# KENYA AERONAUTICAL COLLEGE

**DIPLOMA IN AERONAUTICAL ENGINEERING**

YEAR 3, TERM 1

**INDUSTRIAL ORGANIZATION AND MANAGEMENT**

DIP 08 MECHANICAL AND AVIONICS.

**END TERM**

**NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**DATE: November, 8 2012 TIME: 3 HOURS**

**STARTING TIME: 0800 HRS**

**Instructions:**

* Attempt all the questions

1. (a) State and explain five characteristic of management **(10 marks)**

(b) Highlight the problems associated with matrix organization  **(4 marks)**

(c) Explain three factors that affect managers’ span of control  **(6marls)**

1. (a) Define the term organization structure  **(2 marks)**

(b) State three advantages of using organization charts  **(3 marks)**

(c) State four functions of an office in a business enterprise **(4 marks)**

(d) Outline four disadvantages of using computers in a manufacturing organization

**(4marks)**

(e) State four objectives of routine maintenance as applied in an industry when servicing its machines **(4 marks)**

(f) Outline three objectives of work study in an organization **(3 marks)**

1. (i) State four objectives of production and control **(4 marks)**

(ii) Outline any four stages of production and control  **(4 marks)**

(iii) Outline the qualities of a professional store keeper **(4 marks)**

(iv) State three classes of materials that can be found in commercial stores **(5 marks)**

(v) A company uses 50,000 units of a stock item per year which cost kshs 1000 each. The ordering and handling cost are kshs 15,000 per order and carrying cost are 15% per annum. Calculate the economic order quantity  **(3 marks)**

1. (a) List the difficulties faced by under – developed countries in measuring national

income **(6 marks)**

(b) Explain four factors of production **(8 marks)**

(c) State the law of diminishing returns and the law of demands  **(4 marks)**

(d) Distinguish between capital and money as applied in economics  **(2 marks)**

1. (i) State four functions of an office **(4 marks)**

(ii) Describe four forms of office layout that can be found in an office **(8 marks)**

(iii) The table below shows the demand and supply schedules for a product

|  |  |  |
| --- | --- | --- |
| **PRICE (KSHS/KG)** | **DEMAND (KG)** | **SUPPLY (KG)** |
| 10 | 100 | 20 |
| 20 | 85 | 36 |
| 30 | 70 | 53 |
| 40 | 55 | 70 |
| 50 | 40 | 80 |
| 60 | 25 | 103 |
| 70 | 10 | 120 |

1. Draw the demand and supply curves
2. Derive the equilibrium price and quantity **(8 marks)**