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INDUSTRIAL ORGANISATION AND MANAGEMENT

Oct./Nov. 2005

Time: 3 hours

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THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN ELECTRONIC ENGINEERING  
DIPLOMA IN TELECOMMUNICATION ENGINEERING  
DIPLOMA IN ELECTRICAL ENGINEERING (POWER)  
DIPLOMA IN INSTRUMENTATION & CONTROL ENGINEERING  
DIPLOMA IN MEDICAL ENGINEERING

INDUSTRIAL ORGANISATION AND MANAGEMENT

3 hours

### INSTRUCTIONS TO CANDIDATES:

You should have the following for this examination:

Answer booklet

Mathematical tables.

Answer any **FIVE** of the following **EIGHT** questions.

All questions carry equal marks.

Maximum marks for each part of a question are as shown.

This paper consists of 3 printed pages

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1. (a) List FOUR factors which affect the span of management. (4 marks)
- (b) Explain FOUR functions of an organisation chart. (8 marks)
- (c) With the aid of charts, describe the following bases of departmentation:
  - (i) product
  - (ii) functional.
 (8 marks)
2. (a) List FOUR benefits that may be realised by a firm practising method study. (4 marks)
- (b) Explain the following techniques as applied to manpower planning:
  - (i) Work sampling
  - (ii) Work measurement.
 (6 marks)
- (c) An operator takes 10 minutes to assemble an electric switch. If the rating is 120% and an allowance of 10% is provided for the operation, determine the:
  - (i) normal time
  - (ii) standard time
  - (iii) number of pieces in an 8-hour working shift.
 (10 marks)
3. (a) List FOUR factors that can influence the rise or fall in supply of commodities. (4 marks)
- (b) Explain THREE causes of inflation. (6 marks)
- (c) Outline THREE difficulties which are faced in measuring the national income of a country. (6 marks)
- (d) Explain TWO main causes of inequality of distribution of national income. (4 marks)
4. (a) List SIX characteristics of a matrix structure as a form of organisational design. (6marks)
- (b) Powertronics Engineering Ltd undertakes a project. Table 1 gives the estimates of the time for the activities involved in completing the project.

Table 1

Activity	Preceding Activity	Duration (days)
A	-	6
B	-	4
C	A	7
D	B, C	3
E	B	4
F	E	7
G	C	15
H	G	5
I	D, F, H	8
J	I	9
K	J	7



Draw the network for the project and hence determine the critical path and its duration. (14 marks)

5. (a) State FOUR reasons why employees tend to resist change. (4 marks)
- (b) Outline the steps a supervisor should take in handling a grievance. (8 marks)
- (c) Explain FOUR syndromes that can hamper effective managerial decision making. (8 marks)
6. (a) List FOUR duties of a Resident Engineer in construction works. (4 marks)
- (b) Describe the following tendering procedures:  
(i) Open tenders  
(ii) Invited tenders  
(iii) Negotiated contract. (6 marks)
- (c) Describe THREE documents used in tendering for a building project. (6 marks)
- (d) Explain:  
(i) why a price fluctuation clause should be included in a contract.  
(ii) what is contained in a price fluctuation clause. (4 marks)
7. (a) (i) Outline FOUR circumstances that may lead to winding up of a company by the court. (4 marks)  
(ii) List FOUR duties of the official receiver in a compulsory winding up of a company. (4 marks)
- (b) Describe THREE documents which must be filed when making an application for registration of a company. (6 marks)
- (c) Explain THREE ways in which a company may alter its share capital. (6 marks)
8. (a) Explain the following elements of preventive maintenance:  
(i) Inspection  
(ii) Planning and scheduling  
(iii) Records and analysis. (6 marks)
- (b) Explain THREE reasons for replacement of factory equipment. (6 marks)
- (c) Outline the steps involved in the development of a new product. (8 marks)