

## Principles of management – *PART 1: Introduction to Management*

*prof. Matteo Pedrini*

### SAMPLE QUESTIONS

#### 1. Economic Activity And Economic Actors

- The role of profit in the enterprise's life.
- Explain some categorizations of economic goods.
- The bounded rationality.
- The homo oeconomicus and human being.
- Key features of the four classes of social bodies.
- Stakeholders and their main objectives in the four macro classes of organizations.
- The main stakeholders' categories of an enterprise.
- The three levels of specialization in modern economic activities.
- The main advantages connected to specialization.

#### 2. Governance

- Firm's stakeholders, expectations and rewards.
- The institutional structure of a company: explain the concept and provide the example using the organization you analyzed.
- Stakeholders, expectations and rewards at X.
- Define four categories of stakeholders that are important for X and describe the main contributions and reward's expectations.
- Illustrate the contributions and expectations of the shareholders.
- Illustrate the contributions and expectations of the employees.
- The tasks related to corporate governance.
- The rights/duties to govern the organization.
- The principles of corporate governance.
- The governance bodies of the organization you analyzed.
- The main characteristics of the governing bodies of one of the organizations you did not analyze.
- The governing bodies at X.

#### 3. Economic activities

- The five classes of operations: concepts and examples taken from the organization you analyzed.
- Operations, organization and information: clarify the meaning of these three categories of a firm's economic activity.
- The core operations of the firm: explain the different categories and for each of them give an example from the organization you analyzed.
- The four categories of operations around the core ones: tell which are and give an example from the organization you analyzed.
- Debt and equity management: describe its nature and provide some examples from the organization you analyzed.
- Management of non-core investments: describe its nature and provide some examples referred to different organizations.
- Give a definition of non-core investments and provide examples from the company you analyzed.

- Describe the difference between functional areas and business areas. Provide an example concerning the organization you analyzed.
- Describe the difference between functional areas and business areas. Provide an example from one of the three organizations you didn't analyze.

#### 4. Business Model

- What is a Business Model?
- The nine components of the business model canvas.
- What does value proposition mean?
- What does product-market fit mean?
- The classification of channels.
- Explain four possible revenue models.
- Explain four possible pricing models.
- The business model of a selected unit of the company you analyzed.
- The business model of McDonald's

#### 5. Resources

- The main intangible resources in the organization you analyzed.
- The main tangible and intangible resources in the organization you analyzed.
- The difference between intangible resources and organizational capabilities.
- The relevance of intangible resources for firm's competitive advantage: provide some example concerning the one of the four organizations we analyzed.
- Tangible assets, intangibles assets and organizational capabilities: concepts and examples related to the organization you analyzed.

#### 6. Organization

- The objectives of the organizational design.
- Advantages and disadvantages of the multidivisional structure.
- Advantages and disadvantages of the functional structure.
- Advantages and disadvantages of the matrix structure.
- Describe and comment the organizational structure of the organization you analyzed.
- Describe the general characteristics of a company in which it is appropriate to adopt a divisional structure.
- Role and description of human resource systems.
- Describe the role of information systems.
- Describe role and main characteristics of financial systems.
- Describe one of the management systems of the organization you analyzed.
- What is culture in an organization? How can it play as a substitute to bureaucracy?

#### 7. Company's environment

- The company's macro-environment.
- M. Porter's five-forces model of competition.
- Describe the main actors who represent the five competitive forces for one business of the organization you analyzed.
- M. Porter's five-forces model of competition in the airline industry.

- Describe four of the factors which influence the intensity of competition among rival firms.
- Describe four of the factors which influence the power of suppliers.
- Describe four of the factors which influence the power of buyers.
- Describe some of the determinants of entry barriers.
- The critical success factors: concept and examples.
- A classification of competitive advantages.

### 8. Economies of scale, etc.

- Production capacity: concept and examples from companies operating in different industries.
- Economies of scale: definition and sources, providing appropriate examples.
- The economies of fixed-cost absorption: concept and examples.
- Economies of learning: concept, sources, examples.

### 9. Cost structure analysis

- The distinction between fixed costs and variable costs: concepts and examples.
- Fixed costs and variable costs: concepts and some examples from the company you analyzed.
- The formula illustrating the break-even point in term of volume and provide an example.
- Contribution margin: definition and method for calculation.
- Describe the break-even point formula in terms of value and provide an application.
- The degree of operating risk within a company.
- Provide an example of a company with a high operating risk.
- What is the operating leverage? Provide an example.
- The relationship between operating risk and the operating leverage.

### 10. Vertical and Horizontal extension

- Advantages and disadvantages of internalization.
- The three dimensions of economic activities extension.
- Interfunctional extension: what is it and criteria for the decision.
- Horizontal extension: what is it and criteria for the decision.
- Vertical extension: define the notion and describe the main criteria for decision of make or buy.
- Transaction costs: what are they? Make an example.
- Economies of scope: sources and advantages.

### 11. Groups, alliances, networks

- Technical and economic drivers of inter-firm cooperation.
- Other factors, different from technical and economic ones, which induce cooperative behavior among firms.
- Economic-technical drivers that negatively affect the decision to merge and cooperate.
- Reasons and circumstances, different from the economic and technical ones, which negatively affect the decision to merge and cooperate.
- The role of economies of scale and economies of scope in inter-firm cooperation.
- The corporate groups: notions and two examples.
- What is a joint venture? Define it and provide two examples.
- Consortium: provide a definition and two examples.

- Describe some of the characteristics of a franchising network.
- What is an industrial district? Give some examples.