

Note: Based on the given material, a special test will be conducted in the 1st week of June.

Ch.1 Principles of Management

1. _____ is part and parcel of our day to day life.
 - a) Organisation
 - b) Management
 - c) Association
 - d) None of the above
2. The practice of management helps to achieve the organisational _____.
 - a) Vision
 - b) Goal
 - c) Mission
 - d) All the above
3. Management is a _____ concept.
 - a) Global
 - b) Universal
 - c) both a and b
 - d) none of the above
4. Management _____ is growing in all countries.
 - a) Literature
 - b) Theory
 - c) Philosophy
 - d) None of the above
5. Consumer-oriented marketing concept is the reflection of a corporate code of _____.
 - a) Ethics
 - b) Conduct
 - c) both a and b
 - d) None of the above
6. A _____ is a dynamic and life giving element in every business.
 - a) Worker
 - b) Manager
 - c) Employer
 - d) None of these
7. Rule of Thumb means decisions taken by manager as per their personal _____.
 - a) Experience
 - b) Analysis
 - c) Judgements
 - d) None of the above
8. Principle of 'Harmony, not discord' and lays stress on mutual co-operation between _____.
 - a) workers
 - b) management
 - c) both a and b
 - d) None of the above
9. Scientific Management _____.
 - a) Fayol
 - b) Taylor's
 - c) Drucker
 - d) Robert Owen
10. _____ implies the concentration of decision making authority at the top management.
 - a) Decentralisation
 - b) Centralisation
 - c) both a and b
 - d) None of the above

Ch-2 Management Process

11. Management functions are called as _____.
 - a) Production process
 - b) Organizational process
 - c) Managerial process
 - d) None of the above
12. _____ is a constructive reviewing of future needs so that present actions can be adjusted in view of the established goal.
 - a) Staffing
 - b) Planning
 - c) Directing
 - d) Controlling
13. _____ is the primary function of Management.
 - a) Planning
 - b) Co-ordination
 - c) Organising
 - d) Directing
14. _____ is the process of establishing harmonious relationship among the members of an organisation.
 - a) Directing
 - b) Motivation
 - c) Organising
 - d) Controlling
15. Staffing function comprises the activities of _____ of competent personnel.
 - a) Selection and placement
 - b) Actual Performance
 - c) Increasing the speed of performance
 - d) None of the above
16. _____ are satisfied through innovation.
 - a) Producers
 - b) Retailers
 - c) Middlemen
 - d) Consumers
17. _____ helps in the smooth functioning of an organisation.
 - a) Innovation
 - b) Representation
 - c) Decision making
 - d) Communication
18. _____ helps the regulation of job and co-ordinates the activities.
 - a) Decision making
 - b) Communication
 - c) Innovation
 - d) Representation
19. A manager has to act as _____ of a company.
 - a) an agent
 - b) a controller
 - c) a coordinator
 - d) representative
20. "Workers are informed about what should be done, where it is to be done, how it is to be done and when it is to be done" it is subsidiary function in _____.
 - a) Innovation
 - b) Communication
 - c) Decision making
 - d) Representation
21. _____ functions are time specific, institution specific and country specific.
 - a) Managerial
 - b) Financial
 - c) Systematic
 - d) None of the above

22. Functions of Management is categorised into _____ types.
a) Three b) One c) Four d) Two

Ch-3

23. MBO harmonises the goal of an individual with the _____ goal.
a) Global b) Organisational c) Social d) Regional
24. MBO is popularised in the USA by _____.
a) Henry David b) George Ordiorne c) Fayol Robert d) Reddin
25. MBO lead to effective _____.
a) management b) organisation c) controlling
d) None of these
26. The process of MBO is characterised by the balance of objectives of the _____ & _____.
a) management & business b) controlling & co-ordinating
c) organisation & individual d) None
27. Organisational objectives are framed by the _____ employees of an organisation.
a) Top level b) bottom level c) Subordinate
d) None of the above
28. KRA stands for _____.
a) Key Result Areas b) Key Result Analysis
c) Keen Result Area d) None of the above
29. _____ recognises the need for planning and appreciates the planning.
a) Management b) Manager c) Managing Director d) HRM
30. _____ system gives full scope to the individual strength and responsibility.
a) MBO b) MBE c) MBM d) MBA

1. Explain the various functions of Management.

Primary Main Functions

Planning, Organising, Staffing, Directing, Motivating, Controlling and Co-ordination are the main functions of management.

1. Planning

'Think Before you Act' or 'Look Before you Leap' are some of the usual traditional proverbs; which provide a basis or logic for planning. Planning is the primary function of management. Nothing can be performed without planning. (For eg., Writing a book starts with planning). In short, planning refers to deciding in advance. Planning is a constructive reviewing of future needs so that present actions can be adjusted in view of the established goal. Planning should take place before doing; most individual or group efforts are made by determining before any operative action takes place, what shall be done, where, how and who shall do it.

2. Organising

Organising is the process of establishing harmonious relationship among the members of an organisation and the creation of network of relationship among them. Organising function work is assigned to employees who are given authority to carry out the work assigned and made accountable for it.

3. Staffing

Staffing function comprises the activities of selection and placement of competent personnel. In other words, staffing refers to placement of right persons in the right jobs. Staffing includes selection of right persons, training to those needy persons, promotion of best persons, retirement of old persons, performance appraisal of all the personnel, and adequate remuneration of personnel. The success of any enterprise depends upon the successful performance of staffing function.

4. Directing

Directing denotes motivating, leading, guiding and communicating with subordinates on an ongoing basis in order to accomplish pre-set goals. Employees are kept informed of all necessary matters by circulars,

instructions manuals, newsletters, notice-boards, meeting, participative mechanism etc., in order to enable the employees to accomplish the organizational goals.

5. Controlling

Controlling is performed to evaluate the performance of employees and deciding increments and promotion decisions. The control function helps in identifying under performers and arranging remedial training for them. It is the control function which facilitates synchronization of actual performance with predetermined standards.

6. Co-ordination

Co-ordination is the synchronization (or unification or integration) of the actions of all individuals, working in the enterprise in different capacities; so as to lead to the most successful attainment of the common objectives. Co-ordination is included in every managerial function; Eg (i) Planning and co-ordination, (ii). Organising and co-ordination, (iii) Staffing and co-ordination, (iv) Directing and co-ordination, (v) Motivation and co-ordination and (iv) Controlling and co-ordination.

All the activities are divided groupwise or sectionwise under organising function. Now, such grouped activities are co-ordinated towards the accomplishment of objectives of an organisation. The difficulty of co-ordination depends upon the size of organisation. The difficulty of co-ordination is increased with the increasing size of the organisation.

7. Motivating

The goals are achieved with the help of motivation. Motivation includes increasing the speed of performance of a work and developing a willingness on the part of workers. This is done by a resourceful leader. The workers expect, favourable climate conditions to work, fair treatment, monetary or non-monetary incentive, effective communication and gentleman approach.

Subsidiary Functions

Innovation, Representation, Decision-making, and Communication are the subsidiary functions of management.

1. Innovation

Innovation refers to the preparation of personnel and organisation to face the changes made in the business world. Continuous changes are being made in the business. Consumers are satisfied through innovation. Innovation includes developing new material, new products, new techniques in production, new package, new design of a product and cost reduction.

2. Representation

A manager has to act as representative of a company. Manager has dealings with customers, suppliers, government officials, banks, financial institutions, trade unions and the like. It is the duty of every manager to have good relation with others.

3. Decision-making

Every employee of an organisation has to take a number of decisions every day. Decision-making helps in the smooth functioning of an organisation.

4. Communication

Communication is the transmission of human thoughts, views or opinions from one person to another person. Workers are informed about what should be done, where it is to be done, how it is

do be done and when it is to be done. Communication helps the regulation of job and co-ordinates the activities.

Scholars in the field of management have their own classification of functions of management. Some scholars add few functions and delete some other functions.

2. Explain the process of MBO.

Process of MBO

The MBO process is characterised by the balance of objectives of the organisation and individual. The process of MBO is explained below:

1. Defining Organisational Objectives

Initially, organisational objectives are framed by the top level employees of an organisation. Then, it moves downwards. The definition of organisational objectives states why the business is started and exists. First, long-term objectives are framed. Then, Short-term objectives are framed taking into account the feasibility of achieving the long-term objectives.

2. Goals of Each Section

Objectives for each section, department or division are framed on the basis of overall objectives of the organisation. Period within which these objectives should be achieved is also fixed. Goals or objectives are expressed in a meaningful manner.

3. Fixing Key Result Areas

Key result areas are fixed on the basis of organisational objectives premises. Key Result Areas (KRA) are arranged on a priority basis. KRA indicates the strength of an organisation. The examples of KRA are profitability, market standing, innovation etc.

4. Setting Subordinate Objectives or Targets

The objectives of each subordinate or individual are fixed. It is preferable to fix the objectives at lower level in quantitative units. There should be a free and frank discussion between the superior and his subordinates. Subordinates are induced to set standards themselves by giving an opportunity. If subordinates are allowed to do so, they may set high standards and the chances of their accomplishment are higher. In this way, the objectives or targets of the subordinates are fixed.

5. Matching Resources with Objective

The objectives are framed on the basis of availability of resources. If certain resources (technical personnel or scarce raw material) are not adequately available, the objectives of an organisation are changes accordingly. So, there is a need for matching resources with objectives. Next, the available resources should be properly allocated and utilized.

6. Periodical Review Meetings

The superior and subordinates should hold meetings periodically in which they discuss the progress in the accomplishment of objectives. The fixed standards may be changed in the light of progress. But the basic conditions do not change. The periodical review meeting is held during the period set for achieving the objectives.

3. What are the advantages and disadvantages of MBO?

Advantages of MBO

The advantages of MBO are explained below:

1. Managers are involved in objectives setting at various levels of management under MBO and this commitment ensures hard work to achieve them.

2. MBO process helps the managers to understand their role in the total organisation.
3. Manager recognises the need for planning and appreciates the planning.
4. MBO provides a foundation for participative management. Sub-ordinates are also involved in goal setting.
5. A department does not work at cross purpose with another department. In other words, each department's objectives are consistent with the objectives of the whole organisation.
6. Systematic evaluation of performance is made with the help of MBO.
7. MBO gives the criteria of performance. It helps to take corrective action.
8. Delegation of authority is easily done with the help of MBO.
9. MBO motivates the workers by job enrichment and makes the jobs meaningful.
10. The responsibility of a worker is fixed through MBO.

Disadvantages of MBO

The disadvantages of MBO arise due to the application of the MBO which are discussed below:

1. MBO fails to explain the philosophy; most of the executives do not know how MBO works? what is MBO? and why is MBO necessary? and how participants can benefit by MBO?
2. MBO is a time consuming process. Much time is needed by senior people for framing the MBO. Next, it leads to heavy expenditure and also requires heavy paper work.
3. MBO emphasises only on short-term objectives and does not consider the long-term objectives.
4. The status of subordinates is necessary for proper objectives setting. But, this is not possible in the process of MBO.
5. MBO is rigid one. Objectives should be changed according to the changed circumstances, external or internal. If it is not done, the planned results cannot be obtained.

4. What are the advantages and disadvantages of MBE?

Advantages of MBE

Management by exception provides the following benefits:

- i. It saves the time of managers because they deal only with exceptional matters. Routine problems are left to subordinates.
- ii. It focuses managerial attention on major problems. As a result, there is better utilisation of managerial talents and energy.
- iii. It facilitates delegation of authority. Top management concentrates on strategic decisions and operational decisions are left to the lower levels. There is increase in span of control. This leads to motivation and development of subordinates.
- iv. It is a technique of separating important information from unimportant one. It forces managers to review past history and study related business data for identifying deviations. There is better use of knowledge of trends, history and available business data.
- v. MBE keeps management alert to opportunities and threats by identifying critical problems. It can avoid uninformed and impulsive action.
- vi. Management by exception provides better yardsticks for judging results. It is helpful in objective performance appraisal.

Disadvantages of MBE

- i. The main disadvantage of MBE is, only managers have the power over really important decisions, which can be demotivating for employees at a lower level.
- ii. Furthermore, it takes time to pass the issues to managers. Managing employees who deviate from the normal procedures. Because of compliance failures are considered difficult to manage and typically find themselves with limited job duties and ultimately dismissed/terminated.