

Chapter 2: Management Learning Past to Present**True/False**

1. The principles of scientific management were proposed by Frederick Taylor.

Answer: True
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

2. Coordination refers to providing and mobilizing resources to implement a plan.

Answer: False
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

3. Henri Fayol believed that management could be taught.

Answer: True
Learning Objective: 2.1
Difficulty: Moderate
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

4. Time study is the science of reducing a task to its basic physical motions.

Answer: False
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

5. Formal rules and procedures are defining characteristics of Weber's bureaucratic organization.

Answer: True
Learning Objective: 2.1
Difficulty: Moderate
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

6. The disadvantage of administrative principles is that it includes excessive paperwork.

Answer: False
Learning Objective: 2.1
Difficulty: Moderate
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

7. Behavioral approaches assume that people are social and self-actualizing, enjoy social relationships, respond to group pressures, and search for personal fulfillment.

Answer: True
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

8. After a series of scientific tests, Elton Mayo and his team of researchers concluded that new a "social setting" created for workers in a test room decreased the productivity of those employees.

Answer: False
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

9. According to Elton Mayo, people would restrict their output in order to avoid the displeasure of their group, even if it meant sacrificing pay that could otherwise be earned by increasing output.

Answer: True
Learning Objective: 2.2
Difficulty: Moderate
AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

10. The Hawthorne effect is the tendency of persons singled out for special attention to perform as expected.

Answer: True

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

11. According to the deficit principle, a satisfied need is a motivator of behavior.

Answer: False

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

12. According to the progression principle, a satisfied need does not motivate behavior.

Answer: False

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

13. Physiological needs and safety needs are higher-order needs in Maslow's hierarchy of human needs.

Answer: False

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

14. Maslow's ideas point managers toward finding ways to link volunteer work with opportunities to satisfy higher-order needs like esteem and self-actualization.

Answer: True

Learning Objective: 2.2
Difficulty: Moderate
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

15. Managers holding Theory Y assumptions approach their jobs believing that those who work for them generally dislike work, lack ambition, act irresponsibly, and prefer to be led rather than to lead.

Answer: False
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

16. Managers who hold Theory Y assumptions cannot create self-fulfilling prophecies.

Answer: False
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

17. Argyris asserts that psychological success occurs when people define their own goals.

Answer: True
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

18. Argyris's theory of adult personality counters Fayol's concept of unity of direction.

Answer: True
Learning Objective: 2.2
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

19. A grocery store receives complaints from customers that the waiting time is too long for checkouts during certain times of the day. This problem can be solved by the queuing theory.

Answer: True

Learning Objective: 2.3

Difficulty: Moderate

AACSB: Application of knowledge

Bloom's Taxonomy: Application

20. A real estate developer wants to control costs and finish building a new apartment complex on time. This problem can be solved by inventory analysis.

Answer: False

Learning Objective: 2.3

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

21. People and technology are outputs in an open system.

Answer: False

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

22. Goods and services are inputs in an open system.

Answer: False

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

23. A tight bureaucracy works best when the environment is relatively stable and operations are predictable and uncomplicated.

Answer: True

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

24. Continuous improvement involves always searching for new ways to improve work quality and performance.

Answer: True

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

25. Knowledge management involves making decisions based on hard facts about what really works.

Answer: False

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

Multiple Choice

26. Which of the following assumes that people at work rationally consider opportunities made available to them and do whatever is necessary to achieve the greatest personal and monetary gain?

- A. Classical management approach
- B. Theory X
- C. Theory of human needs
- D. Behavioral management approach
- E. Modern management approach

Answer: A

Learning Objective: 2.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

27. Which of the following is a classical management approach?

- A. Theory X
- B. Theory Y

- C. Human needs theory
- D. Hawthorne studies
- E. Administrative principles

Answer: E

Learning Objective: 2.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

28. _____ emphasizes careful selection and training of workers and supervisory support.
- A. Bureaucratic organization
 - B. Theory X
 - C. Theory Y
 - D. Scientific management
 - E. Administrative principles

Answer: D

Learning Objective: 2.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

29. Who is known as the father of scientific management?
- A. Henri Fayol
 - B. Frederick Taylor
 - C. Max Weber
 - D. Douglas McGregor
 - E. Abraham Maslow

Answer: B

Learning Objective: 2.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

30. The primary goal of scientific management is to:
- A. make decisions based on hard facts about what really works.
 - B. use large databases and mathematics to solve problems.
 - C. satisfy the physiological and psychological deficiencies of a person.
 - D. improve the productivity of people by careful selection and training.
 - E. make every employee an owner of a business organization.

Answer: D

Learning Objective: 2.1
Difficulty: Moderate
AACSB: Analytical thinking
Bloom's Taxonomy: Comprehension

31. Pizza Bliss, a pizza delivery chain, assures delivery of pizza within half an hour of the placement of order. It employs various methods like specialization of work, motion study, and analysis of routes to make sure that an order reaches a customer in half an hour. Which of the following management techniques is Pizza Bliss most likely using?
- A. Maslow's theory of human needs
 - B. Bureaucratic organization
 - C. Scientific management
 - D. Hawthorne studies
 - E. Theory X and Theory Y

Answer: C
Learning Objective: 2.1
Difficulty: Hard
AACSB: Application of knowledge
Bloom's Taxonomy: Application

32. Which of the following led to advances in the areas of job simplification, work standards, and incentive wage plans?
- A. Administrative principles
 - B. Theory of human needs
 - C. Theory X
 - D. Theory Y
 - E. Motion study

Answer: E
Learning Objective: 2.1
Difficulty: Moderate
AACSB: Analytical thinking
Bloom's Taxonomy: Comprehension

33. _____ is to complete a plan of action for the future.
- A. Foresight
 - B. Organization
 - C. Command
 - D. Coordination
 - E. Control

Answer: A

Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

34. Which of the following best defines organization?
- A. To complete a plan of action for the future
 - B. To provide and mobilize resources to implement a plan
 - C. To lead, select, and evaluate workers to get the best work toward a plan
 - D. To fit diverse efforts together and to ensure information is shared and problems are solved
 - E. To make sure things happen according to a plan and to take necessary corrective action

Answer: B
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

35. _____ is to lead, select, and evaluate workers to get the best work toward a plan.
- A. Foresight
 - B. Organization
 - C. Command
 - D. Coordination
 - E. Control

Answer: C
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

36. The manager of a company fits diverse efforts together. He ensures that information is shared and problems are solved. Which of the following management functions is he performing?
- A. Foresight
 - B. Organization
 - C. Command
 - D. Coordination
 - E. Control

Answer: D
Learning Objective: 2.1

Difficulty: Moderate
AACSB: Interpersonal relations and teamwork
Bloom's Taxonomy: Comprehension

37. In a fresh juice manufacturing plant, the production team manufactures 2,000 bottles of juice per day while the sales team sells only 1,700 bottles per day. Since the product is perishable, the extra output incurs losses to the company. Hence, the manager intervenes and sets a common standard for both the teams. Which of the following management duties is the manager performing?
- A. Control
 - B. Foresight
 - C. Coordination
 - D. Organization
 - E. Command

Answer: C
Learning Objective: 2.1
Difficulty: Hard
AACSB: Application of Knowledge
Bloom's Taxonomy: Application

38. _____ is to make sure things happen according to plan and to take necessary corrective action.
- A. Foresight
 - B. Organization
 - C. Command
 - D. Coordination
 - E. Control

Answer: E
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

39. A manager employs five workers to produce a total of 36 units of a product per day. He soon realizes that the workers are able to produce only 30 units a day. He then employs an additional worker to meet the set target. Which of the following duties of management is he performing while taking the corrective action?
- A. Foresight
 - B. Organization
 - C. Command
 - D. Coordination
 - E. Control

Answer: E
Learning Objective: 2.1
Difficulty: Hard
AACSB: Application of Knowledge
Bloom's Taxonomy: Application

40. Which of the following is true of the scalar chain principle?
- A. Each person should receive orders from only one boss.
 - B. One person should be in charge of all activities that have the same performance objective.
 - C. There should be a clear and unbroken line of communication from the top to the bottom in an organization.
 - D. Guidelines must be written and kept for historical record.
 - E. Workers should be selected and promoted on ability, competency, and performance.

Answer: C
Learning Objective: 2.1
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

41. A worker receives an order to meet the daily production target from one manager and an order to train the new workers from another. Which of the following principles does the company neglect?
- A. Scalar chain principle
 - B. Unity of command principle
 - C. Unity of direction principle
 - D. Principle of motion study
 - E. Principle of merit

Answer: B
Learning Objective: 2.1
Difficulty: Moderate
AACSB: Application of Knowledge
Bloom's Taxonomy: Application

42. Which of the following is true of the unity of direction principle?
- A. One person should be in charge of all activities that have the same performance objective.
 - B. Guidelines must be written and kept for historical record.
 - C. Each person should receive orders from only one boss.

- D. There should be a clear and unbroken line of communication from the top to the bottom in an organization.
- E. Workers should be selected and promoted on ability, competency, and performance.

Answer: A

Learning Objective: 2.1

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

43. Which of the following best pertains to clear division of labor?
- A. Rules and procedures are impartially and uniformly applied, with no one receiving preferential treatment.
 - B. Jobs are well defined, and workers become highly skilled at performing them.
 - C. Workers are selected and promoted on ability, competency, and performance, and managers are career employees of an organization.
 - D. Written guidelines direct behavior and decisions in jobs, and written files are kept for historical record.
 - E. Authority and responsibility are well defined for each position, and each position reports to a higher-level.

Answer: B

Learning Objective: 2.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

44. Which of the following best pertains to impersonality?
- A. Jobs are well defined, and workers become highly skilled at performing them.
 - B. Workers are selected and promoted on ability, competency, and performance, and managers are career employees of an organization.
 - C. Written guidelines direct behavior and decisions in jobs, and written files are kept for historical record.
 - D. Authority and responsibility are well defined for each position, and each position reports to a higher-level.
 - E. Rules and procedures are impartially and uniformly applied, with no one receiving preferential treatment.

Answer: E

Learning Objective: 2.1

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

45. At Infibeam Solutions, the workers under one manager are expected to follow specific timings for their shifts, and the workers under another manager are given the liberty of flexible timings. Which of the following characteristics of a bureaucracy has the company neglected?
- A. Clear division of labor
 - B. Clear hierarchy of authority
 - C. Unity of direction
 - D. Careers based on merit
 - E. Impersonality

Answer: E

Learning Objective: 2.1

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

46. According to Max Weber, which of the following is an advantage of bureaucracy?
- A. Relatively less paperwork
 - B. Flexibility in the face of shifting client needs
 - C. Reliability and stringency of discipline
 - D. Employee enthusiasm
 - E. Speed in handling problems

Answer: C

Learning Objective: 2.1

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

47. Which of the following is a disadvantage of bureaucracy?
- A. Preferential treatment of some employees
 - B. Unclear division of labor
 - C. Excessive paperwork
 - D. Unclear hierarchy of authority
 - E. Absence of written guidelines

Answer: C

Learning Objective: 2.1

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

48. The _____ approaches assume that people are social and self-actualizing, enjoy social relationships, respond to group pressures, and search for personal fulfillment.
- A. classical
 - B. scientific management
 - C. contingency thinking
 - D. behavioral
 - E. modern

Answer: D

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

49. Which of the following is true of Follett's view on organizations?
- A. She viewed organizations as communities in which managers and workers should work in harmony.
 - B. She warned against the dangers of less hierarchy.
 - C. She supported the idea of managers dominating workers.
 - D. She propagated the idea of workers working individually, rather than in a group.
 - E. She believed that it wasn't a manager's job to help people cooperate with one another.

Answer: A

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

50. Which of the following management theories advocates employee ownership, profit sharing, and gain-sharing plans?
- A. McGregor's Theory X and Theory Y
 - B. Hawthorne studies
 - C. Fayol's Administrative Principles
 - D. Maslow's hierarchy of needs
 - E. Follett's organizations as communities

Answer: E

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

51. A manager wishes to implement the conclusions of the Hawthorne studies in her organization. To do so, she should:
- A. create written guidelines for workers.
 - B. implement division of labor in the workplace.
 - C. assure good human relations between workers.
 - D. reduce a job or task to its basic physical motion.
 - E. define authority and responsibility for each worker.

Answer: C

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

52. A manager finds out that the productivity of her workers has declined. Therefore, she creates a new social setting for the workers, where they share pleasant social relations with one another and receive special attention from the supervisor. The manager has implemented lessons from _____ to improve the productivity of her workers.
- A. the scientific management theory
 - B. the theory of human needs
 - C. Theory X and Theory Y
 - D. the Hawthorne studies
 - E. Fayol's administrative principles

Answer: D

Learning Objective: 2.2

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

53. According to Mayo's research team, _____ in a test room resulted in higher productivity.
- A. economic incentives
 - B. good human relations
 - C. scientific management
 - D. adequate rest pauses
 - E. timely measurement of production

Answer: B

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

54. Which of the following theories proposes that groups can have strong negative, as well as positive, influences on individual productivity?
- A. Scientific management theory
 - B. Bureaucratic organization
 - C. Theory X and Theory Y
 - D. Hawthorne studies
 - E. Administrative principles

Answer: D

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

55. Which of the following best describes the Hawthorne effect?
- A. It refers to the tendency of people who are singled out for special attention to perform as anticipated because of expectations created by the situation.
 - B. It implies that satisfied need does not motivate behavior.
 - C. It refers to a need that is activated only when the next-lower-level need is satisfied.
 - D. It implies that people dislike work, lack ambition, act irresponsibly, and prefer to be led.
 - E. It implies that people are willing to work, like responsibility, and are self-directed and creative.

Answer: A

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

56. The deficit principle states that:
- A. a need is activated only when the next-lower-level need is satisfied.
 - B. people dislike work, lack ambition, act irresponsibly, and prefer to be led.
 - C. people are willing to work, like responsibility, and are self-directed and creative.
 - D. people at work rationally consider opportunities made available to them and do whatever is necessary to achieve the greatest personal and monetary gain.
 - E. a satisfied need is not a motivator of behavior.

Answer: E

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

57. Klark, an employee of Relkins & Sons Ltd., earns a good compensation, owns a house, has a stable job, and is close to his family and friends. He has been recognized as a good manager, respected by his subordinates, and has mastered his managerial skills. His company offers to pay his house rent if he negotiates a deal with a particular client. This offer fails to motivate him. Which of the following principles explains Klark's behavior?
- A. Progression principle
 - B. Principle of motion study
 - C. Deficit principle
 - D. Hawthorne effect
 - E. Self-fulfilling prophecy

Answer: C

Learning Objective: 2.2

Difficulty: Hard

AACSB: Application of Knowledge

Bloom's Taxonomy: Application

58. Which of the following management theories is based on the deficit principle and the progression principle?
- A. Administrative principles
 - B. Maslow's theory of human needs
 - C. Scientific management
 - D. Hawthorne studies
 - E. Theory X and Theory Y

Answer: B

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

59. Which of the following refers to the lowest needs in Maslow's hierarchy of human needs?
- A. Esteem needs
 - B. Self-actualization needs
 - C. Social needs
 - D. Safety needs
 - E. Physiological needs

Answer: E

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

60. The progression principle states that:
- A. a need is activated only when the next-lower-level need is satisfied.
 - B. people dislike work, lack ambition, act irresponsibly, and prefer to be led.
 - C. people are willing to work, like responsibility, and are self-directed and creative.
 - D. people at work rationally consider opportunities made available to them and do whatever is necessary to achieve the greatest personal and monetary gain.
 - E. a satisfied need does not motivate behavior.

Answer: A

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

61. Leonard works in a company where he receives minimum wages. He does not have sufficient money to pay his medical bills. His manager offers to award him with a "Best Worker" certificate if he increases his productivity. This offer fails to motivate him. Which of the following explains Leonard's behavior?
- A. Progression principle
 - B. Principle of motion study
 - C. Deficit principle
 - D. Hawthorne effect
 - E. Weber's bureaucracy theory

Answer: A

Learning Objective: 2.2

Difficulty: Hard

AACSB: Application of Knowledge

Bloom's Taxonomy: Application

62. Recognition is an example of:
- A. safety needs.
 - B. esteem needs.
 - C. self-actualization needs.
 - D. physiological needs.
 - E. social needs.

Answer: B

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

63. Which of the following matches correctly?
- A. Affection—Esteem needs
 - B. Protection—Self-actualization needs
 - C. Prestige—Safety needs
 - D. Physical well-being—Physiological needs
 - E. Mastery—Social needs

Answer: D

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

64. Which of the following is an example of a self-actualization need?
- A. Need for self-fulfillment
 - B. Mastery
 - C. Affection
 - D. Protection
 - E. Physical well-being

Answer: A

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

65. The CEO of Charter & Co. has a good compensation, a house, a family, and many friends. He is respected by his employees and is recognized as an efficient manager. Now, he wants to start his own company. Which of the following needs is he responding to?
- A. Social needs
 - B. Esteem needs
 - C. Physiological needs
 - D. Self-actualization needs
 - E. Safety needs

Answer: D

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Application of Knowledge

Bloom's Taxonomy: Application

66. The worker of a company earns a wage that provides with him good food, shelter, and a good standard of living. According to the progression principle, which of the following needs is most likely to motivate him next?
- A. Recognition
 - B. Mastery
 - C. Protection
 - D. Self-fulfillment
 - E. Affection

Answer: E

Learning Objective: 2.2

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

67. The worker of a company is motivated by the need for security, protection, and stability in the events of his day-to-day life. According to the progression principle, which of the following needs has already been satisfied?
- A. Safety needs
 - B. Cultural needs
 - C. Social needs
 - D. Esteem needs
 - E. Physiological needs

Answer: E

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Application of knowledge

Bloom's Taxonomy: Application

68. At the level of _____ needs, the deficit and progression principles cease to operate.
- A. self-actualization
 - B. social
 - C. safety
 - D. esteem
 - E. physiological

Answer: A

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

69. Penny is the manager at Peace, an international campaigning organization where volunteers work without being paid. According to Maslow's theory, which of the following needs should Penny focus on to increase the productivity of the volunteers?
- A. Physical well-being
 - B. Safety
 - C. Esteem
 - D. Mastery
 - E. Protection

Answer: C

Learning Objective: 2.2

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

70. According to McGregor's Theory X, _____.
- A. people are social and self-actualizing
 - B. a satisfied need does not motivate behavior
 - C. people at work rationally consider opportunities made available to them
 - D. a need is activated only when the next-lower-level need is satisfied
 - E. people dislike work, lack ambition, act irresponsibly, and prefer to be led

Answer: E

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

71. According to McGregor's Theory Y, _____.
- A. people are willing to work, like responsibility, and are self-directed and creative
 - B. people are social and self-actualizing
 - C. a satisfied need does not motivate behavior
 - D. people at work rationally consider opportunities made available to them
 - E. a need is activated only when the next-lower-level need is satisfied

Answer: A

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

72. Which of the following is true of a self-fulfilling prophecy?
- A. It does not occur to managers who hold Theory X assumptions.
 - B. It occurs when a person acts in ways that confirm the person's expectations.

- C. It does not occur to managers who hold Theory Y assumptions.
- D. It is the tendency of persons singled out for special attention to perform as expected.
- E. It tries to match management practices with situational demands.

Answer: B

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

73. Cooper is a manager who assumes that his employees dislike work and act irresponsibly. He tries to command and control his workers in every possible way. According to the self-fulfilling prophecy, Cooper's employees are most likely to:
- A. take initiatives.
 - B. become creative.
 - C. become passive.
 - D. be self-directed.
 - E. perform responsibly.

Answer: C

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Application of knowledge

Bloom's Taxonomy: Application

74. Margaret is a manager who assumes that her workers are willing to perform well, like responsibility, and are self-directed. She encourages them to be more involved in their jobs and grants them reasonable freedom. Margaret's subordinates are most likely to:
- A. act passively.
 - B. become dependent.
 - C. perform reluctantly.
 - D. perform irresponsibly.
 - E. take initiatives.

Answer: E

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Application of knowledge

Bloom's Taxonomy: Application

75. Managers holding assumptions in Theory X and Theory Y believe that _____.
- A. people are willing to work and like responsibility.
 - B. people are self-directed and creative.

- C. these theories typically create responsible workers.
- D. these theories create self-fulfilling prophecies.
- E. these theories create opportunities to satisfy esteem and self-actualizing needs.

Answer: D

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

76. According to Argyris, _____.
- A. managers who treat people positively and as responsible adults will achieve the highest productivity
 - B. the principle of specialization increases opportunities for self-actualization
 - C. bureaucracy allows workers to control their work
 - D. the concept of unity of direction leads to psychological success
 - E. people dislike work, lack ambition, act irresponsibly, and prefer to be led

Answer: A

Learning Objective: 2.2

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

77. What was the disadvantage Argyris found in Weber's bureaucratic model?
- A. It would create passive, dependent workers.
 - B. It limits opportunities for self-actualization.
 - C. It would create conditions for psychological failure.
 - D. It creates a lenient work environment.
 - E. It disregards motion study.

Answer: A

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

78. Argyris's theory of adult personality differs from the scientific management theory in that Argyris's theory:
- A. develops rules of motion.
 - B. develops a clear and consistent approach to work.
 - C. proposes excessive supervision of employees.
 - D. uses the concept of "time study" to improve efficiency.
 - E. criticizes the principle of specialization.

Answer: E
Learning Objective: 2.2
Difficulty: Moderate
AACSB: Analytical thinking
Bloom's Taxonomy: Comprehension

79. According to Argyris's theory of adult personality, which of the following creates dependent and passive workers?
- A. Weber's bureaucracy
 - B. Organizations as systems
 - C. Organizations as communities
 - D. Scientific management
 - E. Maslow's theory of human needs

Answer: A
Learning Objective: 2.2
Difficulty: Moderate
AACSB: Analytical thinking
Bloom's Taxonomy: Comprehension

80. According to Argyris's theory of adult personality, which of the following may create conditions for psychological failure?
- A. The deficit principle
 - B. The progression principle
 - C. The concept of motion study
 - D. The concept of unity of direction
 - E. The principle of specialization

Answer: D
Learning Objective: 2.2
Difficulty: Moderate
AACSB: Analytical thinking
Bloom's Taxonomy: Comprehension

81. _____ is the use of large databases and mathematics to solve problems and make informed decisions using systematic investigation.
- A. Analytics
 - B. Evidence-based management
 - C. Total quality management
 - D. Contingency thinking
 - E. Proxemics

Answer: A

Learning Objective: 2.3
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

82. A coal extracting company is worried about the depleting coal reserves in various parts of the world. It wants to make future projections for reserve sizes and depletion rates that are useful in the planning process. Which of the following quantitative approaches should the company apply?
- A. Inventory analysis
 - B. Mathematical forecasting
 - C. Queuing theory
 - D. Linear programming
 - E. Network models

Answer: B
Learning Objective: 2.3
Difficulty: Moderate
AACSB: Analytic thinking
Bloom's Taxonomy: Comprehension

83. A food chain is getting complaints from customers that the waiting time is too long from the time of order placement to the time of delivery during certain times of the day. The outlet wants to allocate service personnel and workstations based on alternative workload demands and in a way that minimizes both customer waiting times and costs of service workers. Which of the following quantitative approaches is the outlet most likely to apply?
- A. Inventory analysis
 - B. Mathematical forecasting
 - C. Queuing theory
 - D. Linear programming
 - E. Network models

Answer: C
Learning Objective: 2.3
Difficulty: Moderate
AACSB: Analytic thinking
Bloom's Taxonomy: Comprehension

84. _____ helps control stocks by mathematically determining how much to automatically order and when.
- A. Queuing theory
 - B. Mathematical forecasting
 - C. Inventory analysis

- D. Linear programming
- E. Network models

Answer: C

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

85. Which of the following is true of linear programming?
- A. It makes future projections useful in the planning process.
 - B. It helps control inventories by mathematically determining how much to automatically order and when.
 - C. It allocates service personnel and workstations based on alternative workload demands.
 - D. It calculates how best to allocate production among different machines.
 - E. It breaks large tasks into smaller components and diagrams them in step-by-step sequences.

Answer: D

Learning Objective: 2.3

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

86. Network models are used to:
- A. make future projections useful in the planning process.
 - B. control inventories by mathematically determining how much to automatically order and when.
 - C. allocate service personnel and workstations based on alternative workload demands.
 - D. calculate how best to allocate production among different machines.
 - E. break large tasks into smaller components and diagram them in step-by-step sequences.

Answer: E

Learning Objective: 2.3

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

87. _____ allow project managers to analyze, plan, and control timetables for the completion of activity sub-sets.
- A. Linear programming

- B. Bureaucracy
- C. Network models
- D. Queuing theory
- E. Inventory analysis

Answer: C

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

88. A _____ is a collection of interrelated parts working together for a purpose.
- A. contingency
 - B. system
 - C. motion study
 - D. cost center
 - E. safety need

Answer: B

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

89. In an open system, which of the following is an input?
- A. An oven used by a baker
 - B. A service offered by a baker
 - C. A special type of cheese offered by a deli
 - D. A loaf of bread made by a baker
 - E. A sandwich sold at a deli

Answer: A

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

90. In an open system, which of the following is an output?
- A. Technology
 - B. People
 - C. Supplies
 - D. Money
 - E. Goods

Answer: E
Learning Objective: 2.3
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

91. _____ tries to match managerial responses with problems and opportunities specific to different people and settings.
- A. Total quality management
 - B. Knowledge management
 - C. Evidence-based management
 - D. Contingency thinking
 - E. Quantitative analysis

Answer: D
Learning Objective: 2.3
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

92. Which of the following works best in a stable and predictable environment?
- A. Tight bureaucracy
 - B. Evidence-based management
 - C. Human relations approach
 - D. Knowledge management
 - E. Quality management

Answer: A
Learning Objective: 2.3
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Comprehension

93. From a contingency perspective, a tight bureaucracy:
- A. is a dynamic way of organizing things.
 - B. is best suited in organizations that are quick in adapting to changing circumstances.
 - C. is best suited for quick handling of problems.
 - D. works best in a relatively unstable environment.
 - E. works best when the operations are predictable and uncomplicated.

Answer: E
Learning Objective: 2.3
Difficulty: Moderate

AACSB: Analytical thinking
Bloom's Taxonomy: Comprehension

94. _____ is an organization-wide commitment to continuous improvement, product attribute, and customer needs.
- A. Quantitative analysis
 - B. Total quality management
 - C. Theory X
 - D. Theory Y
 - E. Scientific management

Answer: B
Learning Objective: 2.3
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

95. Which of the following is true of total quality management?
- A. It makes quality principles part of an organization's strategic objectives.
 - B. It is applied only to a few aspects of operations.
 - C. It applies exclusively to managers.
 - D. It applies to the inputs of a system.
 - E. It is a one-time improvement process.

Answer: A
Learning Objective: 2.3
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

96. Which of the following is a predominant principle of total quality management?
- A. Contingency thinking
 - B. Continuous improvement
 - C. Quantitative analysis
 - D. Progression principle
 - E. Deficit principle

Answer: B
Learning Objective: 2.3
Difficulty: Easy
AACSB: Analytical thinking
Bloom's Taxonomy: Knowledge

97. An ISO certification is a global indicator of the importance of:
- A. knowledge management.
 - B. evidence-based management.
 - C. total quality management.
 - D. quantitative analysis.
 - E. contingency thinking.

Answer: C

Learning Objective: 2.3

Difficulty: Easy

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

98. Which of the following best describes evidence-based management?
- A. It is the process of using intellectual capital for competitive advantage.
 - B. It involves making decisions based on hard facts about what really works.
 - C. It is the use of large databases and mathematics to solve problems.
 - D. It is the science of reducing a task to its basic physical motions.
 - E. It emphasizes careful selection and training of workers and supervisory support.

Answer: B

Learning Objective: 2.3

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

99. Which of the following holds true for evidence-based management?
- A. It does not use evidence from the local context.
 - B. An evaluation of the available research evidence is unnecessary.
 - C. It does not use "dangerous half-truths" as evidence.
 - D. The perspectives of those people affected by a decision are irrelevant.
 - E. It does not make decisions based on "hard facts."

Answer: C

Learning Objective: 2.3

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

100. Which of the following criteria is useful to determine a good scientific method?
- A. Research question or problem remains unidentified.
 - B. Data are rigorously gathered, analyzed, and interpreted.
 - C. Hypothesis obtained are irrelevant as evidences.

- D. No hypothesis is stated as an explanation.
- E. A research design is formed at the last stage of the conclusion.

Answer: B

Learning Objective: 2.3

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Comprehension

101. Antoinette, the CEO of Magnum Heights, believes that employees who feel they are part of the organization in which they work are likely to exhibit better productivity. Keeping these ideals in mind, she has adopted a scheme in which employees are offered shares of the company. Which managerial theory does Antoinette demonstrate?
- A. Weber's bureaucracy model
 - B. McGregor's Theory X
 - C. Follett's organizations as communities
 - D. Fayol's administrative principles
 - E. Taylor's scientific management

Answer: C

Learning Objective: 2.1

Difficulty: Moderate

AACSB: Application of knowledge

Bloom's Taxonomy: Application

102. Ronald was chosen as the assistant manager because of his skill to manage employees and work out solutions for emerging problems. In his organization, jobs are well defined, and employees become experts at what they do. There is a formal chain of command, yet there is no favoritism. According to this information, choose the approach to management that has been adopted by John's organization.
- A. Maslow's theory of human needs
 - B. Evidence-based management
 - C. Bureaucracy
 - D. Taylor's managerial approach
 - E. Scalar chain system

Answer: C

Learning Objective: 2.1

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

103. Mr. Reymont, the founder of Reymont Public School, set multiple guidelines and rules about each governing body and the hierarchical structure. He has set up a system to ensure that crucial information reaches all stakeholders in the organization. This has helped in the smooth functioning of the school and avoided managerial overrides.

Which of the following principles has Mr. Reymont adhered to in this scenario?

- A. Scalar chain of principle
- B. Progression principle
- C. Deficit principle
- D. Participative management
- E. Total quality management

Answer: A

Learning Objective: 2.1

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

104. Angelica and her team of tailoring workers were put on an experimental task to see if a particular amount of work could be achieved in a week. The team worked as expected and completed the given amount of work in the given time. The members of the group were rated high on cohesiveness, and the coworkers were influenced by the energy of a few enthusiastic workers in the group. Which of the following does this behavior demonstrate?

- A. Scalar chain of principle
- B. Hawthorne effect
- C. Deficit principle
- D. Progression principle
- E. Self-concordance

Answer: B

Learning Objective: 2.2

Difficulty: Hard

AACSB: Application of Knowledge

Bloom's Taxonomy: Application

105. Which of the following employees can be categorized under McGregor's Theory Y?
- A. Vivian accepts her new role as a manager and strives to fulfill her responsibilities.
 - B. Richards limits his imaginative skills, which results in his underperformance.
 - C. Cassandra is resistant and rigid to her new work environment.
 - D. Annie depends on her manager for direction and support.
 - E. Cathleen refuses to delegate work to her subordinates.

Answer: A

Learning Objective: 2.2

Difficulty: Hard

AACSB: Application of Knowledge

Bloom's Taxonomy: Application

106. Derek, a 36-year-old bachelor, works for a security company. His employer has provided him with living quarters along with the minimum wage he receives. He doesn't have any close friends or family. According to Maslow's progression principle, which of the following needs of Derek is being fulfilled at present?
- A. Physiological needs
 - B. Achievement needs
 - C. Social needs
 - D. Esteem needs
 - E. Self-actualization needs

Answer: A

Learning Objective: 2.2

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

107. Mr. Gold believes in Argyris's theory of adult personality. He does not weigh down his subordinates, nor does he discriminate them by their age or intelligence. He does not limit their opinions, but rather encourages them to define their own strategies and goals. What is the reason for this approach of Mr. Gold?
- A. A satisfied need does not fail to motivate behavior.
 - B. Limitations cause psychological failure.
 - C. It creates a clear hierarchy of authority.
 - D. Limitations to self-actualization opportunities increase productivity.
 - E. It adheres to the unity of direction principle.

Answer: B

Learning Objective: 2.2

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

108. Adrian is worried about his factory's consecutive decrease in profits due to the goods that are damaged in the storehouse. This has increased his cost of factors of production. In an attempt to tackle the problem, he has set up a system of measuring the needs of his clients and manufacturing the required number of products. Which of the following approaches has Adrian adopted?
- A. Mathematical forecasting
 - B. Queuing theory
 - C. Linear programming
 - D. Inventory analysis
 - E. Network models

Answer: D

Learning Objective: 2.3

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

109. Vernon's team has published a quarterly report that shows a significant decline in sales regarding a particular retailer. Till now, the retailer has been a profitable customer for Vernon's company. Vernon needs to find out the problem and deal with the situation quickly. In this situation, which of the following management styles would be most appropriate for Vernon to adopt?
- A. Quality management
 - B. Knowledge management
 - C. Contingency thinking
 - D. Networks model
 - E. Linear programming

Answer: C

Learning Objective: 2.3

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

110. Brad, a manager at an online shopping company, wants to figure out a way for cost effective logistics. While a few suggestions have been made by his colleagues, Brad wants to select only that technique that has been proved to be effective according to hard facts. In this situation, which of the following approaches is being adopted by Brad?
- A. Evidence-based management
 - B. Knowledge management
 - C. Total quality management
 - D. Contingency thinking
 - E. Linear programming

Answer: A

Learning Objective: 2.3

Difficulty: Hard

AACSB: Application of knowledge

Bloom's Taxonomy: Application

Essay

111. Explain the conclusion of the Hawthorne studies.

Answer: Elton Mayo and his colleagues conducted the Hawthorne studies and concluded that the new “social setting” created for workers in the test room made them want to do a good job. They shared pleasant social relations with one another and received lots of special attention that made them feel important. They were given a lot of information and were frequently asked for their opinions. Mayo’s team concluded that good “human relations” in the test room seemed to result in higher productivity.

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytical thinking

Bloom’s Taxonomy: Comprehension

112. Explain the two underlying principles that form the basis for Maslow’s theory of human needs.

Answer: Abraham Maslow described a need as a physiological or psychological deficiency a person feels the compulsion to satisfy, suggesting that needs create tensions that can influence a person’s work attitudes and behaviors. Maslow’s theory is based on two underlying principles. The first is the deficit principle—a satisfied need is not a motivator of behavior. People act to satisfy “deprived” needs, those for which a satisfaction “deficit” exists. The second is the progression principle—the five needs exist in a hierarchy of “prepotency.” A need at any level is activated only when the next-lower-level need is satisfied.

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytical thinking

Bloom’s Taxonomy: Knowledge

113. What are the two different assumptions that create a self-fulfilling prophecy?

Answer: Theory X and Theory Y are the two assumptions that create self-fulfilling prophecies. Managers with Theory X assumptions, for example, act in a very directive “command-and-control” fashion that gives people little personal say over their work. These supervisory behaviors create passive, dependent, and reluctant subordinates, who tend to do only what they are told to or required to do. This reinforces the original Theory X viewpoint. In contrast to Theory X, managers with Theory Y assumptions tend to behave in “participative” ways that allow subordinates more job involvement, freedom, and responsibility. This creates opportunities to satisfy esteem and self-actualization needs; workers tend to perform as expected with initiative and high performance.

Learning Objective: 2.2

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge

114. Discuss organizations as systems.

Answer: Organizations have long been described as cooperative systems that achieve great things by combining resources and the contributions of many individuals to achieve a common purpose. But the reality is that cooperation among the many people and parts is often imperfect and can be improved. That is why it's important to understand the full complexity of an organization as a system of interrelated parts or subsystems that work together to achieve a common purpose. It is helpful to view organizations as open systems that interact with their environment in a continual process of transforming inputs—people, technology, information, money, and supplies—into outputs—goods and services for their customers and clients.

Learning Objective: 2.3

Difficulty: Moderate

AACSB: Analytical thinking

Bloom's Taxonomy: Knowledge