IIHMR UNIVERSITY

School of Pharmaceutical Management

MBA Pharmaceutical Management

Batch-11 (2019-2021)

Principles of Management

Term Examination

1 Year

September 2019

EXAMINATION CELL IIHMR UNIVERSITY

Time - 3 Hour **MM-50**

The question paper contains 1 printed page.

Q. 1. Case Study 15 Marks

After graduating in textile engineering Utpal Ghosh joined Raymonds, Thane as a trainee. Having completed the probation period of one year, he was made permanent on the job. This is the 10th year of his service. Currently he is deputy manager of quality control department. Ghosh is a man of patience with keen scenes of observation. While on his regular rounds he noticed that the textile clothes that are woven show double threading and thinning of threading at regular frequency in the clothes spread. He asked to stop the production and started investigating. The production process consisted of threads released by the spindles. Ghosh found that some spindles were moving slowly resulting in double threading while other spindles were moving faster than the required speed which led to thinning of threading. He asked to recheck the speed of all the spindles to ensure that they work in uniform speed. Once it was cleared, he ordered trail run which removed the defect in the woven clothes. When he was convinced about the accuracy of work, he ordered starting of commercial run.

a) Analyse the problem in the case. 5 Marks

b) Are you of the opinion that the problem was easily solved? 5 Marks

c) Suggest measures to gear up the departmental work. 5 Marks

Q.2. You have been assigned the responsibility of coordinating the OKKI cyclone relief measures in the district of Kanyakumari, Tamilnadu. How will you go about the relief measures? Bring out the varied planning, organizing, staffing and control functions you will decide on.

15 Marks

Q.3. Take any two Indian companies and examine how they have succeeded or failed due to poor planning. 20 Marks

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Q.1. Case Study

The day has finally come: Mr. Rajesh is to assume the position of President of Metro Manufacturing. Metro is a widely respected producer of high quality control mechanisms. When the previous president retired, Rajesh was identified as the likely choice for assuming the post. He was respected for his competence in the field and for his ability to work with employees at all levels of operations. Rajesh arrived at work early this morning, not so much to work but to think. As he sits behind his new executive desk, drinking a cup of coffee, his thoughts go back to his early days with Metro.

Twenty years ago Rajesh was just a young man right out of college with no business experience and a degree in industrial management. He was hired as an assistant foreman and was placed immediately on the production line. "Oh, those were the days", he thought. "Seems like there was a problem that required solving every minute". Thank goodness for the standard operating procedures manuals (SOP's) and for a foreman who was patient enough to answer my questions, didn't have to make too many critical decisions then. But I sure was putting out a lot of daily fires".

As the nostalgia influence continues, Rajesh thinks back to the time when he was taken off the production line and promoted into middle management. "Things sure did change then", he thought. As production manager, he had to think further into the future. As a foreman, Rajesh was primarily concerned with meeting daily production requirements. Now he had to plan weeks and even months in advance. The human and communication problems remained although it seems like the reports he had to write were longer. But, as he remembers, the major changes occurred because he had to do more creative thinking. Laughing to himself he thought about the time he went to the files to pull out on SOP for an unusual problem he had to confront and there was none. He was frustrated because he had to handle the problem with little assistance. But, as his analytical, decision-making, and conceptual ability increased, he found himself using his technical skills less and less.

Another cup of coffee provided the stimulus to think about the special promotion he made to vice-president of planning five year ago. It was a major hurdle in his life because he had been in heavy competition with five well-qualified managers. He had heard through the grapevine that he had received the position because he was able to think for himself. But, even his past training did not fully prepare Rajesh for the demands of the job; he had to learn much of it on his own. Rather than thin months into the future, he now was required to envision years. Grinning, he remembered that at first he did not realize that there were so many people outside of production that he had to coordinate activities with. Marketing and finance had to be tied together with production. His conceptual and decision-making skills continued to increase. A long time ago, the benefits of the "good old" SOP's lost their value.

But now, as Rajesh looks at his desk plate which says "President" new thoughts run through his mind. A whole new world opens to him now. He wonders what new requirements will be placed on him. A twinge of fear moves through his body as the thoughts of the new job take hold. What skills will be now needed to be successful?

Questions

a. As the President of Metro Manufacturing, what specific skills will Rajesh need to be effective?

8 Marks

b. How do the demands of different levels of responsibility change as manager progresses up the hierarchy of an organisation? 7 Marks

c. What general recommendations would you offer for Rajesh? 5 Marks

Q.2. Suggest a method of depart mentation for a large multi-product organization with a huge market spread over the whole country. Explain the reasons for your suggestions. 10 Marks

Q.3. Case Study

Mr. Srinivasa Raghavan, the Chairman of the Best Food Products Company, was tired of being the only one in the company actually responsible for profits. While he had good vice-presidents in charge of finance, sales, advertising, manufacturing, purchasing, and product research, he realized he could not hold any of them responsible for company profits, as much as he would like to. He often found it difficult even to hold them responsible for the contribution of their various areas to company profits. The sales vice-president, for example, had rather reasonably complained that he could not be fully responsible for sales when the advertising was ineffective, when the products wanted by customers were not readily available from manufacturing, or when he did not have the new products he needed to meet competition. Likewise, the manufacturing vice-president had some justification when he made the point that he could not hold costs down and still be able to produce short runs so as to fill orders on short notice; moreover, financial controls would not allow the company to carry a large inventory of everything.

Mr. Raghavan had considered breaking the company down into six or seven segments by setting product divisions with a manager over each with profit responsibility. But he found that this would not be feasible or economical since many of the company's branded food products were produced on the same factory equipment and used the same raw materials and a sales person calling on a store or supermarket could far more economically handle a number of related products than one or a few.

Consequently, Mr. Raghavan came to the conclusion that the best thing to do was to set up six product managers reporting to a product marketing manager. Each product manager would be given responsibility for one or a few products and would oversee, for each product, all aspects product research, manufacturing, advertising and sale thereby becoming the person responsible for the performance and profits relating to the products.

Mr. Raghavan realized that he could not give these product managers actual line authority over the various operating departments of the company since that would cause each vice-president and his department to report to six product managers and the product marketing manager, as well as the president. He was concerned with this problem but knew that some of the most successful larger companies in the world had used the product manager system. Moreover one o his friends on a university faculty told him that he must expect a certain amount of confusion in any organisation and that this might not be bad since it forced people to work together as teams.

Mr. Raghavan resolves to put in the product manager system in his organisation as outlined and hoped for the best. But he wondered how he could avoid the problem of confusion in reporting relationships.

Questions

a. Do you agree with Mr.Raghavan's programme? State the exact problem in the case. 5 Marks

b. What would you do to avoid any confusion in this organisation? 5 Marks

c. Do you suggest any other organisation model for this business? If so, present the organisation chart of the same. 10 Marks