UNIVERSITY OF COLOMBO, SRI LANKA

FACULTY OF MANAGEMENT & FINANCE

Bachelor of Business Administration (Level I – Semester III)
Examination – July 2017

MOS 1201 – Organization Theory

Two (02) Hours

Answer Four (04) Questions in total, including Question No. One.

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1. Read the following Case Study and answer the questions given below.

Amazon.com

In 1994, Jeffry Bezos, a computer science and electrical graduate from Princeton University, was growing weary of working for a Wall Street investment bank has started Amazon with his computer science background. He saw an entrepreneurial opportunity in the fact that the usage of the internet was growing at over 2300% a year more and more people were becoming aware of its information advantages.

Searching for an opportunity to exploit his skills in the new electronic, virtual marketplace he decided that book selling market would be good place to invest his personal resources and started Amazon.com.

Bezoz's vision was to build an online bookstore that would be customer-friendly easy to navigate, and would offer the broadest possible selection of books. Moreover, online customers would be able to search easily for any books in print on a computerized, on-line catalogue, browse different subject areas, read reviews of books, and even ask other shoppers for online recommendations -something most people would hesitate to do in a regular bookstore.

With handful of employees and operating from his garage in Seattle, Bezos launched his venture online in July 1995 with $07 million and it has spreaded like wildfire across the

internet and book sales quickly picked up as satisfied customers spread the good word. Within weeks Bezos was forced to relocate to new larger premises and to hire new employees as book sales soared. Bezos's new venture seemed to be poised for success.

Adopted from, Jones, G. R. (2004). *Organizational Theory, Design and Change*. Delhi, India: Pearson.

    i. Propose a suitable vision and mission for Amazon.com.

(10 Marks)

    ii. Illustrate a stakeholder analysis for Amazon.com.

(10 Marks)

    iii. How does the Amazon.com creates value using its business model (Hint: You may use the input, process, output, environment model)

(10 Marks)

    iv. What are the approaches you can recommend for Amazon.com to measure its organizational effectiveness?

(10 Marks)

(Total: 40 Marks)

2. The organization's environment is important to decide its strategies and its life cycle.

    i. Briefly explain 'Resource Dependence Theory' with a real world example of your choice.

(10 Marks)

    ii. Explain the inter-organizational strategies for managing resource dependencies.

(10 Marks)

(Total: 20 Marks)

3.
    i. What do you mean by 'Organizational Effectiveness'? What is the Chief Executive Officer's role in bringing organizational Effectiveness? .

(10 Marks)

    ii. Briefly explain the challenges faced by a manager when designing an organization.

(12 Marks)

(Total: 20 Marks)

4.

   i.   Briefly explain mechanistic and organic organizational structures with real world examples.

                                                                                    (10 Marks)

   ii.   Discuss the relationship between organizational structure and environmental uncertainty.

                                                                                    (10 Marks)

                                                                            (Total: 20 Marks)

5. i.   Explain the advantages and disadvantages of functional and divisional structures.

                                                                                    (08 Marks)

   ii.   What are the three types of divisional structures available for a firm to adopt? Illustrate with the use of appropriate diagrams.

                                                                                    (12 Marks)

                                                                            (Total: 20 Marks)

6. i.   When the organization size is bigger, it performs well. Do you agree? Justify.

                                                                                    (10 Marks)

   ii.   Briefly explain the organizational life cycle using a suitable diagram.

                                                                                    (10 Marks)

                                                                            (Total: 20 Marks)