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| <b>FACULTY/COLLEGE</b>                            | College of Business and Economics                           |
| <b>SCHOOL</b>                                     | Johannesburg Business School                                |
| <b>DEPARTMENT</b>                                 | Business Management   |
| <b>CAMPUS</b>                                     | APB   |
| <b>MODULE NAME</b>                                | Business Decision Making                                    |
| <b>MODULE CODE</b>                                | HC1BDMG   |
| <b>SEMESTER</b>                                   | Second  |
| <b>ASSESSMENT OPPORTUNITY,<br/>MONTH AND YEAR</b> | Final Supplementary Summative<br>Assessment<br>January 2021 |

|                        |              |                    |     |
|------------------------|--------------|--------------------|-----|
| <b>ASSESSMENT DATE</b> | January 2021 | <b>SESSION</b>     |     |
| <b>ASSESSOR</b>        | Mr J Mbuya   |                    |     |
| <b>MODERATOR</b>       | Dr T Chuchu  |                    |     |
| <b>DURATION</b>        |              | <b>TOTAL MARKS</b> | 100 |

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| <b>NUMBER OF PAGES OF QUESTION PAPER (Including cover page)</b> | 9 |
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#### INFORMATION/INSTRUCTIONS:

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- This is a closed-book assessment.
  - Question papers must be handed in together with your answer books.
  - Read the questions carefully and answer only what is asked.
  - Answer all the questions:
    - Answer **Section A** on the multiple-choice page in the back of your answer book.
    - Answer **Section B** in the answer book.
  - Number your answers clearly.
  - Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
  - Structure your answers by using appropriate headings and subheadings.
  - The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

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**SECTION A****[40 MARKS]****QUESTION 1****[2 MARKS]**

One well-accepted model states that individual creativity requires \_\_\_\_\_ or commanding understanding of a subject matter.

- A intuition
- B task motivation
- C high interest
- D expertise

**QUESTION 2****[2 MARKS]**

There is general agreement that the \_\_\_\_\_ is any person who is 'dissatisfied' with a situation and wishes it were otherwise, which assumes recognition of the problem.

- A morphological analyst
- B problem solver
- C problem owner
- D operational researcher

**QUESTION 3****[2 MARKS]**

The process of breaking down the problem into bits, which 'solves' all these bits and fails to realise that a problem exists solely in the interaction between these bits is known as \_\_\_\_\_ .

- A a boundary problem
- B a restructuring problem
- C identifying
- D simplifying

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**QUESTION 4****[2 MARKS]**

The decision-making process starts with \_\_\_\_\_.

- A selecting alternatives
- B eliminating false alternatives
- C identifying a problem
- D identifying decision criteria

**QUESTION 5****[2 MARKS]**

The situation whereby only certain people are tasked for creativity can lead to adverse effects such as \_\_\_\_\_.

- A the status holders themselves not feeling obligated to deliver particular levels of output in terms of innovative ideas
- B it tending to restrict innovative output in terms of new ideas from those employees who are not accorded such status
- C the status holders themselves feeling obligated to deliver particular levels of output in terms of innovative ideas
- D it tending to restrict creative input in terms of new ideas from those employees who are accorded such status

**QUESTION 6****[2 MARKS]**

To identify a problem, a manager\_\_\_\_\_.

- A looks for unhappy customers
- B compares one set of standards or goals to a second set of standards or goals
- C compares the current state of affairs with some standard or goal
- D uses intuition to see that things don't look right

**QUESTION 7****[2 MARKS]**

Highly creative individuals are characterised by \_\_\_\_\_.

- (i) dissatisfaction
- (ii) routine depletion
- (iii) self-awareness
- (iv) mental abilities

Choose the correct answer:

- A (i), (ii) and (iii)
- B (i), (iii) and (iv)
- C (ii) and (iv)
- D (ii) and (iii)

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**QUESTION 8****[2 MARKS]**

The turning of potential into actual behaviour that is (relatively) highly creative is a central part of the manager's task, especially in the decision-making situation. Such situations provide an opportunity for the manager to create the kind of organisational climate in which creative climate and behaviour are encouraged, leading to innovative decisions and novel solutions to problems. Such a climate would be characterised by \_\_\_\_\_.

- A the free flow of information and open access to it
- B encouragement and reward for finding, using and sharing decisions
- C not rewarding the positive acceptance of change
- D reducing risk taking

**QUESTION 9****[2 MARKS]**

A manager is determining what kind of new computers she should purchase for her department. She has made a list of five different computer models for consideration. Which stage of the decision-making process is this?

- A Identification of alternatives
- B Development of alternatives
- C Analysis of alternatives
- D Selection of an alternative

**QUESTION 10****[2 MARKS]**

Which of the following approaches relates to both problem solving and decision making?

- (i) The creative approach
- (ii) The rational (logical) approach
- (iii) The troubleshooting approach
- (iv) The soft systems approach

Choose the correct answer:

- A (i), (ii) and (iii)
- B (i), (ii) and (iv)
- C (ii) and (iv)
- D (ii) and (iii)

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**QUESTION 11****[2 MARKS]**

A manager can faithfully execute the decision-making process, but still end up with nothing of value if \_\_\_\_\_

- A he fails to identify the correct problems
- B he fails to identify the steps of the process correctly
- C he fails to assign a number of values to the different criteria
- D he solves the problem inefficiently

**QUESTION 12****[2 MARKS]**

Which one of the following is least likely to be a decision criterion for a high-tech bicycle buyer who cares primarily about performance?

- A Brake assembly
- B Frame composition
- C Warranty
- D Gear mechanism

**QUESTION 13****[2 MARKS]**

After purchasing new computers for her department, a manager is now comparing the performance of the new computers to the computers they replaced. Which stage of the decision-making process is she carrying out?

- A Selection of an alternative
- B Implementation of an alternative
- C Evaluation of decision effectiveness
- D Analysis of alternatives

**QUESTION 14****[2 MARKS]**

In allocating weights to the decision criteria, which one of the following is most helpful to remember?

- A All weights must be the same
- B Assign the most important criterion a score, and then assign weights against that standard
- C The total of the weights must come to 100
- D The high score should be a 10, and no two criteria should be assigned the same weight

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**QUESTION 15****[2 MARKS]**

Which one of the following would be a fairly objective criterion by which a bicycle buyer could assess different bike models?

- A Style
- B Handling
- C Quality of the craftsmanship
- D Weight

**QUESTION 16****[2 MARKS]**

\_\_\_\_\_ starts with the assumption that we have a large amount of knowledge and experience locked in our minds.

- A Rational approach
- B Creative approach
- C Soft systems approach
- D None of the above

**QUESTION 17****[2 MARKS]**

It is assumed that a rational decision maker\_\_\_\_\_.

- A would face only difficult decisions
- B would never make a wrong decision
- C would be objective and logical
- D would be subjective and impractical

**QUESTION 18****[2 MARKS]**

The three main models that managers use to make decisions are \_\_\_\_\_.

- A bounded rational, intuitive, systematic
- B rational, bounded rational and intuitive
- C intuitive, unintuitive, rational
- D rational, irrational, bounded rational

**QUESTION 19****[2 MARKS]**

Top managers in organisations tend to \_\_\_\_\_.

- A make programmed decisions
- B solve structured problems
- C solve well-defined problems
- D make nonprogrammed decisions

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**QUESTION 20****[2 MARKS]**

\_\_\_\_\_ is a situation in which the decision maker has only incomplete information about outcomes and does not have the ability to estimate reasonably the outcomes that are not known.

- A Risk
- B High certainty
- C Uncertainty
- D Certainty

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**SECTION B****[60 MARKS]****QUESTION 1****[16 MARKS]**

List and discuss the steps in the decision-making process. Give an example of each.

**QUESTION 2****[15 MARKS]**

2.1 Managers make decisions by planning, organising, leading, and controlling. Which one of these skills is more important for a manager to master in order to be a competent manager? (5)

2.2 Briefly discuss intuition decision making. In your opinion, when is this method best used? What are the major drawbacks of this managerial decision-making style? (10)

**QUESTION 3****[6 MARKS]**

**Read the case study below and answer the questions that follow.**

The marketing section of a company XYZ complains that the production section is not effective. They feel frustrated because after all their efforts seeking out new customers and obtaining more orders than ever in the past, they are being embarrassed by complaints from these customers about the failure of orders to arrive on agreed delivery dates. The production section, on the other hand, claims that they are already working to maximum capacity, and that impossible demands and deadlines are being imposed on them by unrealistic promises that the marketing section has been making to customers.

3.1 In one sentence, identify the problem that company XYZ is facing. (2)

3.2 Identify and discuss who owns the problem. (2)

3.3 Briefly discuss who has the authority to solve the problem. (2)

**QUESTION 4****[11 MARKS]**

4.1 Just as problems can be divided into two categories (structured and unstructured), so, too, can decisions. Programmed, or routine decision making is the most efficient way to handle structured problems. Briefly explain, with examples, three guidelines for making programmed decisions. (9)

4.2 Which one of three ways of making group decisions is where participants secretly list general problem areas or potential solutions to a problem? (2)



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**QUESTION 5****[12 MARKS]**

If the need for creativity within organisations can so easily be identified, one might ask why it sometimes seems so difficult for decision makers actually to be creative.

As is the case with so many other desirable conditions, we can identify a wide variety of factors and conditions that block creative activity or create a climate in which there is little or no incentive for individuals to demonstrate their creative abilities. Using practical examples, briefly discuss any six (6) blocks to creativity in organisational decision making.

**END OF ASSESSMENT**