

RCM

ACCOUNTING TECHNICIANS DIPLOMA (ATD)

LEVEL II

PRINCIPLES OF MANAGEMENT

CONTINUOUS ASSESSMENT TEST I (CAT I)

TIME ALLOWED: 2 HOURS

TOTAL MARKS: 100

MONDAY: 26 October 2025. Afternoon Paper.

INSTRUCTIONS TO CANDIDATES

1. This paper consists of **Fifty (50) multiple-choice questions**.
 2. Answer **ALL** questions.
 3. Each question carries **Two (2) marks**.
 4. The total marks for this paper are **100 marks**.
 5. For each question, select the **one best answer** from the alternatives provided.
 6. Write the letter corresponding to your answer clearly in the answer booklet/answer sheet provided.
 7. All questions are compulsory.
 8. Candidates should manage their time appropriately.
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SECTION A: MULTIPLE CHOICE QUESTIONS

Answer ALL questions in this section.

Question 1

A manager in a growing organisation regularly considers how decisions made by the finance, marketing and operations departments affect the organisation as a whole. Which managerial skill is most evident?

- A. Technical skill
- B. Conceptual skill
- C. Mechanical skill
- D. Clerical skill

(2 marks)

Question 2

A branch manager attends an industry conference and uses the opportunity to establish relationships with suppliers, regulators and other business executives. Which managerial role is being demonstrated?

- A. Spokesperson
- B. Liaison
- C. Figurehead
- D. Disturbance handler

(2 marks)

Question 3

Which one of the following best explains why management is regarded as a continuous process?

- A. Managers perform their duties only during working hours
- B. Management activities continue as organisations pursue changing objectives
- C. Managers are responsible only for controlling employees
- D. Management ends once organisational objectives have been established

(2 marks)

Question 4

A supervisor notices that an employee is experiencing difficulties at work and takes time to listen carefully before discussing possible solutions. This behaviour mainly demonstrates:

- A. interpersonal skill
- B. technical authority
- C. centralisation
- D. formalisation

(2 marks)

Question 5

Which one of the following is normally associated with top-level management?

- A. Preparing daily duty rosters
- B. Supervising individual workers
- C. Formulating long-term organisational strategies
- D. Checking individual transactions

(2 marks)

Question 6

A factory manager introduces detailed work measurements to determine the most efficient method of performing repetitive production tasks. This approach is associated with:

- A. Human relations theory
- B. Scientific management
- C. Systems theory
- D. Contingency theory

(2 marks)

Question 7

Which one of the following was one of the major contributions of Frederick W. Taylor to management thought?

- A. Emphasis on informal groups
- B. Development of scientific approaches to work methods
- C. Introduction of the hierarchy of needs
- D. Development of bureaucratic authority

(2 marks)

Question 8

An organisation requires every employee to follow clearly established rules and procedures, with decisions based on formal authority rather than personal relationships. This arrangement reflects:

- A. Weber's bureaucratic theory
- B. Mayo's human relations theory
- C. McGregor's Theory Y
- D. Drucker's MBO approach

(2 marks)

Question 9

Employees in a department become more productive after management begins holding regular team discussions and showing greater interest in their welfare. Which management perspective best explains this situation?

- A. Scientific management
- B. Human relations approach
- C. Bureaucratic approach
- D. Classical administrative approach

(2 marks)

Question 10

A manager believes that employees are capable of accepting responsibility and exercising initiative when properly motivated. This assumption is consistent with:

- A. Theory X
- B. Theory Y
- C. Equity Theory
- D. Two-Factor Theory

(2 marks)

Question 11

A company experiences poor performance because its purchasing, production and sales departments operate independently without considering their effect on one another. Which management approach would provide the most appropriate perspective?

- A. Systems approach
- B. Scientific approach
- C. Bureaucratic approach
- D. Classical approach

(2 marks)

Question 12

A manager changes the leadership approach used with employees depending on their experience, skills and the circumstances facing the organisation. This reflects the:

- A. administrative approach
- B. contingency approach
- C. bureaucratic approach
- D. scientific approach

(2 marks)

Question 13

Which one of the following is a key characteristic of Management by Objectives?

- A. Employees are excluded from setting performance targets
- B. Objectives are established and performance is assessed against agreed results
- C. Managers rely entirely on informal instructions
- D. Employees are evaluated without reference to organisational goals

(2 marks)

Question 14

A company compares its strong distribution network with competitors' distribution capabilities before deciding how to expand into a new region. Which management tool is most appropriate for such an assessment?

- A. SWOT analysis
- B. Gantt chart

- C. Decision tree
- D. Break-even analysis

(2 marks)

Question 15

For MBO to work effectively, objectives assigned to employees should preferably be:

- A. vague and flexible
- B. determined without consultation
- C. clear, measurable and agreed upon
- D. unrelated to organisational objectives

(2 marks)

Question 16

A supermarket regularly studies changes in customer preferences, competitor promotions and new technologies before deciding on its future strategy. This activity is known as:

- A. environmental scanning
- B. job evaluation
- C. operational control
- D. departmentalisation

(2 marks)

Question 17

A new law requiring businesses to comply with stricter employment regulations would be classified under which PESTEL factor?

- A. Economic
- B. Political/Legal
- C. Social
- D. Technological

(2 marks)

Question 18

A company's strong brand reputation and loyal customer base would normally be classified in SWOT analysis as:

- A. a threat
- B. a weakness
- C. a strength
- D. an opportunity

(2 marks)

Question 19

Which one of the following is most likely to form part of an organisation's task environment?

- A. Changes in national birth rates
- B. Changes in international climate patterns
- C. Major competitors within the industry
- D. General changes in national inflation

(2 marks)

Question 20

A business discovers that a new competitor is planning to enter its market. Environmental analysis would enable management primarily to:

- A. eliminate all business risks
- B. identify possible threats and prepare appropriate responses
- C. prevent competitors from entering the market
- D. avoid reviewing its existing strategy

(2 marks)

Question 21

A department prepares a plan showing the specific activities, deadlines and resources required to achieve its immediate targets. This is primarily an:

- A. operational plan
- B. strategic plan
- C. corporate mission
- D. environmental plan

(2 marks)

Question 22

Which one of the following should normally be established before managers develop detailed alternative courses of action?

- A. Corrective action
- B. Organisational objectives
- C. Performance appraisal
- D. Employee grievances

(2 marks)

Question 23

An organisation decides to create a structure only after considering whether the benefits of additional departments and managerial positions justify their costs. This illustrates the:

- A. principle of unity of command
- B. principle of efficiency
- C. principle of scalar chain
- D. principle of equity

(2 marks)

Question 24

A sales representative receives instructions directly from the sales manager and is not simultaneously answerable to another manager for the same responsibilities. Which principle is illustrated?

- A. Unity of direction
- B. Unity of command
- C. Division of work
- D. Centralisation

(2 marks)

Question 25

A company creates separate divisions for its banking, insurance and investment products. Which organisational structure is being used?

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

(2 marks)

Question 26

A manager assigns an employee the authority to approve routine purchases while retaining overall accountability for the department's performance. This is an example of:

- A. delegation
- B. centralisation
- C. departmentalisation
- D. coordination

(2 marks)

Question 27

A supervisor is responsible for directly overseeing 12 employees. The number of employees reporting directly to that supervisor represents the manager's:

- A. chain of command
- B. span of control

- C. unity of direction
- D. level of authority

(2 marks)

Question 28

A chief executive motivates employees by communicating an inspiring vision and encouraging them to develop innovative ways of achieving organisational objectives. This is characteristic of:

- A. autocratic leadership
- B. transactional leadership
- C. transformational leadership
- D. bureaucratic leadership

(2 marks)

Question 29

A manager allows experienced employees considerable freedom to determine how their assigned work should be performed and makes minimal intervention. This represents:

- A. autocratic leadership
- B. laissez-faire leadership
- C. bureaucratic leadership
- D. directive leadership

(2 marks)

Question 30

An employee who seeks challenging assignments because of a desire to realise his or her capabilities is seeking to satisfy which level in Maslow's hierarchy?

- A. Security
- B. Social
- C. Esteem
- D. Self-actualisation

(2 marks)

Question 31

An employee works harder because he believes that greater effort will result in better performance and that good performance will lead to an attractive reward. Which theory best explains this motivation?

- A. Expectancy Theory
- B. Equity Theory
- C. Maslow's Theory
- D. Herzberg's Theory

(2 marks)

Question 32

Which one of the following would be regarded as a motivator under Herzberg's Two-Factor Theory?

- A. Salary
- B. Company policy
- C. Achievement
- D. Working conditions

(2 marks)

Question 33

The marketing department cannot launch a new product because it has not received information from the production department about available capacity. Which management function is most necessary to address this problem?

- A. Coordination
- B. Staffing
- C. Forecasting
- D. Recruitment

(2 marks)

Question 34

An organisation receives 200 applications for a vacant accounting position and assesses the applicants to identify those who best meet the requirements of the position. This activity is known as:

- A. recruitment
- B. selection
- C. induction
- D. job design

(2 marks)

Question 35

Which one of the following would normally be found in a job specification?

- A. Main duties performed by the employee
- B. Reporting relationships
- C. Qualifications and experience required
- D. Sequence of daily activities

(2 marks)

Question 36

A company identifies a promising junior accountant and provides training to prepare the employee to take over the finance manager's position in the future. This is an example of:

- A. job rotation
- B. succession planning
- C. recruitment
- D. redundancy planning

(2 marks)

Question 37

A senior manager works closely with a junior employee to prepare the employee to perform the manager's duties in the event of promotion or retirement. This is best described as:

- A. understudy assignment
- B. vestibule training
- C. apprenticeship
- D. induction training

(2 marks)

Question 38

A production manager checks work while production is taking place and immediately corrects errors before the finished goods are completed. This is an example of:

- A. feedback control
- B. concurrent control
- C. feedforward control
- D. strategic control

(2 marks)

Question 39

A manager first establishes expected sales targets and then compares actual sales with those targets. The comparison is intended to:

- A. eliminate the planning process
- B. identify performance deviations
- C. increase the span of control
- D. determine the organisational structure

(2 marks)

Question 40

An effective control system should provide managers with information that is:

- A. timely and relevant
- B. delayed and highly detailed in every situation

- C. available only at the end of the financial year
- D. unrelated to established performance standards

(2 marks)

Question 41

A company is considering three possible locations for a new branch. Management identifies the possible consequences associated with each option before choosing the most suitable location. Which tool would be particularly useful?

- A. Decision tree
- B. Gantt chart
- C. SWOT matrix
- D. Organisation chart

(2 marks)

Question 42

A manager spends significant time building trust with team members, encouraging cooperation and resolving interpersonal tensions. This manager is displaying a strong:

- A. task orientation
- B. relationship orientation
- C. bureaucratic orientation
- D. production orientation

(2 marks)

Question 43

A company has experienced repeated delays in delivering customer orders. Management investigates the sequence of events until it identifies the underlying reason for the delays. This approach is known as:

- A. benchmarking
- B. root cause analysis
- C. environmental scanning
- D. job analysis

(2 marks)

Question 44

Two employees have a serious disagreement that threatens to delay completion of an important assignment. The manager intervenes and resolves the dispute. According to Mintzberg, the manager is acting as a:

- A. resource allocator
- B. spokesperson

- C. disturbance handler
- D. monitor

(2 marks)

Question 45

A department head consistently demonstrates punctuality, honesty and professional conduct, encouraging employees to adopt similar standards. This manager is primarily:

- A. leading by example
- B. exercising coercive power
- C. applying centralisation
- D. using scientific management

(2 marks)

Question 46

A company replaces its traditional business model, restructures its operations and develops a completely new organisational culture. This type of change is best described as:

- A. incremental change
- B. transformational change
- C. routine change
- D. corrective change

(2 marks)

Question 47

Employees are informed that a proposed restructuring could eliminate some existing positions. Some employees oppose the proposal because they are uncertain about their future employment. The resistance is mainly caused by:

- A. technological opportunity
- B. fear of the unknown
- C. improved communication
- D. increased employee participation

(2 marks)

Question 48

Management wants employees to support a major organisational change. Which approach would most likely reduce resistance?

- A. Excluding employees from discussions
- B. Introducing the change without explanation
- C. Communicating the reasons for change and involving employees where appropriate
- D. Threatening employees who question the proposal

(2 marks)

Question 49

A bank introduces an improved customer service procedure, tests it in one branch and gradually extends the improvement to other branches. This is an example of:

- A. transformational change
- B. incremental change
- C. crisis change
- D. structural resistance

(2 marks)

Question 50

Which one of the following is an internal factor that could trigger organisational change?

- A. Introduction of new government regulations
- B. Changes in customer preferences
- C. A decision by management to introduce a new performance management system
- D. Entry of a foreign competitor into the market

(2 marks)

END