

1. A car retailer sets the following sales target for its new car model:

**'50% of Hong Kong drivers will buy our new car model in 2019.'**

Which of the following criteria for setting good objectives is/are fulfilled in this sales target?

- (1) specific
- (2) measurable
- (3) attainable
- A. (2) only
- B. (3) only
- C. (1) and (2) only
- D. (1) and (3) only

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2. The planning process includes

- (1) deciding the objectives of the enterprise.
- (2) maximising the profitability of the enterprise.
- (3) completing different tasks in order to achieve the objectives of the enterprise.
- A. (1) only
- B. (1) and (2) only
- C. (2) and (3) only
- D. (1), (2) and (3)

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3. Which of the following are the characteristics of a flat organization as opposed to a tall organization?

- (1) wider span of control
- (2) fewer levels of management
- (3) shorter decision-making process
- A. (1) and (2) only
- B. (1) and (3) only
- C. (2) and (3) only
- D. (1), (2) and (3)

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4. Which of the following is **not** an advantage of adopting democratic leadership for a business?

- A. enhance operational efficiency
- B. widen managers' exposure
- C. strengthen staff support for business policies
- D. improve mutual understanding between management and staff

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5. The following are the tasks required for quality control:

- (1) measure the actual rate of defective items by sampling
- (2) find reasons and take follow up measures if the actual rate of defective items is higher than the acceptable level
- (3) set the acceptable rate of defective items
- (4) compare the actual rate of defective items with the acceptable rate

The sequence of the quality control procedure should be:

- A. (1)→(3) →(2) →(4)
- B. (1)→(4) →(3) →(2)
- C. (3)→(1) →(2) →(4)
- D. (3)→(1) →(4) →(2)

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6. Which of the following statement about “division of work” are correct?
- (1) It facilitates automation of production.
  - (2) It makes it easier for managers to supervise the production process.
  - (3) It makes it easier for workers to master the production process they are responsible for.
- A. (1) and (2) only  
B. (1) and (3) only  
C. (2) and (3) only  
D. (1), (2) and (3)
7. Which of the following statements about ‘authority’ is/are correct?
- (1) An operations manager has staff authority over his/her subordinates.
  - (2) A human resources manager has line authority over the plant manager.
  - (3) An accounting manager has line authority over his/her subordinates.
- A. (2) only  
B. (3) only  
C. (1) and (2) only  
D. (1), (2) and (3)
8. Which of the following are advantages of management by objectives (MBO)?
- (1) It reduces paper work.
  - (2) It enables better control of subordinates' work progress.
  - (3) It helps to enhance coordination between different levels.
- A. (1) and (2) only  
B. (1) and (3) only  
C. (2) and (3) only  
D. (1), (2) and (3)
9. A trading firm is departmentalised by function. At the beginning of every year, the General Manager and the department managers discuss and formulate the departmental objectives together so as to achieve the overall target of the firm. Regular reviews are conducted by them to see whether the departmental objectives have been achieved as planned.
- Based on the above information, which of the following principles of effective management are used by the firm?
- (1) balancing authority and responsibility
  - (2) management by objectives
  - (3) division of work
- A. (1) and (2) only  
B. (1) and (3) only  
C. (2) and (3) only  
D. (1), (2) and (3)
10. Which of the following is an effective goal for an airline company?
- A. Satisfy the needs of all customers  
B. Provide the best services for customers  
C. Minimise customer waiting time as much as possible  
D. Maintain an on-time rate of more than 90% during the year

11. Mr Wong is a bank manager. He sets a target for his employees: Improve customer service quality in a year. Which of the following criteria for setting good objectives have not been met in this target?
- (1) Specific
  - (2) Time-bound
  - (3) Measurable
- A. (1) and (2) only  
B. (1) and (3) only  
C. (2) and (3) only  
D. (1), (2) and (3)
12. An international casual wear retail chain has the following plans:  
Plan A: Enter the Mainland market  
Plan B: Open five shops each in Beijing and Shanghai in 2011.  
What kinds of business plans are these?
- A. Plan A: Long-term plan; Plan B: Short-term plan  
B. Plan A: Tactical plan; Plan B: Operational plan  
C. Plan A: Directional plan; Plan B: Specific plan  
D. Plan A: Strategic plan; Plan B: Operational plan
13. Companies which have many brands often use the \_\_\_\_\_ structure to organise their marketing activities.
- A. functional  
B. customer  
C. geographical  
D. product
14. Benny practises laissez-faire leadership at his company. Which of the following are likely to be correct?
- (1) He provides guidance for employees whenever necessary.
  - (2) He does not set limits on employees' authority.
  - (3) He allows employees to make their own decisions.
- A. (3) only  
B. (1) and (2) only  
C. (2) and (3) only  
D. (1), (2) and (3)
15. Which of the following statements is about how managers perform the controlling function?
- A. Managers assign tasks to subordinates.  
B. Managers define goals for their team.  
C. Managers monitor employees' work.  
D. Managers determine how to allocate resources.
16. TTM Company is a multinational shipping company which has operations in more than 10 countries. Which is the most appropriate method for organising its marketing activities?
- A. Functional structure  
B. Geographical structure  
C. Product structure  
D. Customer structure

17. Which of the following statements about 'unity of command' is correct?
- A. Each subordinate has only one supervisor to whom he directly reports.
  - B. Each manager should work for a single department.
  - C. A company has only one goal toward which employees should be working.
  - D. Each plan is led by one manager who can assign tasks to employees.
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18. Jason has line authority over Keith. Which of the following statements is/are correct?
- (1) Jason is Keith's superior.
  - (2) Jason also has staff authority over Keith.
  - (3) Jason can delegate authority and responsibility to Keith.
- A. (1) only
  - B. (2) only
  - C. (3) only
  - D. (1) and (3) only
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19. Which of the following are advantages of Management by Objectives?
- (1) Managers can have better control of subordinates' work progress.
  - (2) The communication between managers and their subordinates can be improved.
  - (3) MBO can enhance coordination between different departments of a company.
- A. (1) and (2) only
  - B. (1) and (3) only
  - C. (2) and (3) only
  - D. (1), (2) and (3)
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20. Justin groups similar activities in his company under one plan and assigns one manager to be responsible for monitoring their implementation. This is an application of \_\_\_\_\_.
- A. unity of command
  - B. division of labour
  - C. unity of direction
  - D. MBO
- ☐
21. A doctor assigns different jobs to his nurses, with each responsible for different sections: registration, consultation, cashier and medicine. This is an application of
- A. unity of command.
  - B. unity of direction.
  - C. division of labour.
  - D. delegation.
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