

***Evolution of Management Thought 7th edition Wren
Test Bank***

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Test Bank: Part One

There are true-false and multiple choice questions for each chapter, with the answer and the text page number provided to the right of the question. Some true-false questions are repeated in a multiple-choice format, so be careful in your selection.

Each chapter also has some questions for class discussion, student review of the material, and/or for short answer essay questions, if appropriate. You may wish to combine objective questions with essay ones, or, for larger classes, use only the true-false and multiple choice ones.

At the end of each part, there are some comprehensive essay questions. You may prefer these questions for graduate students as an indication of knowledge as well as ability to communicate in writing.

Chapter 1

A Prologue to the Past

		Answer
1-1	The author of your text defined management as the activity that performs certain functions in order to obtain the effective acquisition, allocation, and utilization of human efforts and physical resources in order to accomplish some goal.	True
1-2	Management "thought" is the existing body of knowledge about the activity of management, its functions, purpose and scope.	True
1-3	The traditional method of resource allocation operates on past societal precepts.	True
1-4	The market method of resource allocation relies on an impersonal network of factor prices and decisions to allocate resources.	True
1-5	The political facet of culture includes the legal and political arrangements for the establishment of social order and for the protection of life and property.	True
1-6	The organization is the fundamental unit of analysis in the study of management.	False
1-7	Management facilitates the efforts of people in organized groups and arises when people seek to cooperate to achieve goals.	True
1-8	Management is a closed-end activity since managers operate organizations and make decisions within a given set of cultural values and institutions.	False
1-9	Customs developed in a traditional society enable technology to advance more rapidly than in a market driven one.	False

- 1-10 The practice of management is ancient, but the formal study of the body of management knowledge is relatively new. True
- 1-11 The command method of resource allocation is the imposition of the will of some central person or agency upon the rest of the economy about how resources will be allocated and utilized. True
- 1-12 A universal concern in management is the scarcity of economic resources for a multiplicity of economic and social ends. True
- 1-13 Historical _____ studies what happened in the past; historical _____ means using that raw material to understand better the present. (2)
- (1) data; analysis
 - (2) research; perspective
 - (3) interpretation; synthesis
 - (4) perspective; research
 - (5) analysis; synthesis
- 1-14 Some of the common elements of organizations throughout history include: (4)
- (1) a goal to be accomplished
 - (2) organizational members needed something with which to accomplish their goals
 - (3) a leader
 - (4) all of the above
 - (5) only (1) and (2) above
- 1-15 Throughout history, Heilbroner has found which of the following methods of resource allocations? (4)
- (1) traditional
 - (2) market
 - (3) command
 - (4) all of the above
 - (5) only (1) and (2) above

- 1-16 The relationship of people to resources was determined to be: (3)
- (1) the political facet of management
 - (2) the social facet of management
 - (3) the economic facet of management
 - (4) all of the above
 - (5) none of the above
- 1-17 What is the distinction between management "thought" and the activity of management?
- 1-18 Identify the economic, social, technological, and political facets of culture as described in the text. How do these factors influence the job of the manager? Is management "culture-free?"
- 1-19 Why do organizations exist?
- 1-20 Can an organization succeed without management?

Chapter 2

Management Before Industrialization

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| 2-1 | Leadership, delegation, span of control, planning, organizing, and controlling were managerial practices that were rarely found among ancient peoples. | False |
| 2-2 | In modern organizational terms, the early Catholic church leaders perceived a need to "institutionalize" the church; that is, the need to specify policies, procedures, doctrine, and authority. | True |
| 2-3 | Sun Tzu's decision rules developed for military strategy over 2,000 years ago are not useful in guiding modern business strategy. | False |
| 2-4 | The idea of a span of control is at least as old as the Egyptian civilization, and was practiced by the Incas and by other early civilizations as well. | True |
| 2-5 | Craft guilds promoted the division of labor by specifying job jurisdictions--that is, what work was to be done by members of that craft only. | True |
| 2-6 | According to Adam Smith, the division of labor led to greater productivity without any negative consequences. | False |
| 2-7 | <i>Charisma</i> is an Egyptian concept that pertained to the "rule of ten" in administrative ratios. | False |
| 2-8 | The "just price" for a product, according to St. Thomas Aquinas, was the market, or prevailing price. | True |
| 2-9 | Business ethics, according to Nider, should be <i>caveat venditor</i> . | True |

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| 2-10 | The domestic system of production emerged as a result of the development of steam power. | False |
| 2-11 | McClelland isolated the psychological factor "need for power" to help explain Protestant values toward work. | False |
| 2-12 | The Liberty ethic was the idea that government is created to protect our basic human rights. | True |
| 2-13 | Max Weber created the idea of a Market ethic. | False |
| 2-14 | Ethics in business transactions was generally ignored in the development of western society until the 21st century. | False |
| 2-15 | The Protestant ethic was the idea that working hard, reinvesting your money, and living frugally was good. | True |
| 2-16 | In the development of management thought, the Egyptians were probably the first to recognize the concept of:
(1) merit rating system
(2) span of control
(3) early concept of a "corporation"
(4) double entry accounting system
(5) product liability | (2) |
| 2-17 | Perhaps the one person who had the greatest influence on the formation of modern constitutional governments was:
(1) Adam Smith
(2) Max Weber
(3) Thomas Hobbes
(4) Nicolo Machiavelli
(5) none of the above | (5) |

- 2-18 The Scholastics and the Catholic Church opposed guilds because they: (1)
(1) were monopolistic and restrained trade.
(2) followed the belief of *caveat emptor*.
(3) consisted entirely of atheists.
(4) followed the dictum of *caveat venditor*.
(5) none of the above.
- 2-19 _____ employed the "exception principle." (4)
(1) Socrates
(2) Aristotle
(3) Plato
(4) Moses
(5) none of the above
- 2-20 In an attempt to explain the emergence of capitalism from a previously feudal society, Max Weber examined: (2)
(1) the political policies of the rulers of early modern Europe.
(2) the contrasting social values of the Protestants and Catholics which came out of the Reformation.
(3) the contrasting levels of economic progress between America and Europe.
(4) the abolition of a feudal peasantry in Britain before any other continental nation.
(5) all of the above
- 2-21 Who believed that Protestantism did not cause capitalism, but that capitalism led to Protestantism? (1)
(1) R. H. Tawney
(2) Werner Sombart
(3) Max Weber
(4) David McClelland
(5) Adam Smith

- 2-22 The first historical mention of accounting and dealing with the handling of receipts can be found in the writings of: (1)
- (1) Hammurabi
 - (2) Confucius
 - (3) Kautilya
 - (4) Sun Tzu
 - (5) Moses
- 2-23 According to Max Weber, the idea(s) that had a significant impact on the motivations of people included: (5)
- (1) waste of time was the deadliest of sins
 - (2) a willingness to work
 - (3) division and specialization of labor was Divine Will
 - (4) the consumption beyond basic needs was wasteful and sinful
 - (5) all of the above
- 2-24 Managerial practices that could be found among many ancient peoples include: (4)
- (1) leadership
 - (2) delegation
 - (3) controlling
 - (4) all of the above
 - (5) only (2) and (3) above
- 2-25 Aristotle had numerous insights into management. Among them were: (5)
- (1) the specialization of labor
 - (2) departmentalization
 - (3) synergy
 - (4) leadership
 - (5) all of the above
- 2-26 The Greek who described the advantages of the division of labor was: (4)
- (1) Aristotle
 - (2) Xavier
 - (3) Socrates
 - (4) Xenophon
 - (5) Plato

- 2-27 A Greek philosopher who proposed a system of ethics was: (2)
- (1) Xenophon
 - (2) Aristotle
 - (3) Socrates
 - (4) Plato
 - (5) Aesop
- 2-28 McClelland supported Max Weber's conclusions about the spirit of capitalism for the following reason(s): (5)
- (1) the Protestant reformation emphasized self-reliance rather than reliance on others in all facets of life.
 - (2) Protestant parents changed child-rearing practices to teach self-reliance and independence.
 - (3) it has been empirically demonstrated by McClelland and his associates that child-rearing practices lead to a higher need for achievement in sons.
 - (4) a higher need for achievement leads to spurts of economic activity such as that which Weber characterized as the spirit of capitalism.
 - (5) all of the above
- 2-29 The cultural rebirth was described in terms of: (4)
- (1) the Protestant ethic
 - (2) the Liberty ethic
 - (3) the Market ethic
 - (4) all of the above
 - (5) only (1) and (2) above
- 2-30 The domestic system of production can be described best as: (1)
- (1) labor intensive
 - (2) efficient in its distribution of products
 - (3) capital intensive
 - (4) only (1) and (2) above
 - (5) only (2) and (3) above

- 2-31 Adam Smith had doubts about the behavior of "joint stock" ventures and those who managed "other people's money." Discuss this in terms of contemporary management practices.
- 2-32 Machiavelli described three ways to "the top." Describe each and its advantages and disadvantages.
- 2-33 Max Weber argued there was a difference between one's "greed for gain" and "rational capitalism." Agree? Disagree?