

The
Management
University
of Africa



Sponsored by the Kenya Institute of Management

UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP

BMT 401 : MANAGERIAL DECISION MAKING

DATE: 18TH DECEMBER 2024

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the case study below and answer the questions that follow:

POLITICAL ASPECTS OF DECISION

The territory of Ceylon was in turbulence. The turbulence was initiated by dissatisfied members of the middle class. This was an embarrassment to the neighbors and allies of Ceylon. It completely upset the geopolitics of the region. When the dust settled down, it became clear to the international community that several diplomatic mission staffers in Ceylon had been seized as hostages.

The Ceylon turbulence became a political disaster for the leadership of the country and their international allies. It occasioned loss of confidence by citizens in the leadership and led to the defeat of the Government in subsequent elections.

This hostage crisis became an important political decision making situation in Ceylon and their international allies. Intense consultations initiated in all the major capitals around the world including Mombasa, Nakuru, Kisumu, Nairobi and the United Nations. It was a delicate balancing act to secure the hostages alive and at the same time assure the world that such a situation will never happen again. The decision makers involved in the crisis around the world analyzed all the major steps in decision making critically evaluating all options, including military intervention. The rest is history.

Required:

- a) Politics impact decision making in organizations. As the chief strategic advisor to management, critically analyze the political aspects of decision making in this situation. **(10 Marks)**
- b) Describe the decision making process that a negotiation team may use to reach a maximizing choice in the above case study **(15 Marks)**

QUESTION TWO

- a) Examine the meaning of rational and irrational behavior in decision making.
 - i. Rational (3 Marks)
 - ii. Irrational (3 Marks)
- b) Managers are maximizers or satisficers in decision making. Discuss (9 Marks)

QUESTION THREE

- a) Analyze the nature of strategic decisions in an organization. (12 Marks)
- b) Examine three determinants of successful decision implementation in an organization (3 Marks)

QUESTION FOUR

As a student of Managerial decision making, explain the following eclectic models of decision making.

- a) Political model – behavioral (5 Marks)
- b) Process model – similar to organizational model. (5 Marks)
- c) Organizational model – behavioral and quantitative (5 Marks)

QUESTION FIVE

Values for decision making affects the decisions made in an organization.

- a) Examine six properties of values in decision making. (12 Marks)
- b) Evaluate impact of values in the decision making process. (3 Marks)

QUESTION SIX

Analyze key Social - psychological aspects of decision making a manager considers in making maximizing decisions. **(15 Marks)**