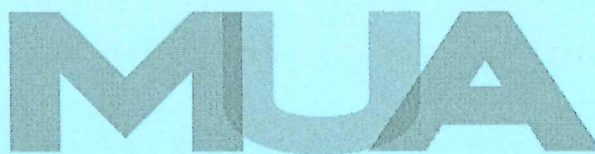


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**UNDERGRADUATE UNIVERSITY EXAMINATIONS**  
**SCHOOL OF MANAGEMENT AND LEADERSHIP**  
**DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP**

**UCU 104: FUNDAMENTALS OF LEADERSHIP**

**DATE: 5<sup>TH</sup> APRIL 2018**

**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 carefully and answer the questions that follow:

**CASE STUDY: EXECUTIVE COMPENSATION**

Executive compensation is a complex and controversial subject. On one side of the debate, executive management skill has a direct impact on the success of the firm. Top executives should be paid multimillion-dollar compensation packages; after all, if it weren't for some effective CEO's, companies would not be making the millions of dollars of profits they make each year. They deserve a piece of the pie they helped create.

On the other side, top executives have been criticised for being overpaid, especially as CEO pay rose while the employees were getting laid off during the recession. In 2010, the economic recovery remained frail, unemployment was high, and corporate profits were roughly flat, up 1.5 percent from where the stock market peaked. However, CEO compensation jumped 27 percent in 2010 as employees pay went up only 2.1 percent. The median pay in 2010 was \$ 9 million. Philippe Dauman of Viacom was the highest paid with total compensation of \$ 84.5 million, followed by Ray Irani of Occidental Petroleum with \$ 76.1 million, and Michael White of Direct TV was third with \$ 32.9 million in compensation.

**Required;**

- a) Do executives deserve to make around 200 times as much as the average worker? Do you agree or disagree. Justify your answer. **(10 Marks)**
- b) Is it ethical or socially responsible for managers to take large pay increases while laying off employees and/ or when giving them only small raises? **(8 Marks)**
- c) Some scholars advocate for leadership as being irrelevant in organisations. Do you agree or disagree. Justify your answer. **(7 Marks)**

**QUESTION TWO**

- a) Clearly distinguish between value based and laissez faire leadership styles.

**(5 Marks)**

- b) A concern has been expressed that leaders who are charismatic are often incompetent. They get placed into key positions because they create a good impression. Explain your views on what you think of this argument.

**(10 Marks)**

### **QUESTION THREE**

- a) Clearly distinguish between coaching and mentoring processes in leadership development.

**(5 Marks)**

- b) "Servant leadership style is not applicable in the corporate world in the 21<sup>st</sup> Century". Do you agree or disagree? Use relevant examples to justify the position you have taken.

**(10 Marks)**

### **QUESTION FOUR**

With so much businesses being conducted over the internet and through email, discuss why it is still important to understand cross- cultural differences in values. Use relevant examples from organisational, industry or sector perspective to discuss this argument.

**(15 Marks)**

### **QUESTION FIVE**

Assume that you are part of the leadership of an organisational unit that is in need of redirection in a changing market environment. Discuss how such a task will be undertaken. Marks will be awarded for use of relevant illustrations.

**(15 Marks)**

### **QUESTION SIX**

A study with a number of insurance sales representatives in a reputable insurance firm indicated that, in general, they sold more insurance after receiving training in emotional intelligence. Discuss why being emotionally intelligent help increase the sales of life insurance.

**(15 Marks)**

