

Think Critically

1. What is the purpose of management? List the four general management functions.

2. Describe the three types of plans used in business management.

3. List and briefly describe the three basic leadership styles.

4. List some of the items and actions through which a business builds its company image.

True or False

- ____ 1. Management is the process of achieving goals by doing all the work yourself.
- ____ 2. Strategic planning is most important in the short-term.
- ____ 3. Organizational structure is a plan that shows how the various jobs in a company relate to one another.
- ____ 4. The authoritative management style is often used in a crisis situation when there is not enough time to let the group participate in the decision-making process.
- ____ 5. Good managers understand that all employees prefer to be involved in day-to-day decision making.
- ____ 6. As part of the control function, you will routinely review your plans and make adjustments.
- ____ 7. Democratic management style includes procedures in which employees are invited to vote on company rules and regulations.

Multiple Choice

- ____ 1. Rules, policies, and procedures, are important components of (a) long-term planning, (b) intermediate-term planning, (c) short-term planning, (d) none of these.

- _____ 2. All of the following are included in the organizing function except (a) assigning tasks, (b) hiring employees, (c) grouping tasks into departments, (d) allocating resources.
- _____ 3. Training and compensating the employees of a business is part of which management function? (a) Staffing, (b) Planning, (c) Implementing, (d) Controlling.
- _____ 4. The management style most appropriate to use with a new group of employees who do not have previous experience in the type of work being performed is (a) mixed management, (b) participatory management, (c) democratic management, (d) authoritative management.
- _____ 5. If standards are not being met, a manager may need to (a) hire new employees, (b) upgrade to higher-quality production materials, (c) change operating procedures, (d) all of these.
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Problem Solving

1. The table below lists five tasks often performed by managers. Name which one of the functions of management is represented by each task.

Task	Management Function
Deciding which job you will assign to which employee	
Hiring a new employee	
Completing the monthly budget	
Conducting a yearly performance appraisal for an employee	
Writing a memo to an employee instructing her how to accomplish a task	

2. Explain the difference between a strategic plan, tactical plan, and operational plan.

Management Problem Solving

Managers must make decisions in all areas of business operation. In your groups, read the scenarios below. Then, work together to prepare a report containing recommendations to help the business owner with the decision-making process. Each report should be approximately 50 words in length.

Scenario 1

Katrina owns a specialized cosmetic and skin care store that is affiliated with a national brand of cosmetics. She has always offered hair care and accessory items to her customers in addition to the cosmetic products.

Recently she received a letter from the corporate office of the cosmetics chain informing her that she could not continue operating as a "Platinum Level" store if she continued to sell the hair care and accessory items. The letter explained that the sale of items other than those manufactured by the cosmetic and skin care company is a violation of the "Platinum Level" guidelines. As the owner of a "Platinum Level" store, Katrina has access to new product lines before other stores and is given a supply of one "Platinum Level" gift item each season to give to her customers as a sales incentive.

Katrina is not sure whether the value of being a "Platinum Level" store is worth the revenue that she would lose by not offering the hair care and accessory items for sale. How would you advise Katrina to make this decision?

Scenario 2

Katrina is currently examining her location options for her business. Right now, her store is located in a medium-sized metropolitan area. She rents space located in a strip mall across the street from a shopping mall that has a Macy's, Dillard's, and JCPenney's. Walmart recently expanded as a supercenter store and relocated three miles away from Katrina's store. The old Walmart location, which was also near Katrina's store, is empty, and there are no immediate plans for any other business to move into the space. There is a new strip mall being planned just across the street from the new Walmart location with available space. The builder has offered Katrina a reduced price along with custom modifications at no cost if she will lease a space in the center. A coffee shop has leased space on the corner of the planned strip mall. Other businesses that have leased space include a nail salon, a shop that specializes in gift baskets and food specialty items, and a clothing boutique. What advice would you give Katrina to help her decide on the best location for her business?