanistic** structure or transition toward an **Organic** structure to survive in this Cell 4 environment? Justify your choice with two specific reasons based on the sources.
3. **Planning Strategy:** Suggest whether the company should use **Specific Plans** or **Directional Plans** during this transition, and explain why.