

Questions carries 2 marks are given below -

Ques. 1 - Explain scalar chain?

Ans - As per the scalar chain, there is a scalar chain of authority and communication which move in a straight line from the superior to the lowest subordinate and vice-versa.

For example:- if there are A,B,C,D,E five people and the message from A to E is communicated , it will move from A to B ,then from B to C , then from C to D and finally from D to E.

Ques. 2. - Distinguish unity of command and unity of direction?

Ans - **Unity of command:-**

- a) An employee gets orders only from one manager at a time and he is responsible for that manger alone.
- b) Aim is to increase the efficiency of subordinates.

Unity of direction:-

- One head for one plan for a group of activities having the same objective.
- Aim is to enhance the efficiency of the organization.

Ques. 3. - What is portfolio matrix?

Ans - A method of evaluating businesses relative to the growth rate of their market and the organization's share of the market.

The matrix classifies the types of businesses that a diversified organization can engage as:

Dogs have small market shares and no growth prospects.

Cash cows have large shares of mature markets.

Question marks have small market shares in quickly growing markets.

Stars have large shares of rapidly growing markets.

Ques. 4. - Define ethics in business and its importance?

Ans - Business ethics refers to the moral principles which should govern business activities. It is concerned with truth and justice and has a variety of aspects such as expectations of society, fair competition, advertising, public relation etc.

Importance:-

- Identifying the core beliefs, which need to include a commitment to ethical conduct?
- Understanding the strengths and weaknesses of and organization culture & organizational structures.
- Scan the business environment
- Determine relative to its goals and objectives and what is expected.

- Identify targets and measurable indicators of expected program outcomes.
- Design, implement, and enforce a program that will promote an organizational structure that encourages ethical conduct and a commitment.
- Regularly evaluate, for improvement.

Ques. 5. - State the different types of work study?

Ans – There are three types of work study.

a) Time study- it states minimum times whatever is taken to finished a particular job.

b) Motion and method study- it speak about movement of machine and men.

c) Fatigue study- it speaks about how long a person can work continuously, or how easily a worker gets exhausted.

Ques. 6. - What is differential piece-rate system of wage payment means?

Ans. - Two rates of wage payment-

1. A higher rate per unit of output.
2. A lower rate per unit of output.

Ques. 7. - What are non-programming decisions?

Ans - Non-programming decisions are to be dealt non-routine and non-repetitive nature. There is no standard procedure for handling such problems. Such decision are warranted by extra-ordinary, exceptional or emergency situations. This decision is taken by managers in consultation with higher level of management.

Ques. 8. - What is span of management?

Ans. - It refers to the number of subordinates who can be managed effectively by a superior and subordinates reports to their respective manager only.

It is describes the numbers of subordinates that report to each manager. Span of management also known as **span of control** and **span of supervision**. It is dimension of organizational design measured by the number of subordinates that report directly to a given manager.

Ques. 9. - Write down the point of distinction between power and authority?

Ans –

Basis of distinction	Authority	Power
1. Meaning	Authority is the right to command subordinates and influence their behaviour favourably.	Power is the capacity to command subordinates and influence their behaviour favourably.
2. Location	Authority lies in managerial positions.	Power rests with persons in their individual capacities.
3. Nature	It is formal .	It is informal .
4. System	It is hierarchical in nature.	It does not have any system.
5. Delegation	Authority can be delegated.	Power, being a personalized attribute cannot be delegated.

Ques. 10. - Is management an art or science? Which is a reality of a manager's job?

Ans – Management as a science would indicate that in practice, managers use a specific body of information and facts to guide their behaviors, but that management as an art requires no specific body of knowledge, only skill.

In reality, a manager's job is less a science than an art.

Ques. 11. - What are the levels of management?

Ans. - Levels of Managements are -

Top managers: Managers who are responsible for making decisions and setting the policies that affect all aspects of organization.

Middle managers: All levels of management between supervisory and top managers.

First line managers: Supervisors, the lowest level of management.

Operatives: People who work directly on a job or task and have no responsibility for overseeing work of others.

Ques. 12. - How can we say that Management is Science or Arts?

Ans –

Management as Science: - Management uses principles, concepts of laws, economics, psychology etc. Concepts & meanings should be clear in science and the same applies for mgt. No empirical conformation like science. Like science taking a factor as static is not possible in mgt.

Management as Art: - Like arts, mgt involves the use of know-how & skills. Both are directed towards achieving concrete results. Mgt is creative like arts. Mgt is personalized like arts.

Ques. 13. - What are the 14 principles of management? Who has given this?

Ans. – Henry Fayal is known as Father of Administrative Management. He was born in 1841 in France. He contributed 14 principles on the basis of his experience as a worker.

14 principles management -

1. Division of work
2. Authority and responsibility
3. Discipline
4. Unity of command
5. Unity of direction
6. Subordination of individual interests
7. Remuneration
8. Centralization
9. Scalar chain
10. Order
11. Equity
12. Stability of tenure of personnel
13. Initiative
14. Esprit de corps

Ques. 14. - What are the Human Skills, Conceptual Skills, & Technical Skills?

Ans. –

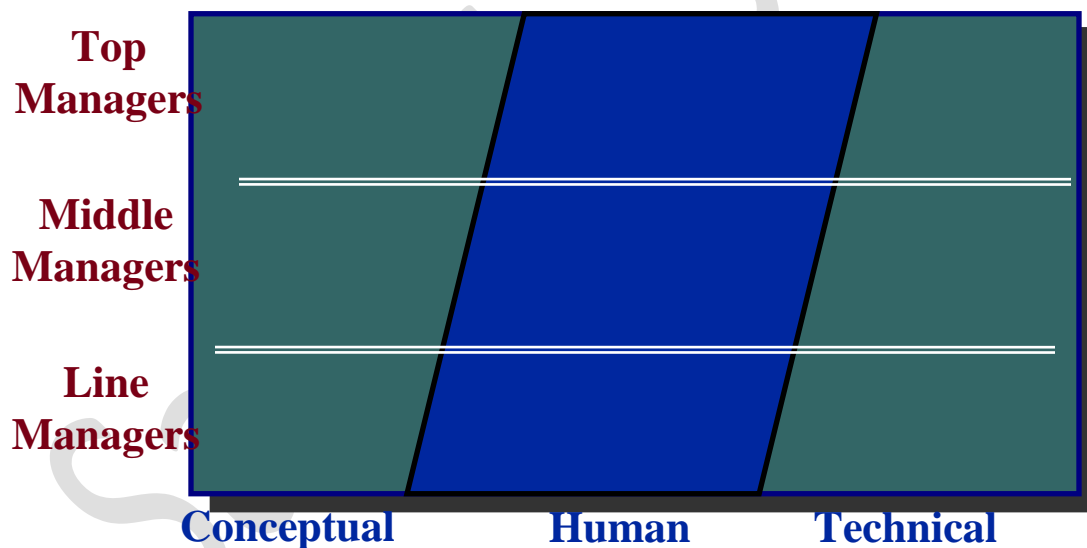
Managerial Skills: - There are three skill sets that managers need to perform effectively.

1. Conceptual skills: the ability to analyze and diagnose a situation and find the cause and effect. Conceptual skill is imperative for top level management.

2. Human skills: the ability to understand, alter, lead, and control people's behavior. Human skill needed for every levels of management.

3. Technical skills: the job-specific knowledge required to perform a task. Common examples include marketing, accounting, and manufacturing. Technical skill is an imperative skill for managers at the lower level of management.

Skill Type Needed by Manager Level



Ques. 15. - Describe the Hard Ss of McKinsey model?

Ans. - The **3Ss** across the top of the model are described as 'Hard Ss':

- **Strategy** - The direction and scope of the company over the long term.
- **Structure** - The basic organization of the company, its departments, reporting lines, areas of expertise, and responsibility (and how they inter-relate).
- **Systems** - Formal and informal procedures that govern everyday activity, covering everything from management information systems, through to the systems at the point of contact with the customer (retail systems, call centre systems, online systems, etc).

Ques. 16. - Write the full form of these.

a) CPM b) CSR c) CART d) PERT.

Ans. -

CPM- CRITICAL PATH METHOD

CSR- CORPORATE SOCIAL RESPONSIBILITY

CART- CLASSIFICATION AND REGRESSION TREE

PERT- PROGRAMME EVALUATION & REVIEW TECHNIQUE

Ques. 17. - What is planning? What are the types of planning?

Ans. -

Planning: - The process of setting goals, developing strategies, and outlining tasks and schedules to accomplish the goals.

Or,

Determining organizational goals and a means for achieving them

Or,

Thinking before doing....

Types of planning:-

- Financial and non-financial planning.
- Formal and informal planning.
- Short-range and long-range planning.
- Standing and ad hoc planning.
- Administrative and operational planning

Ques. 18 - What is Decision making? What are the steps of Decision making?

Ans. - "Decision-making is the process of selecting the best alternative course of action, which is thought to fulfill the objectives of the decision problem most satisfactorily than others.

Or,

Decision making is the selection based on some criteria from two or more possible alternatives. - **By G.R.TERRY**

Or,

Decision Making is a course of action chosen by a manager as the most effective means at his disposal for achieving goals and solving problem.

- **By Haiman.**

Steps of Decision Making –

1. Identifying the problem
2. Collection of data
3. Analysis the data
4. Identifying the alternatives
5. Selection of alternatives
6. Implementation of alternatives
7. Follow up and feedback

Ques. 19. - What is organizing?

Ans. - Organizing is the process of integrating the physical, financial & human resources & establishes the productive relations between them to accomplish the pre - determined goal.

Or,

"Organizing is establishing of effective authority relationship among selected work, persons, and work place in order for the group to work together efficiently"

-- G.R.TERRY

Or,

Deciding where decisions will be made

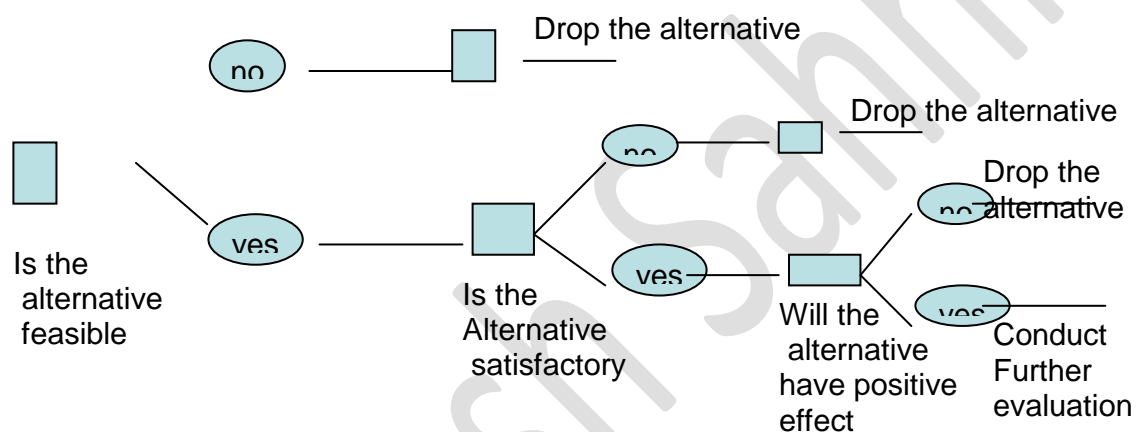
Who will do what jobs and tasks?

Who will work for whom?

Ques. 20. - What is Decision Tree?

Ans. - Decision tree is a predictive model; that is mapping of observations about an item to conclusions about the items target value. It also a descriptive mean for calculating conditional probabilities. Decision tree can also be described as an synergy of mathematical and computing techniques that aids on description, categorization and generalization of a given data set.

Decision Tree



Ques. 21. - What are Authority & Power?

Authority - According to Simon authority means "the power to make decisions which guide the actions of another. It is a relationship between two individuals - one superior, the other subordinate. The superior frames and transmits decisions, with the expectation that they will be accepted by the subordinate. The subordinate expects such decisions, and his conduct is determined by them".

Power - Power refers to the capacity to affect the behavior of the subordinate with the control of resources.

Ques. 22. - What are the types of Power and Authority?

Ans. -

Types of authority -

1. Line authority,
2. Staff authority,
3. Team authority.

Types of power -

1. Legitimate power
2. Coercive power
3. Reward power
4. Expert power
5. Referent power
6. Information.

Ques. 23. - What is Line & Staff Organization?

Ans. - LINE AND STAFF ORGANISATION - Line and Staff Organization is one, in which there is basic departmentation for primary business functions, operated on the concept of the scalar chain; and there is a provision for specialized activities performed through staff officers, the latter acting ordinarily in an advisory capacity.

Features:-

- Two types of authorities flow in this organization.
- The principle of unity of command is followed.
- Burden of line manager is reduced.
- Specialist & Supportive activities are recognized & formed into separate units/department.

Ques. 24. - Define the term of Management.

Ans. -

Management - "Management is the art of getting things done through & with the people in formally organized groups."
- By 'Knoontz'

Or,

The process of using organizational resources to achieve the organization's goals by...

Planning, Organizing, Leading, and Controlling.

Ques. 25. - List the various function of management.

Ans. -

1. Planning,
2. Organizing,
3. Staffing,
4. Directing,

5. Controlling.

Ques. 26. – Define Premises and Forecasting?

Ans. - Premises: - Premises are assumptions on which plans are formulated.

According to **“Wehrich & Koontz”**

Planning premises are the anticipated environments in which plans are expected to operate. They include assumptions or forecasts of the future and known condition that will affect the plan. Planning premises can be external or internal.

Forecasting: - Forecasting is the process of estimation in unknown situations.
Forecasting is the process of expectation about the future course of action.

In words of **“Neter & Wsserman”**

Business forecasting refers to the statistical analysis of the past & current movements in the given time series so as to obtain clues about the future pattern of those movements.

Ques. 27. – Give the application and management style used in X-Theory and Y-Theory.

Ans. –

X-Theory states

- People don't like to work and will avoid it if they can.
- People must be controlled, directed or threatened to get them to Make an effort.
- Workers want to avoid responsibility but want job security.

Y-Theory states

- Work is as natural as play or rest.
- People want to be self-directed and will try to accomplish goals in which they believe.
- Positive incentives will motivate workers.
- People seek responsibility and are willing to help solve problems.

Ques. 28. - Why do we study Management?

Ans. – Management is important for our society, industry and government organization.

- We all have a vested interest in improving the way organizations are managed.
 - Better organizations are, in part, the result of good management.
- You will eventually either manage or be managed.
 - Gaining an understanding of the management process provides the foundation for developing management skills and insight into the behavior of individuals and the organizations.

Ques. 29. - Define the Decision making?

Ans. - "Decision-making is the process of selecting the best alternative course of action; from among a number of alternatives given to management or developed by it- after carefully and critically examining alternative".

Or,

Decision making is the selection based on some criteria from two or more possible alternatives – G.R.TERRY

Ques. 30. - State the factors affecting the decision making process.

Ans. -

- Data/information
- Time factor
- Political, social, cultural, technical, legal etc.,
- Rules, regulations, procedures of the organization
- Personality, education & experience of the decision maker
- Power to decide
- Bounded rationality-generalized judgment

Ques. 31. - Write the short note on Japanese style of management.

Ans. -

- J -believe in lifetime employment.
- J-believe in trust.
- J-feel that person should not be evaluated until he has served 10 years with the company.
- J-believe that management should not set the target.
- J-involve everybody in decision making.
- J-don't reward any particular individual for their performance.

Ques. 32. - Describe the role of Liaison person with reference to coordination.

Ans. - Growth of interactions and volume of information between any two or more departments may make it necessary to establish a liaison or linkage role strategy between them. Accordingly, anyone or more persons may be assigned the duty of resolving the issues between any two or more interacting departments to perform liaison role.

Ques. 33. – What are the main Purposes of Control?

Ans. - The main purpose of control is

- To make plans an effective one.
- It helps in attaining organizational objective most effective and efficient way.

- It also provides feedback on project status.

Ques. 34. – Distinguish between centralization and decentralization

Ans. -

<u>Centralization</u>	<u>Decentralization</u>
1. Environment is stable.	1. Environment is complex.
2. Lower level managers are not as capable or experience at decision making.	2. Lower level managers are capable and experienced at making decisions.
3. Lower level managers don't want to have a say in decision.	3. Lower level managers want a voice in decision.
4. Decision is significant.	4. Decisions are relatively minor.
5. Company is large.	5. Company is geographically dispersed.
6. Effective implementation of company strategies depend on managers retaining to say over what happens.	6. Effective implementation of company strategies depends on managers having involvement and flexibility to make decision.

Ques. 35. - Explain the types of decision tree.

Ans. – There are three types of decision tree –

1. **Classification tree:** classification tree analysis is a term used when predicted outcome is the class to which the data belongs.
2. **Regression tree:** Regression tree analysis is a term used when the predicted outcome can be considered a real number.
3. **CART:** Used to refer to both of the above procedures.

Ques. 36. - Who is a speed boss?

Ans. - Speed boss is a foreman who would determine the optimum speed at which machines are to be operated so that both over-speeding and under-speeding of machines are avoided. In this way less depreciation is caused to machines.

Ques. 37. Explain Seven Steps for Ethical Decision Making.

Ans –

1. Get the facts
2. Identify stakeholders and their positions
3. Consider the consequences of their decision
4. Weigh various guidelines and principles
5. Develop and evaluate your decision
6. Review your decision
7. Evaluate the results of your decision.

Ques. 38. - What is corporate social Responsibility (CSR)?

Ans. - "Specifically, we see CSR as the voluntary actions that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society."

CSR is a concept that frequently overlaps with similar approaches such as corporate sustainability, corporate sustainable development, corporate responsibility, and corporate citizenship.

World Business Council for Sustainable Development states that –

"Corporate social responsibility is the continue commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large".

Ques. 39. – What is business ethics?

Ans. - Ethics – "Rules & principles that defines right & wrong conduct"

It is concerned with truth and justice and has a variety of aspects such as expectations of society, fair competition, advertising, public relation etc.

Business Ethics relate to the behavior of a businessman in a business situation. These are concerned primarily with the impacts of decisions on people, within & without the organization, individually & collectively in communities or in other groups.

Ques. 40. - What is scientific management?

Ans. - It is an art of knowing what exactly you want from your men to do and then seeing that is done in the best possible manner .In simple word, it is application of science to management.

Ques. 41. – What are the contributions of F W Taylor?

Ans. -

- Determination of fair days works each individual through scientific method.
- Scientific selection and training of workers.
- Standardization of raw materials, tools and working condition.
- Differentiate piece rate system of wage payment.
- Function foremanship.

Ques. 42. - Explain the Principles of Scientific Management?

Ans. – F.W. Taylor is known as Father of Scientific Management. He contributed towards the concept of scientific management. He also enriched the management with few principles & some scientific techniques.

The fundamental principles, which would support the concepts and practice of scientific management.

List of the Principles of Scientific Management –

1. Science, not the rule of the thumb.
2. Harmony, not discord.
3. Co-operation, not individualism.
4. Maximum production, in place of restricted production.
5. Development of each person to the greatest of his capabilities.

Ques. 43. - What is the criticism of scientific management?

Ans. - Criticism of scientific management –

- Unsuitable for the small employers.
- Unemployment.
- Retarding human development.

Ques. 44. - Differentiate between goals and plans.

Ans. - Goals are desired outcomes for individuals. Groups or entire organizational. Plans are document that outline how goals are going to be met and that typically

describe resource allocations, schedules, and other necessary actions to accomplish the goals.

Ques. 45. - Explain each of the different types of plans.

Ans. - Strategic plans apply to the entire organization, establish the organization's overall goals, and seek to position the organizations In terms of its environment.

- Operational plans specify the details of how the overall goals are to be achieved.
- Long-term plans are plans with a time frame beyond three years.
- Short term plans cover one year or less.
- Specific plans are clearly defined and leave no room for interpretation.
- Directional plans are flexible plans that set out general guidelines.
- Single use plans are one-time plans specifically designed to meet the needs of a unique situation.
- Standing plans are ongoing plans that provide guidance for activities performed repeatedly and include policies, rules, and procedures.

Ques. 46. - Define strategic management and how it entails the four management functions.

Ans. - Strategic management is that set of managerial decisions and actions that determines the long-run performance of an organization. It entails all of the basic management function because the organization's strategies must be planned, organized, put into effect, and controlled.

Management Functions -

- Planning,
- Organizing,
- Leading,
- Controlling.

Ques. 47. - How is globalization affecting the way managers do their jobs?

Ans. - Management is no longer constrained by national borders, and managers in organization of all sizes and types around the world are faced with the opportunities and challenges of operating in a global market.

Ques. 48. - What is workforce diversity, and what implications does it have for managers?

Ans. - Workforce diversity exists when workers are more heterogeneous in terms of gender, race, ethnicity, age, and other characteristics that reflect their difference. It's an important issue because as more women, minorities, elderly, and immigrants enter the job market in the first part of the twenty-first century, monumental changes are and predicted in the workplace.

Ques. 49. - What purposes does planning serve?

Ans. - Planning gives direction, reduces the impact of change, establishes coordinated effort, reduces uncertainty, minimizes waste and redundancy, and sets the standards used in controlling.

Ques. 50. - What is the relationship between planning and organizational performance?

Ans. - Formal planning is associated with higher profit, higher return on assets, and other positive financial results. The quality of the planning process and the appropriate implementation of the plan probably contribute more to high performance than does the extent of planning.

Ques. 51. - Define Forecasting and its methods.

Ans. -

- Forecasting is the process of estimation in unknown situations.
- Prediction is similar, but more general.
- Business forecasting refers to the statistical analysis of the past & current movements in the given time series so as to obtain clues about the future pattern of those movements.

Methods of forecasting

- Quantitative forecasting,
- Technological or qualitative forecasting,
- Judgmental forecasting.

Ques. 52. - What are the different types of goals?

Ans. - Types of goals -

1. Organizational goals

2. Economic goals
3. Strategic goals
4. National goals
5. Human goals

Organization may utilize financial and/or strategic goals, stated and /or real goals.

Ques. 53. - What is Hawthorne study?

Ans. - The Hawthorne studies were conducted from 1927 to 1932 at the Western Electric Hawthorne works in Chicago, which was engaged in producing bells and other electrical equipments for telephone industry.

Hawthorne Studies is given by Elton Mayo

- Workers' feelings and attitudes affected their work.
- Financial incentives weren't the most important motivator for workers.
- Group norms and behaviour play a critical role in behaviour at work.
- **Experimental findings**
 - Productivity unexpectedly increased under imposed adverse working conditions.
 - The effect of incentive plans was less than expected.
- **Research conclusion**
 - Social norms, group standards and attitudes more strongly influence individual output and work behavior than do monetary incentives.

Ques. 54. - What is classical management theory?

Ans. - The Classical School of Management is based on the actual work experience and theories of certain key individuals, namely, Henry Fayol, James Mooney, Edward Tregaskiss Elbourne, Mary Parker Follet, Luther Gulick, Lybdall Urwick, Oliver Sheldon, and E.F.L Brech. Their views have had a lasting impression and quite a few of them are still followed by organisations the world over.

A theory, developed during the industrial revolution that proposes "one best way" to perform tasks. Classical management theory developed into two separate branches:

- a) The classical scientific school.
- b) The classical administrative school.

Ques. 55. - What are some early evidences of management practice?

Ans. - Some early evidences of management practice are the Egyptian pyramids, the Great Wall of China, and the status as a major economic trade center in the 1400s.

Ques. 56. - Explain why division of labor and the Industrial Revolution were important to the study of management.

Ans. - Division of labor increases productivity by increasing each worker's skill and dexterity saves time that is commonly in changing tasks and creates labor saving inventions and machinery during the industrial revolution business owner's large businesses that required formalized management practice.

Ques. 57. - What relevance does scientific management have to current management practice?

Ans. - Scientific management is the use of scientific methods to define the "one best way" for a job to be done. It's relevance to current management practice is that managers still use many of the techniques developed by Taylor, the Gilbreth, and other practitioners.

Ques. 58. - Explain Frank and Lillian Gilbreth's contributions to scientific management?

Ans. - Frank and Lillian Gilbreth studies work arrangements to eliminate wasteful hand and body motions. They also experimented with the design and use of proper tools and equipment for optimizing work performance.

Ques. 59. - Describe Fayol's principles of management and how they compare with Taylor's?

Ans. - Henri Fayol's principles of management were division of work, authority, discipline, unity of command, unity of direction, subordination of individual interests, remuneration, centralization, scalar chain, order, equity and stability of tenure personnel, initiative, and esprit de corps. In contrast to Taylor's principles, Fayol's focused on the entire organization and not just the individual workers.

Ques. 60. - What did Weber contribution to the general administrative theories of management?

Ans. - Max Weber described an ideal type of organization called a bureaucracy, characterized by division of labor, a clearly defined hierarchy, detailed rules and regulation, and impersonal relationship.

Rules and controls were to be applied uniformly, avoiding involvement with individual personalities and performances of employees.

Ques. 61. - Explain how the quantity approach evolved and how it has contributed to the field of management?

Ans. - The quantitative approach, also called operations research or management science, is the use of quantitative techniques to improve decision-making and it

evolved out of the development of mathematical and statistical solutions to military problems during World War II. After the war, many quantitative techniques that had been used for military problems were applied to the business sector. The quantitative approach has added another dimension to the evolution of management practice and thinking and has contributed most directly to management decision making in planning and control.

Ques. 62 - What were some of contributions of the early advocates of OB?

Ans. - Early advocates of the OB approach were Robert Owen, who proposed an idealized workplace where work hours would be regulated, child labor outlawed, public education and a meals provided, and a business involved in community projects; Hugo Munsterberg, who created the field of industrial psychology, the study of individuals at the maximize their productivity and adjustment; Mary Parker Follett, who thought that organizations should be based on a group ethic rather than on individualism to release individual potential; and Chester Barnard, who saw organizations as social systems that require the human cooperation.

Ques. 63. - What is the criticism of scientific management?

Ans. - Criticism of scientific management –

- Unsuitable for the small employers,
- Unemployment,
- Retarding human development.

Ques. 64. - What is Profession?

Ans. - "A Profession may perhaps be defined as occupation based upon the specialized intellectual study and training, the purpose of which is to supply skilled service, or advice to others for a definite fee or salary".

Ques. 65. – What is Social Responsibility of an Organization towards Shareholder?

Ans. - The responsibility of management is towards its shareholders. Management is expected to use the resources effectively and to protect the interest of shareholders.

Ques. 66. - What is Arguments for social responsibility off business?

Ans. –

- **Business is a part of society**—Business organizations are creatures of the society and must respond to society demands.
- **Avoidance of government regulations**—when a business is unable to fulfill its social roles, it invites more government intervention in the business

system. Therefore, in order to avoid government regulation of business, it is preferable to go for social responsibility programmes.

- **Conscious customers**—the customers are well informed. They expect higher quality products at reasonable rates.
- **A strong trade union**—the level of education among the workers has been increasing.
- **Long run self interest of business**--discharge of SRs ensures long run self interest of business.

Ques. 67. - State the features of Science & Arts.

Ans. -

As Science-----

- Science is a systematic approach.
- Science has got universal principles.
- It establishes a relationship between cause and their effect.
- Its results come after accurate and effective.
- It is based on well defined proved experiments.

As Arts-----

- An art is a practical knowledge.
- An art is a specialized personal skill.
- It is based on experience attitude and interest.
- Arts can be improved through practice.
- Arts create congenial atmosphere and develop further interest.

Ques. 68. - Explain about "Decision Theory School".

Ans. - Decision Theory School -

•The Decision Theory School focuses on managerial decision- making which, in its view, is the core management task, pervading all management functions.

•Herbert A. Simon the chief exponent of this School.

•Decision-making has three elements, namely the decision, the decision maker, and the decision process.

Ques. 69. - Explain about "Behavioural School".

Ans. -

•Behavioural School represents the synthesis of theories and methods of relevant social sciences of focussing on both individual and group behaviour.

•Among the chief exponents of the Behavioural School, are Chester Barnard, Douglas McGregor, Keith Davis and David A. Buchanan.

Ques. 70. – Explain about “Empirical School” and it’s properties.

Ans. - Empirical School -

•The Empirical School seeks to generalize the nature of management based on the experience of successful managers.

•Main exponent of the Empirical School is Ernest Dale

Main properties of the Empirical School may be summed up as follows:

- Management is basically a study of actual work experiences of successful managers.
- Management knowledge distilled from the work experiences can be passed from one manager to another to be applied in similar work situations.
- It is possible to make generalizations and develop principles on the basis of accumulated work experiences of several managers.

Ques. 71. - What is leading?

Ans. – Leading – Directing and motivating involves parties and resolving conflicts.

“It is a function that includes motivation of employee for work.”

Leading is influencing people so that they will contribute to the organization and group goals, it should be with the interpersonal aspects of managing. Leadership implies follower and people tend to follow those who offer a means of satisfying their own needs, wishes and desires. Leading involves motivation, Leadership style and approaches and communication.

- In leading, managers determine direction, state a clear vision for employees to follow, and help employees understand the role they play in attaining goals.
- Leadership involves a manager using power, influence, vision, persuasion, and communication skills.
- The outcome of the leading is a high level of motivation & commitment from employees.

Ques. 72. – What is controlling?

Ans. –

- In controlling, managers evaluate how well the organization is achieving its goals and takes corrective action to improve performance.
- Managers will monitor individuals, departments, and the organization to determine if desired performance has been reached.

- Managers will also take action to increase performance as required.
- The outcome of the controlling function is the accurate measurement of performance and regulation of efficiency and effectiveness.

Ques. 73. – Define Delegation and its Principles.

Ans. – Delegation - “Transferring responsibility for the performance of an activity from one individual to another while retaining the accountability for the outcome” (ANA, 1993).

Delegation involves in –

- Determination of the task to be accomplished
- Assessment of each person’s competency
- Amount of decision making needed
- Level of supervision available.

SIX PRINCIPLES OF DELEGATION –

1. Know yourself and team members
2. Assess strengths, weaknesses, job, situation and skills
3. Understand the state practice act, limitations, and job descriptions
4. Know the job requirements
5. Keep communication clear, complete and constant
6. Evaluate-review what happened/measure results.

Ques. 74. – What are the benefits of CPM/PERT?

Ans. - Benefits of CPM/PERT –

- Useful at many stages of project management
- Mathematically simple
- Give critical path and slack time
- Provide project documentation
- Useful in monitoring costs

CPM/PERT can answer the following important questions –

- How long will the entire project take to be completed? What are the risks involved?

- Which are the critical activities or tasks in the project which could delay the entire project if they were not completed on time?
- Is the project on schedule, behind schedule or ahead of schedule?
- If the project has to be finished earlier than planned, what is the best way to do this at the least cost?

Ques. 75. - Explain "Deming's decision making model".

Ans. - Deming's decision making model -
Deming's tool for improvement and innovation.

It is developed by Deming by using PDCA or PDSA i.e., Planning, Doing, Checking/Studying and Acting which is used to solve the problems. When this tool is used it will lead to improvement or innovation.

Ques. 76. - Define Advantages and Disadvantages of Decentralization.

Ans. - Advantages of Decentralization -

- Saving of time.
- Greater efficiency and output.
- Maintenance of secrecy.
- Departmental loyalty.
- Faster decisions can be made.
- Top managers can concentrate on major issues.
- Challenge of decision-making enriches the job of lower-level employees.

Disadvantages of Decentralization -

- No proper division of work.
- Duplication of work.
- No standardization.
- Heavy expenditure.

Ques. 77. - - Explain about "GILBRETHS" contribution.

Ans. - Frank B & Lillian M Gilbreth collaborated on fatigue & motion studies and focused on ways of promoting the individual worker's welfare. According to them every motion that was eliminated will reduce fatigue. The Gilbreths argued that

motion study would raise worker morale because of its obvious physical benefits & it demonstrated management concern for the worker.

Ques. 78. – Define Steps in the Control Process.

Ans. –

1. Establish Standards
 - a. Control standard—a target against which subsequent performance will be compared.
 - i. Control standards should be expressed in measurable terms.
 - ii. Control standards should be consistent with organizational goals.
 - iii. Control standards should be identifiable indicators of performance.
2. Measure Performance
 - a. Performance measurement is an ongoing process.
3. Compare Performance Against Standards
 - a. Define what a permissible deviation from the performance standard is.
 - b. Utilize the appropriate timetable for measurement.
4. Consider Corrective Action
 - a. Maintain the status quo (do nothing).
 - b. Correct the deviation to bring operations into compliance with the standard.
 - c. Change the standard if it was set too high or too.

Ques. 79. – What are the merits of scientific management?

Ans. - merits of scientific management?

- More production and higher profits.
- Job satisfaction
- Personality development
- Higher standard of living

Ques. 80. - Define Bureaucratic Management.

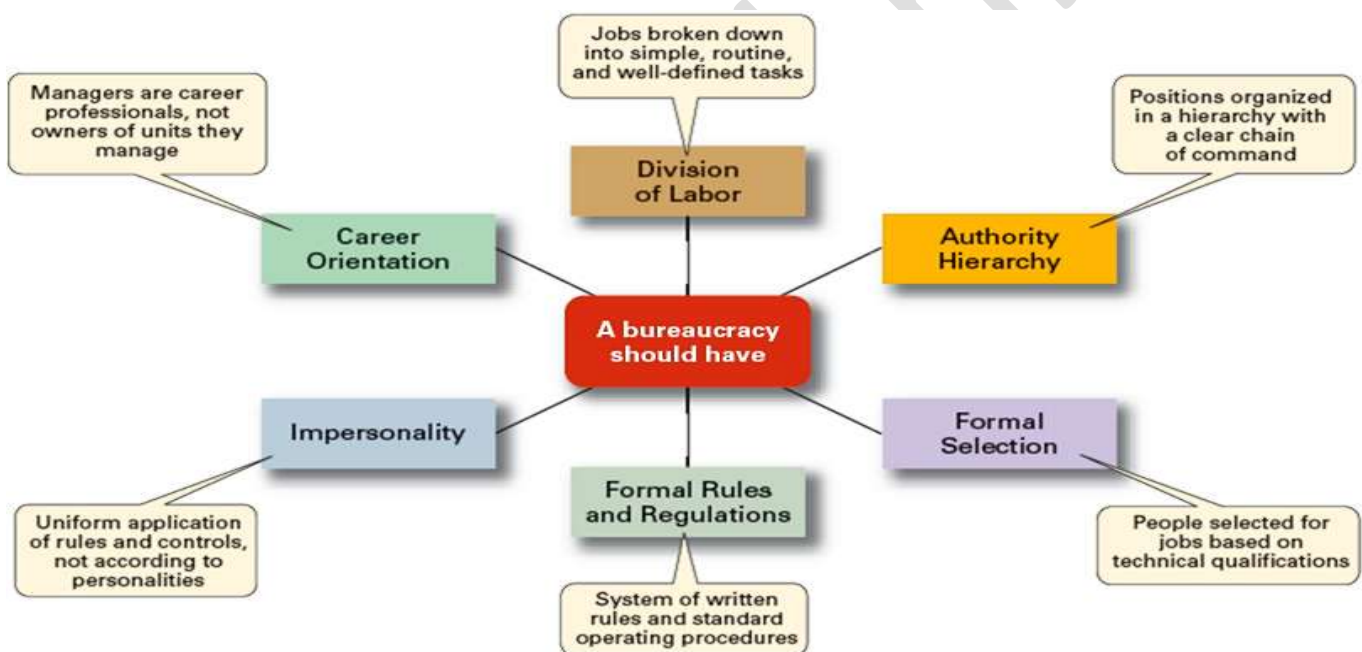
Ans. – It is developed by **Max Weber (1864-1920).**

The exercise of control on the basis of knowledge, expertise, or experience, with the following aims:

1. Qualification-based hiring.
2. Merit-based promotion

3. Chain of command
4. Division of labor
5. Impartial application of rules and procedures
6. Recorded in writing
7. Managers separate from owners

Weber's Ideal Bureaucracy



PPM

Bank questions

Questions carries 5 marks are given below -

Ques. 1. - Discuss the 14 principles of Henry Fayol?

Ans. – Henry Fayol is known as Father of Administrative Management. He was born in 1841 in France. He contributed 14 management principles on the basis of his long experience as a worker.

14 Management Principles

1. Division of work
2. Authority and responsibility
3. Discipline
4. Unity of command
5. Unity of direction
6. Subordination of individual interests
7. Remuneration
8. Centralisation
9. Scalar chain
10. Order
11. Equity
12. Stability of tenure of personnel
13. Initiative
14. Esprit de corps

1. **Division of work :-** It requires that every job and its part should be identified as separate work & entrusted to the most suited person. The quality & quantity of production will improve if every job is assigned to the right person. According to Henry Fayol under the division of work. " The worker always on the same post, where the manager always concerned with the same matters.
2. **Authority and responsibility :** - Authority & responsibility are co-existing. If authority is granted to a person, he should also be made responsible. In the same way, if any body is made responsible for any job, he should also have the concern authority.
3. **Discipline:** - According to Fayol discipline means obedience to the rules of the organization, on the part of both managers and sub-ordinates-including outward marks of respect shown by sub-ordinates towards superiors.
4. **Unity of command :-** One man one boss.
According to Fayol every employee should receive order and instruction from one boss at a time and he should be responsible & accountable to him only.
5. **Unity of direction :-** One man one principle. It means that group effort on a particular plan be led and directed by a single person.
6. **Subordination of individual interests :-** Employee should surrender there on interest of there personal interest before the general interest of the enterprise. Sometimes the employee due to their ignorance, selfishness, laziness, carelessness, and emotional pleasure overlook the interest of the organization. This attitude proves to be very harmful to the enterprise.

- 7. Remuneration :-** According to Fayol, wages & methods of their payment should be fair, proper & satisfactory. Both employers & employee should agree to it.
- 8. Centralisation :-** This is the matter of degree depending on the condition of the business and the quality of its personnel. It refers to reservation of decision making authority at top levels of management.
- 9. Scalar chain: -** It is the fore-runner of the hierarchy principle under which authority flows from the top to the bottom level managerial positions.
- 10. Order :-** According to Fayol, there should be proper systematic and orderly arrangement of physical & social factors. Physical factors include land, raw material, tools, and equipment where social factors mean employees.
- 11. Equity: -** The principle of equity should be followed at every level. There should not be discrimination as regard, cast, sex & regions.
- 12. Stability of tenure of personnel: -** Production is being a team work. An efficient management builds a team of good worker.
- 13. Initiative: -** The success management provides an opportunity to its employees to suggest their new ideas, experience and more convenient method of work.
- 14. Esprit de corps :-** (Co-operation) In order to achieve the best possible result, individual & group effort are to be effectively integrated and coordinated.

Ques. 2. - Write a note on :

i) Contribution of Rensis Likert

ii) Maslow's Need Hierarchy theory

Ans. -

i) Dr. Likert has conducted much research on human behaviour within organizations, particularly in the industrial situation. He has examined different types of organizations and leadership styles, and he asserts that to achieve maximum profitability, good labor relations, high productivity, every organization must make optimum use of their human assets.

Likert had identified 4 main systems:--

- 1) exploitive- authoritative system-----**
 - Decisions are imposed on employees.,
 - use of threats
 - Top levels have greater responsibility.
- 2) benevolent authoritative system-----**
 - master-servant trust,
 - use of rewards,
 - Little communication.
 - Little teamwork.

- 3) **consultative system-----**
- substantial but not full trust on employees,
 - use of rewards and involvement,
 - Moderate amount of teamwork.

- 4) **participative – group system-----**
- complete confidence on employees,
 - use economic rewards based on goals,
 - all level feel responsibility,
 - Much communication.

ii) **Hierarchy of needs theory**

It is developed by Abraham Maslow. Maslow hypothesized that within every human being, there exists a hierarchy of five needs:

1. **Physiological:** Includes hunger, thirst, shelter etc.
2. **Safety:** Security and protection from physical and emotional harm.
3. **Social:** Affection, belongingness, acceptance and friendship.
4. **Esteem:** Internal factors such as self-respect, autonomy, achievement and external factors such as status, recognition and attention.
5. **Self-actualization:** Drive to become what one is capable of becoming includes growth, achieving one's potential and self-fulfillment.

As each of this needs becomes substantially satisfied, the next needs becomes dominant. Maslow divide this five needs into higher and lower order needs.

Lower-order needs -

- Physiological, safety, and social needs.
- Desires for physical and social well being.

Higher-order needs -

- Esteem and self-actualization needs.
- Desire for psychological growth and development

Ques. 3. - Explain the decision making and steps involved in decision making process?

Ans. - " Decision-making is the process of selecting the best alternative course of action; from among a number of alternatives given to management or developed by it- after carefully and critically examining alternative"

Steps involved in decision making:-

- **Definition of the decision-making problem-** The first step in decision making process is to define decision making problem i.e. Discrepancies between a current state of condition and what is desired.

- **Collection of data** – A decision is as good as adequacy and quality of data is on which it is based. Accordingly, management should proceed to collect necessary data, and for these services of MIS is very useful.
- **Development of alternatives** – This step is usually guided by SWOT analysis.
- **Selection of the best alternative-** Selection of best alternatives is based on

1. Experience
2. Experimentation

- **Implementation of the decision** – A decision is remains only a “paper decision” unless and until it is put into practice. Implementation of decision requires following managerial aspects:
 - communication
 - making all resources and facilities
 - motivating
 - exercising general supervision.
- **Follow-up or feedback action** – After decision has been put into practice, the management must watch consequences- this is follow up or feedback aspect of decision making process. In the view of feedback obtained from implementation of decision, necessary modification can be made in the decision.

Ques. 4. – What is Downsizing? What are the problems with Downsizing?

Ans. – Downsizing –

- The intentional reduction in workforce size with the goal of improving organizational efficiency or effectiveness.
- Downsizing is often accompanied by reducing horizontal or vertical complexity.
- Self-managed teams can act as substitutes for a level of management.
- Horizontally, functions can be combined or removed by contracting them out.

Problems with Downsizing –

- Increased formalization and centralization that can have a negative effect on customers or clients.
- Removal of departments and positions without first thinking about the *work* that needs to be done and *who* should do it.
- The removal of management levels without considering the implications for job design and workload.
- Traditional guards against unethical activities might be removed.
- Low morale, reduced productivity, and distrust of management.
- Downsizing does not result in cost reductions in the long run or improvements in productivity.
- Its impact on structure and morale must be anticipated and managed to have positive consequences.

Ques. 5. - Define delegation of authority? What are problems in delegation? Explain the principles of effective delegation?

Ans. - Delegation is a process by which a manager assigns his authority to his subordinates to perform certain tasks or activities assigned to them. Thus it involves shifting of decision making authority from one organizational level to another lower level.

Problems -

1. Some managers believe in fallacy.
2. Managers lacking required confidence & trust in subordinates might not be interested in delegating the authority.
3. Low confidence and more overconfidence amongst the managers may create a bottleneck in a process of delegating.
4. Fear amongst managers that they will lose status and position.
5. Poor examples set by superior who do not delegate may discourage the managers to delegate further.

Principles -

1. Principle of delegation by result expected.
2. Principle of functional definition.
3. Principle of scalar principle.
4. Principle of unity of command.
5. Principle of parity of authority and responsibility.
6. Principle of absoluteness of responsibility.
7. Principle of communication.
8. Principle of clarity of limits of delegation.

Ques. 6. - Explain BCG model in detail?

Ans. - Two important portfolio management techniques

- 1. The BCG (Boston Consulting Group) Matrix**
- 2. The GE (General Electric) Business Screen**

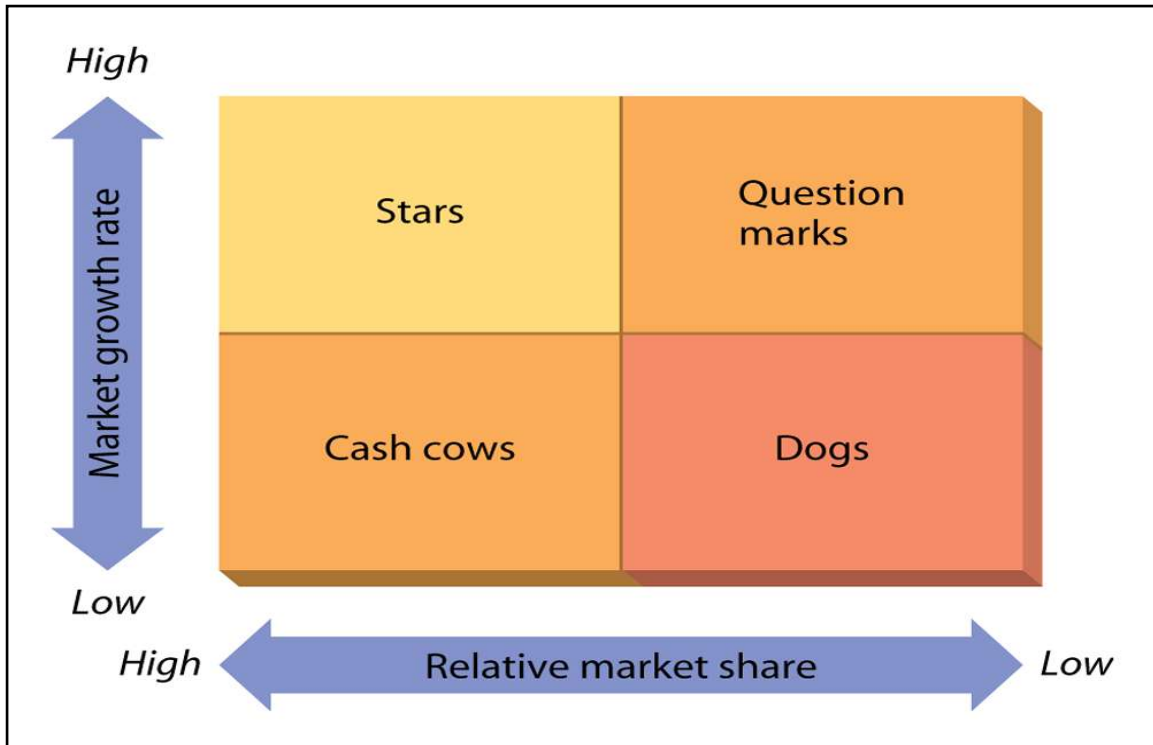
1. The BCG (Boston Consulting Group) Matrix -

- A method of evaluating businesses relative to the growth rate of their market and the organization's share of the market.

- The matrix classifies the types of businesses that a diversified organization can engage as:

- **Dogs** have small market shares and no growth prospects. So they neither generate nor consume a large amount of cash.
- **Cash cows** have large shares of mature markets and low growth rate, thus generate more cash than they consume. Cash cows provide cash to turn question mark into market leaders, to cover administrative costs of the company, to fund research and development, and to pay dividends to shareholders.
- **Question marks** are growing rapidly and thus consume more cash, but because of low market shares do not generate much cash. A question mark has potential to gain market share and become a star, and eventually cash cow when market growth slows.
- **Stars** have large market shares of rapidly growing markets so they generate more cash, and also consume large amounts of cash because of high growth rate. If a star can maintain its large market share, it will become a cash cow when a market growth rate declines.

Figure
The BCG Matrix



Ques. 7. - Define departmentation? Explain the various basis of departmentation?

Ans. - According To "KOONTZ and O'DONNELL" –

- "Departmentation is a process of dividing the large monolithic functional organization into smaller and flexible administrative units".

- "The process of classifying an organization on the basis of departments or similar activities, to facilitate planning and control".

- Is the method of grouping jobs and resources into departments?

Types of Departmentation:

1. Functions, e.g., sales, production, personnel, planning, transport, etc.
2. Products, e.g., air-conditioners, accounting machines, electronic calculators, etc.
3. Territory, region, or geographical area, e.g., Northern Railway, Western Railway, N.E. Railway, etc.
4. Customer, e.g., wholesaler, retailer, government.
5. Process.
6. Appropriate combination of any of these types.

Departmentation by Function –

- Employees with similar jobs (functions) are grouped together.
- Under this all the function of similar nature are divided in different units which are called department.
- E.g. production, financing, marketing and human resources.

Product/Customer wise Departmentation –

- Employees who work on a particular product (or group of customers) are grouped into one department.
- Product departmentation can be used by organizations which produce several different product lines. E.g., It has several different divisions to manage their different businesses.
- Customer departmentation can be used by organizations that serve different groups of customers with different needs. E.g. a bank may have separate departments for personal accounts and business accounts.

Territorial or Geographical Departmentation –

- An organization is divisionalised according to geographical areas or territories in which it operates.
- Suitable to large scale firm whose activities are physically or geographically dispersed e.g. banks, insurance companies etc
- Employees who work in a particular geographic region are grouped into one department.

Departmentation by Customers –

- This method of departmentation is adopted in those business concern who have to deal with various types of customer.
- For E.g.:- wholesale trade, retail trade, export trade.

Departmentation by Matrix –

- This method of departmentation is useful for those business concerns whose functions go on changing frequently.
- For E.g.: - An engineering company daily gets order to manufacture new machinery.

Similarly, a Construction Company gets contracts for building big buildings, roads, bridge, etc.

Ques. 8. - Write notes on:

- i) Graicunas theory**
- ii) Decision tree**
- iii) Brain storming**

Ans. -

i) Graicunas theory -

Graicunas, a French management consultant has suggested the fixation of number of subordinates based on mathematical calculation. He analyzed the superior-subordinate relationship and developed mathematical formula. He identified three types of relationship:

- Direct single relationships--- n
- Direct group relationships--- $n(2^n - 1)$
- Cross relationships---- $n(2^{n/2} + n - 1)$

If a manager has two subordinates, there are 6 potential relationships to manage. However, if the manager's subordinates are increased to three, then the number of relationships is increased to 15. As the number of relationships increased, Graicunas argued, the sheer number of interactions would exceed the abilities of the manager.

ii) Decision tree -

Decision tree is a predictive model; that is mapping of observations about an item to conclusions about the item's target value. It is also a descriptive mean for calculating conditional probabilities. Decision Tree can be described also as the synergy of mathematical and computing techniques that aids description, categorization and generalization of a given set of data.

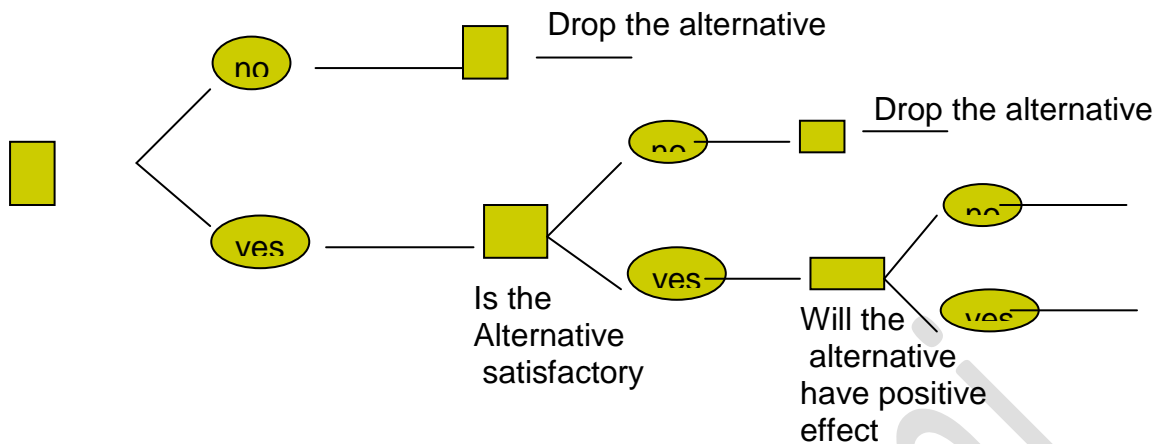
Types of decision tree -

Classification tree: classification tree analysis, is a term used when predicted outcome is the class to which the data belongs

Regression tree: Regression tree analysis is a term used when the predicted outcome can be considered a real number

CART: Used to refer to both of the above procedures

DECISION TREE CHART



iii) Brain storming:-

- Originally adopted by **Alex Osborn in 1938**.
- According to Osborn, brainstorming means using the brain to storm the problem.
- The idea behind brainstorming is to generate as many ideas as possible, suspending evaluation until all of the ideas have been suggested.
- In a brainstorming session, 6 to 10 people sit and discuss the problem.
- The group leader states the problem in a clear manner.
- No criticism is allowed.
- All the alternatives are recorded for later discussion and analysis.
- It is a creative technique of generating ideas to solve a problem.
- The main result of a brainstorm session may be a complete solution to the problem.
- Unusual ideas are encouraged. the ideas are combined and improved idea is developed

Ques. 9. - What is decentralization? What are the various factors influencing the centralization and decentralization?

Ans. - Decentralization -

Decentralization is the policy of delegating decision making authority through out the organization, relatively away from central authority.

As per ALLEN;

“Decentralization refers to the systematic effort to delegate to the lowest levels all authority except that which can only be exercised at central points.”

Factors

Centralization -

- Stable environment.
- Low capability of lower level managers to take decision as top level managers.
- Decisions are significant.
- Company is large.
- Organization is facing a crises or the risk of company failure.

Decentralization -

- Environment is complex, uncertain.
- Lower-level managers are capable and experienced at making decisions.
- Decisions are relatively minor.
- Corporate culture is open to allowing.
- Company is geographical dispersed.

Ques. 10. - Explain strategic planning and its steps involved in this process. What is tactical planning?

Ans. -

Strategy -

Strategy is a pattern of objectives, purposes, or goals, stated in such a way as to define what business the company is in or to be in and the kind of company it is or is to be.

In the words of **ROBERT ANTHONY**

“Strategic planning is the process of deciding on the objectives of the organization, on changes in these objectives, on the resources used to attain objectives and on the policies that will govern the acquisition, use and disposition of these resources.”

► **Strategic plans**

- Apply broadly to the entire organization.
- Establish the organization’s overall objectives.
- Seek to position the organization in terms of its environment.
- Provide direction to drive an organization’s efforts to achieve its goals.
- Serve as the basis for the tactical plans.
- Cover extended periods of time.
- Are less specific in their details.

Steps involved in this process -

1. Identification of mission and objectives.
2. Environmental scanning.
3. Strategy formulation.
4. Strategy implementation.
5. Evaluation and control.

This process is most applicable to strategic management at the business unit level of the organization. In the process outlined here, “company” or “firm” will be used to denote a single business firm or a single business unit of a diverged firm.

► **Tactical plans (operational plans)**

- Apply to specific parts of the organization.
- Are derived from strategic objectives.
- Specify the details of how the overall objectives are to be achieved.
- Cover shorter periods of time.
- Must be updated continuously to meet current challenges.

Ques. 11. - Explain the Managerial Roles.

Ans. - Managerial Roles are:

- A role is a set of specific tasks a person performs because of the position they hold.
- Roles are directed inside as well as outside the organization.
- There are 3 broad role categories:
 1. Interpersonal
 2. Informational
 3. Decisional

1. Interpersonal Roles - Roles managers assume to coordinate and interact with employees and provide direction to the organization.

- **Figurehead role:** symbolizes the organization and what it is trying to achieve.
- **Leader role:** train, counsel, mentor and encourage high employee performance.
- **Liaison role:** link and coordinate people inside and outside the organization to help achieve goals.

2. Informational Roles - Associated with the tasks needed to obtain and transmit information for management of the organization.

- **Monitor role:** analyzes information from both the internal and external environment.
- **Disseminator role:** manager transmits information to influence attitudes and behavior of employees.
- **Spokesperson role:** use of information to positively influence the way people in and out of the organization respond to it.

3. Decisional Roles - Associated with the methods managers use to plan strategy and utilize resources to achieve goals.

- **Entrepreneur role:** deciding upon new projects or programs to initiate and invest.
- **Disturbance handler role:** assume responsibility for handling an unexpected event or crisis.
- **Resource allocator role:** assign resources between functions and divisions, set budgets of lower managers.
- **Negotiator role:** seeks to negotiate solutions between other managers, unions, customers, or shareholders.

Ques. 12. – Define Management and distinguish it from Administration?

Ans. – Management - "Management is the art of getting things done through & with the people in formally organized groups."

By 'Koontz'

Or,

The process of using organizational resources to achieve the organization's goals by...

Planning, Organizing, Leading, and Controlling.

Difference between Administration and Management -

Administration

- Administration concerned With the formulation of Objective, policies, & plans Of the enterprise.
- It is involved in decision making function.
- Administration decides, What & when is to be done.
- It dominates at higher level.
- It is thinking function.

Management

- Management has to get things done through others by directing employee effort towards the cherished goal Of the business.
- It is concerned with executive function.
- It is concerned with whom should do it & how should it be done.
- It is more important at supervisory level.
- It is doing function.

Ques. 13. - Who was the father of scientific management? What is his principle?

Ans. - Frederick Winslow Taylor was the father of scientific management. He contributed towards the concept of scientific management. He also enriched the management with few principles & some scientific techniques. He was an American Engineer who sought to improve industrial efficiency.

Principle of scientific management-

a) Science not rule of thumb :- It means the replacement of old method of doing work scientifically. The work performed by each worker should be clearly determined. It included the allotment of fair work to each worker.

b) Harmony in group activity :- Frederick Winslow Taylor has emphasized peace friendship in group action. In other words, dissatisfaction of any worker is to be avoided in the group action.

c) Cooperation :- The responsibility of both the worker and management should be clearly defined and predetermined. There should not be overlapping of responsibility. Mutual understanding is necessary.

d) Maximum output :- Maximum output is achieved through division of work and assumption of responsibility by the management and workers jointly. Maximum

output result in the increasing profit to the management and wages and bonus to the workers.

e) Improvement of workers :- Under scientific management, all the workers should be given opportunity to improve to the fullest extent possible.

Ques. 14. - Describe the types of planning?

Ans. - Planning - The process of setting goals, developing strategies, and outlining tasks and schedules to accomplish the goals.

Or,

Determining organizational goals and a means for achieving them

Or,

Thinking before doing...

Types of Planning

Planning is of several kinds depending upon their nature. The various types of plans are as follows:

(a) Financial and non-financial planning - Financial planning relates to the monetary aspect of the concern. On the other hand, non-financial planning relates to the physical resources of the concern.

(b) Formal and informal planning - A planning in black and white is known as formal planning. Informal planning is only thinking about it and nothing more.

(c) Short-range and long-range planning - Short-term planning relates to a period of less than one year. It is to accomplish objectives in the near future. Medium-term planning covers a period of over one year but less than three years. A planning between three to five years is known as long-term planning.

(d) Standing and ad hoc planning - Standing plans are permanent in nature and are meant to be used over and over again. They ensure quick decision and action whenever need arises. On the other hand, ad hoc plans are generally for specific matters and are prepared only when some need arises.

(e) Administrative and operational planning - Planning is generally done at various levels of management like top level, middle level, and lower level. Administrative planning associates with middle level managers and provide guidelines to operational planning. On the other hand, operational planning associates with lower levels of management and deals with actual execution of operations. Top level planning is concerned with fixing of objectives.

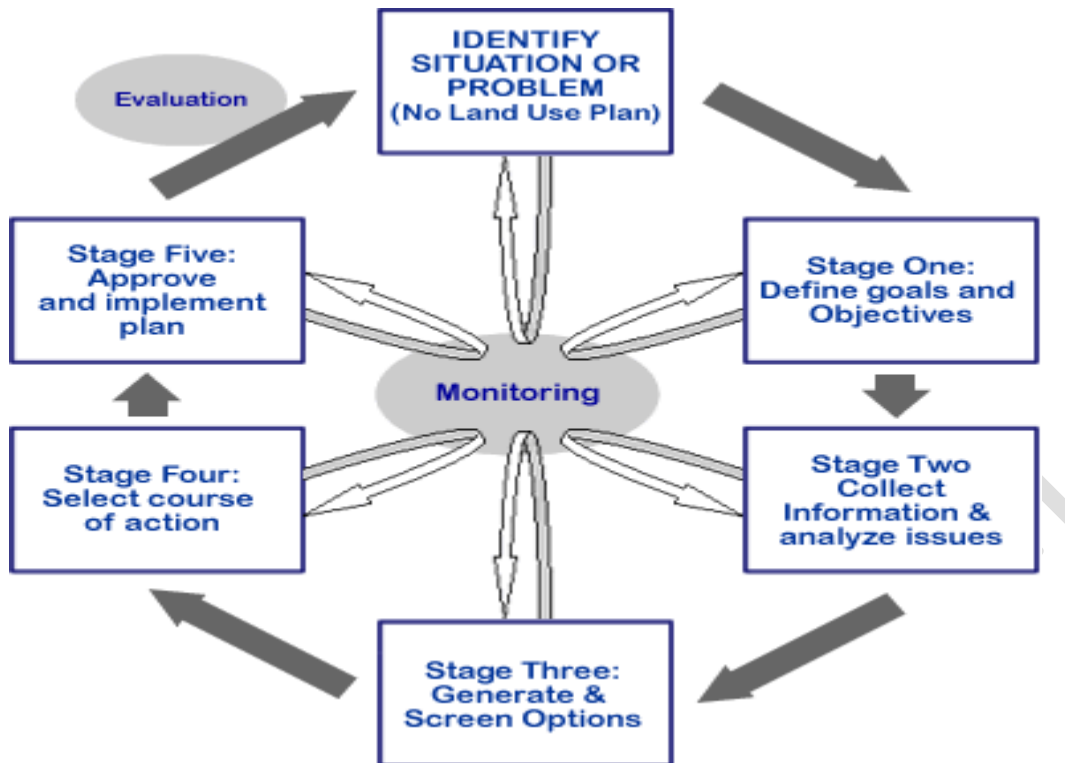
Ques. 15. - State the steps or process of planning?

Ans. –

Koontz and O'Donnell have defined planning in terms of future course of action. They state "that Planning is the selection from among alternatives for future courses of action for the enterprise as a whole and each department within it.

Following steps are involved in the process of the planning:

1. **Identification of area of study** – the first & foremost step in planning process is to identify the area of study for which management wants to work.
2. **Collection & analysis of data** – Sufficient information must be collected in order to make the plans & sub-plan. The collection & forecasting of information should be done in terms of external & internal environment.
3. **Setting of objective:** Once data is collected, objectives are set. Objectives provide direction to various activities in the enterprise. All the other functions of a manager are based on this crucial step.
4. **Establishing planning premises.**
5. **Searching alternative** – Usually there are several alternative for any plan. The planner must find out all the possible alternatives.
6. **Comparing & selecting the best among them-** comparing must be made on the basis of cost, long -rang objectives, limited resources, expected pay back, risk & other intangible factors.
7. **Formulating derivative course of action.**
8. **Implementation.**
9. **Follow up.**



Ques. 16. - Write Short Notes on

- a) Delphi Technique
- b) Rational Decision Making
- c) NGT
- d) Decisions Scenario analysis
- e) Group Aided Decisions

Ans. -

a) Delphi Technique

- Decisions are made through written communication in the questionnaire. it is a structured approach.
- **A panel of experts is surveyed** as a result the predictions were made with the time frame.
- The result is resubmitted to the experts who then estimate whether the predicted breakthroughs are likely to occur earlier or later than the average estimated time frame.
- After implementation the result then submitted to the experts and are asked to explain why they disagree.

b) Rational Decision Making

- According to the rational model of decision making, managers engage in completely rational decision processes, ultimately make optimal decisions, and possess and understand all information relevant to their decisions at the time they make decisions.

Rational model:-

- Identifying a problem: A problem is defined as a discrepancy between an existing and desired state of affairs.
- Identifying the decision criteria: decision criteria are criteria that define what is relevant and important in making decision
- Allocating weights to the criteria:
- Involves developing alternatives
- Analyzing alternatives
- Selecting an alternative
- Choosing and implementing the alternative
- Involves evaluating the decision effectiveness.

c) NGT Group: - Nominal group technique

It is structured group meeting, almost like brainstorming but it restricts the verbal communication among members. Here

- individuals independently prepare a list of their ideas on a problem
- Group members present their ideas one at a time in turn, and ideas are listed for all to see.
- members discuss the ideas to clarify and evaluate them
- individuals vote silently using a rating procedure

d) Decisions Scenario analysis

It addresses a variety of possible futures by evaluating major environmental variables, assessing the likely strategies of other significant factors, devising possible counter strategies, developing ranked hypotheses about the variables, and formulates alternative scenarios.

e) Group Aided Decisions

When all the members or group of members collectively take the decision, it is known as group aided decision.

Techniques used for group aided decisions –

- Brain storming: it is a creative technique of generating ideas to solve a problem.
- The main result of a brainstorm session may be a complete solution to the problem.
- Unusual ideas are encouraged. The ideas are combined and improved idea is developed.

Ques. 17. - What is decision making? Explain the essential steps in decision making.

Ans. - Decision-making is the process of selecting the best alternative course of action; from among a number of alternatives given to management or developed by it- after carefully and critically examining alternative”

According to **G. R. TERRY** - "Decision making is the selection based on some criteria from two or more possible alternatives".

Stapes of Decision making

1) Identifying a problem – The first step is to identify the problem. It must be done carefully because without knowing the problem. It is impossible to find solution.

2) Identifying the decision criteria - decision criteria are criteria that define what is relevant and important in making decision.

3) Collection of data:-After identifying the problem, the data are to be collected for the further steps of analyzing. Data must be collected from the proper source & information alternatives totally depend on data.

4) Analysis the data:-now, the collected data is to be analyzed. It makes the picture clear & tells about the reasons behind the problem.

5) Identify the alternatives:-Now, the possible solution of a problem is to be identified.

6) Selecting an alternative:-If many alternatives are available then it is also a problem so manager selects the best alternative after considering all the relevant factors.

7) Implementing the alternative:-After the selection, implementation take place, at this stage, action has started.

8) Follow the feedback:-After implementation, the alternative is to be evaluated whether it is effective or not so that correct action can be taken on time.

Ques. 18. - - What is MBO? Explain its features, process and types.

Ans. - Management by objectives (MBO)

Management by objectives term was first popularized by **Peter Drucker in 1954.**

Management by objectives is **a process where by the superior & subordinates managers of an organization jointly identify its common goals.**

According to **George S. Ordiorne** - "MBO is a process whereby the superior and subordinate manager of an organization jointly identifies its common goals. Define each individual's major areas of responsibility. In terms of result expected of him, and use these measures as guides for operating the unit and assessing the contribution of each of its members".

Features of MBO –

1. MBO is concerned with goal & planning for individual managers & their units.
2. The essence of MBO is a process of joint goal between a supervisor and a subordinate.
3. Managers work with their subordinates to establish the performance goals that are consistent with higher organizational objectives.
4. MBO focuses attention on appropriate goals & plans.
5. MBO facilitates control through the periodic development & subsequent evaluation of individual goals and plans.

Process of MBO –

1. Preliminary setting of objectives at the top management level
2. Clarification of organizational roles
3. Setting the individual objectives
4. Matching goals with resources
5. Performance appraisal

Types of Objectives -

1. Strategic objectives - set by and for top management of the organization that address broad, general issues.

2. Tactical objectives - set by and for middle managers; their focus is on how to operationalize actions to meet strategic objectives.

3. Operational objectives - set by and for lower-level managers to address issues associated with tactical objectives.

Ques. 19. – Explain the details of Mckinsey's 7's models.

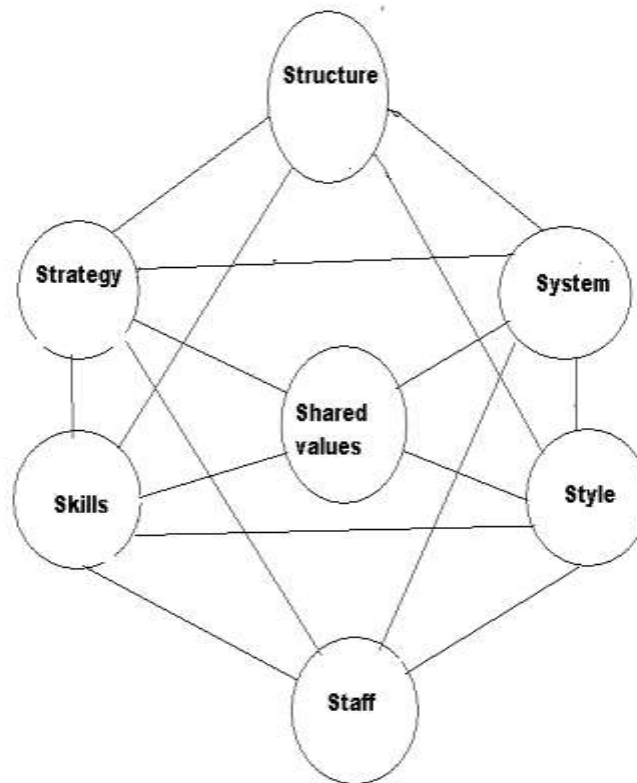
Ans. - According to Mr. Mc Kinsey there are 7S's approaches in an organization to carry their management.

This is because the two persons who developed this model, Tom Peters and Robert Waterman, have been consultants at McKinsey & Co at that time.

These are divided into two parts -

A. 3 hard S's

B. 4 soft S's



3 HARD S'S

- **Strategy** - This stands for the direction and scope of the company over the long term. Actions a company plans in response to or anticipation of changes in its external environment.
- **Structure** - Basis for specialization and co-ordination influenced primarily by strategy and by organization size and diversity.
- **Systems** - Formal and informal procedures that support the strategy and structure. (Systems are more powerful than they are given credit).

4 SOFT S'S

- **Style** - Management Style: more a matter of what managers do than what they say; how do a company's managers spend their time? What are they focusing attention on? Symbolism - the creation and maintenance (or sometimes deconstruction) of meaning is a fundamental responsibility of managers.
- **Staff** - The people/human resource management - processes used to develop managers, socialization processes, and ways of shaping basic values of

management cadre, ways of introducing young recruits to the company, ways of helping to manage the careers of employees.

- **Skill** - The distinctive competences – what the company does best, ways of expanding or shifting competences.
- **Shared value** – Guiding concepts, fundamental ideas around which a business is built – must be simple, usually stated at abstract level, have great meaning inside the organization even though outsiders may not see or understand them.

The 7-S Model is a valuable tool to initiate change processes and to give them direction. A helpful application is to determine the current state of each element and to compare this with the ideal state. Based in this it is possible to develop action plans to achieve the intended state.

Ques. 20. - Comment on the Nature of management. Is it a science or an art?

Ans. –

- **It is purposive activities** — management is always and aimed at achieving certain specified objectives. It is a tool which helps efficient use of human and physical resources to accomplish the pre-determined goals.
- **Management is pervasive** — its activities are not restricted to business units alone but in every kind of organization. Its presence is compulsory.
- **It is a continuous process** — No day can come when organization can say that it does not need a management
- **It is all universal activity** -- it is neither confined to any geographical boundaries nor to any establishment or business organization.

Management as Science

- Management uses principles, concepts of laws, economics, psychology etc.
- Concepts & meanings should be clear in science and the same applies for mgt.
- No empirical conformation like science.
- Like science taking a factor as static is not possible in mgt.

Management as Art

- Like arts, mgt involves the use of know-how & skills.
- Both are directed towards achieving concrete results.
- Mgt is creative like arts.
- Mgt is personalized like arts.

Conclusion – Due to some contradictions, we can conclude that management is social, inexact & soft science. This is because other sciences deal with inactive elements while management deals with human element. It would not be wrong if management is considered as applied science. In an applied science, the manager possesses not only specialized knowledge of management but also possesses the skill to put his knowledge into practice in the working of an organization.

Ques. 21. - Discuss line and staff concept and explain the ways to avoid line and staff conflict.

Ans. - Line and Staff Organisation is one, in which there is basic departmentation for primary business functions, operated on the concept of the scalar chain; and there is a provision for specialized activities performed through staff officers, the latter acting ordinarily in an advisory capacity.

- **Line and staff conflict** - Generally staff people are relatively young, better educated and more sophisticated in appearance. They also suffer the notion that their ideas, if implemented, will produce miraculous result.

Complaints of line against staff

- Line personnel view their staff counterparts as a source of irritation because the advice and recommendations may involve change in the status quo
- The ideas, suggestions or recommendations by the staff are theoretical and impractical
- Many a times, staff officials render untimely advice
- Staff people steal the credit for the successful ideas while blame for the failure against line
- There is lack of authority, for the staff
- Line people resist new ideas of the staff
- Line officials consult the staff only as a matter of last resort

Suggestions for resolving line-staff conflict

- There must be clear definition of the authority, responsibility, areas and manners of functioning of line and staff officials.
- Staff must appreciate the problem of line and line must be made to listen to the staff.
- There must be open channels of communication between the line and staff for transmission of understanding and betterment of human relations.
- Proper use of the staff—line officers are dependent on staff officers for solving the problems which require expertise knowledge and the skill.

- Setting congenial organizational climate—congenial organizational climate full of mutual trust, respect, Self-restrain and control, coordinated approach and mutual help is another important factor for successful operation of line and a staff personnel.

Ques. 22. - What is break-even analysis? What are its limitations as control technique?

Ans.

- The BEA is an important technique to trace the relationship between costs, revenue, profits at the varying levels of output or sales.
- As Joel Dean puts it, the BEA presents flexible projections of the impact of the volume of output upon cost, revenue and profits. As such it provides an important bridge between business behavior and economic theory of the firm.
- In BEA the break up point is located at the level of output or sales at which the net income or profit is zero. At the point, total cost is equal to total revenue. Hence the break up point is the no-profit-no-loss zone.

Formula Method for BEP

There are two ways of determining the BEP by means of formula. It can be determined either in terms of physical units of output or in terms of sales value of the output, like in terms of money.

BEP in Physical Terms

The BEP is plotted at a point where a sufficient number of units of output are produced so that the total contribution margin becomes equal to the total fixed cost.

Formula- **$BEP = TFC/P-AVC$**

BEP In Terms Of Sales Value

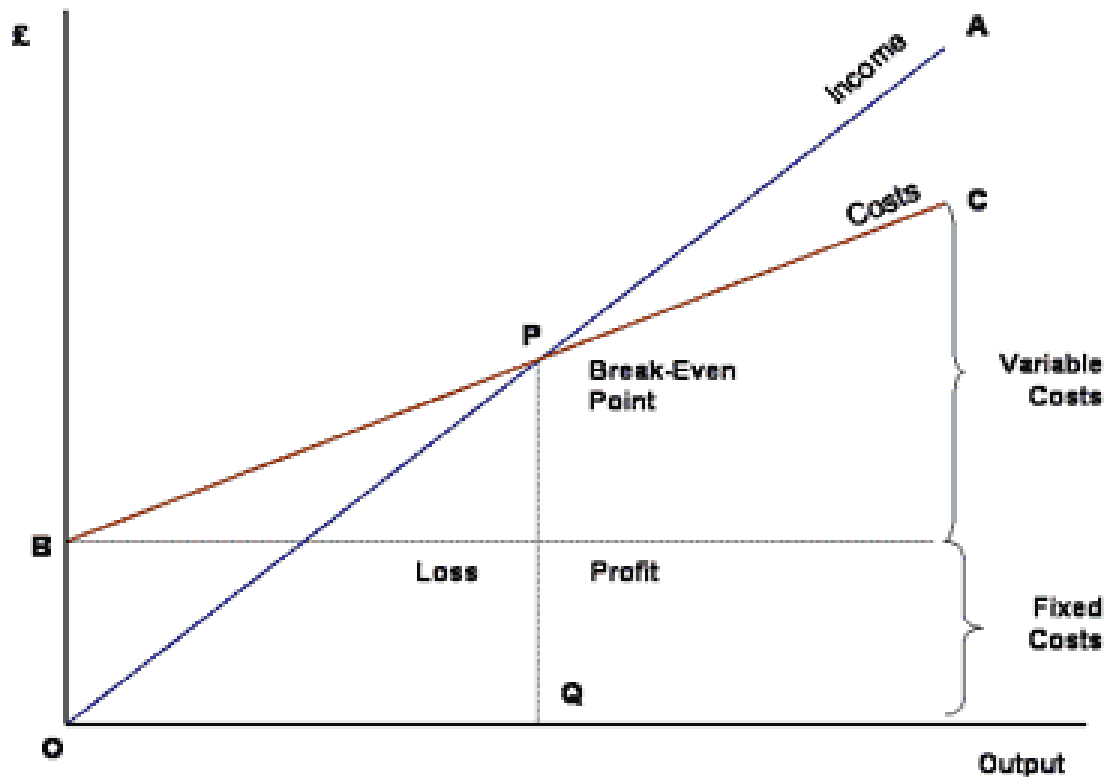
- When the firm is a multi-product firm, the BEP is to be measured in terms of sales value, by expressing the contribution margin as a ratio to sales.

- **Thus, $BEP = \frac{\text{total fixed cost}}{\text{Contribution ratio}}$**

The contribution is measured as:

$$\text{Contribution ratio} = \frac{TR - TVC}{TR}$$

Break-even Analysis and Cost Control



Limitations of BEA

- The break-even analysis has certain major limitations as follows:
- It is Static.
- It is Unrealistic.
- It has many shortcomings.
- Its scope is limited to the short run only.
- It assumes Horizontal Demand Curve with the given price of the product.
- It is Difficult to Handle Selling Costs in the BEA.
- The Traditional BEA is very simple.

Ques. 23. - Define control and explain the purposes of control in detail.

Ans-

- Control means power or authority to direct, to order or to correct.
- It implies a standard of comparison for the result of any operation or experiment.
- In simple it means comparing operating result with the plans, and taking corrective action when results deviate from plans

According to **Theo Haiman** and William G Scott "controlling is the process which checks performance against standard. It makes sure that organizational goals and objectives are being met"

Purposes of Control

The main purpose of control is

- To make plans an effective one.
- It helps in attaining organizational objective in most effective and efficient way.
- It also provides feedback on project status.
- The objectives of control could be analyzed into following two categories.

1.) Primary objectives: It is to bring the actual operational performance of the enterprise on the right track as per standard of control; to ensure the most effective and efficient attainment of the enterprise objectives.

2.) Other objectives:

- a) locating deviations
- b) analyzing deviations
- c) undertaking remedial action
- d) preventing occurrence of deviations
- e) cost-control and profit maximization.

Ques. 24. - Management is the art of getting through with people. Explain with reference to the nature of scope of management?

Ans. - Yes management is the art of getting thing done through or with people. Because other resources that are money, material, machinery, methods etc. can't fulfill the purpose of organizational objectives, until and unless the main resources can't be dealt well so management.

Nature -

- 1. It is purposive activity -** management is always aimed at achieving certain specified objectives. It is a tool which helps efficient use of human and physical resources to accomplish the predetermined goals.
- 2. Management is pervasive i.e. primary in nature -** Its activities aren't restricted to business units alone but in every kind of organization. Its procedure is compulsory whenever more than one person is required or engaged in working for a common.
- 3. It is a continuous process -** No day can come when organization can say that it doesn't need management. As business is dynamic in nature so the problems arise every day management is required for solution of day to day affairs of business.
- 4. It is universal activity -** It is neither confined to any geographical boundaries not to any establishment not to any establishment ate business organization.

SCOPE OF MANAGEMENT -

- 1. Determination of objectives** - The objectives of any organization is determined by the management.
- 2. Efficient use of resources** - Management ensures the efficient use of various resources and increases the productivity of the enterprise.
- 3. Satisfaction of customers** - Management attempts to produce products required by the customers. Satisfaction of customers is very important for the management.
- 4. Earning adequate return on capital** - Management aims at achieving reasonable rate of return for the owner of the business.
- 5. Satisfaction workforce** - Management attempts to build a team of good workers who are happy and satisfied with the organization.
- 6. Keeping a maintaining good working capital** - It seeks to achieve a system to ensure fair wages fore the work, security of employment and better working condition for the workforce.
- 7. Maintaining good relation with suppliers** - It aims seek good relations with the suppliers of raw materials and capital so that the organization can continue the dealing in future as well.
- 8. Contributing towards National goals** - This is also one of the purposes of management.

Ques. 25. – Define Scientific Management School and Classical School of Management. Explain the basic principle of Classical School of Management.

Ans. –

Scientific Management School -

- The chief exponent of Scientific Management School was Frederick W.Taylor, whose ideas were also later developed by Frank Bunker Gilberth and Henry Gantt.

Classical School of Management –

•The Classical School of Management is based on the actual work experience and theories of certain key individuals, namely, Henry Fayol, James Mooney, Edward Tregaskiss Elbourne, Mary Parker Follet, Luther Gulick, Lybdall Urwick, Oliver Sheldon, and E.F.L Brech. Their views have had a lasting impression and quite a few of them are still followed by organisations the world over.

Basic principles laid down by the classical school may be summed up as follows:

- Scalar chain. It is the fore-runner of the hierarchy principle under which authority flows from the top to the bottom level managerial positions.
- Unity of command. It lays down that each individual should only receive orders from one hierarchical superior.
- Exception. It emphasizes maximum delegation of authority such that the superior is required to intervene only in the case of non-routine, exceptional tasks.

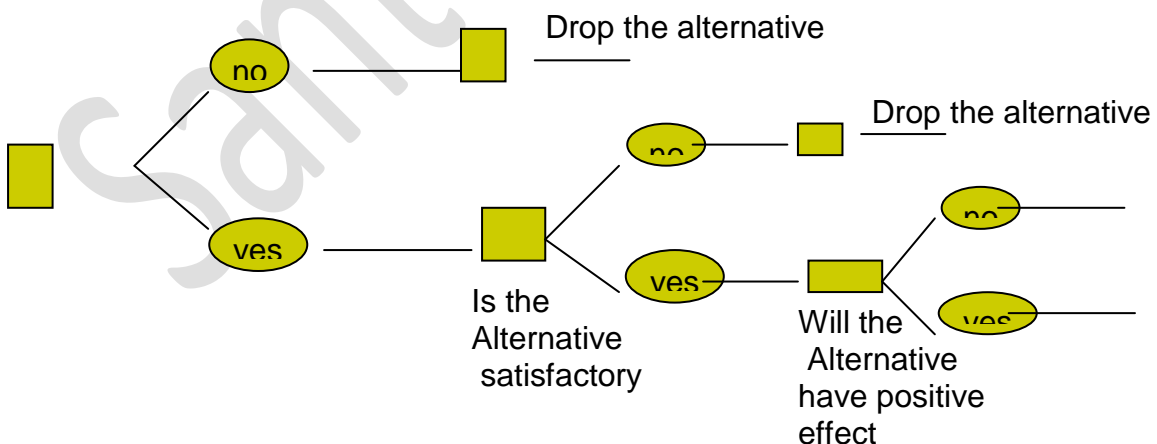
Ques. 26. - What do you understand by decision making under uncertainty? How does a decision making tree function? Explain.

Ans. - It also known as non-programmed decisions. A decision under uncertainty is when there are many unknown and no possibility of knowing what occurs in the future to alter the outcome of a decision. There is uncertainty about a situation when we can't predict with complete confidence what the outcomes of the action will be. E.g. of such situations are launching a new product, a major change in marketing strategy or opening first branch. Under such conditions, no. of different decision making criteria, minimum and insufficient reason criteria.

Start a decision tree with a decision that is required to make. Draw a small square to represent this towards the left of a large piece of paper.

From the box draw act lines towards the right for each possible solution and write that solution along the lines. Keep the lines as far as possible so that the thought can be explained.

At the end of each line. Consider the results. If the results of taking that decision are another decision that you need to make draw another square. A square represents decision and circles represent uncertain outcomes. Write the decision on a factor above the square or circle. If you have a complete solution at the end of the line, just leave it blank starting from the new decision, square on the diagram. Draw outlines representing the opinions that you could select from the circles, draw lines representing possible outcomes. Again make a many brief note on the line saying what it means. These steps should be continued up to the end to reach at the original decision. Once it is done, then it should be reviewed.



Ques. 27. – Define the major tools for Managing Diversification.

Ans. –

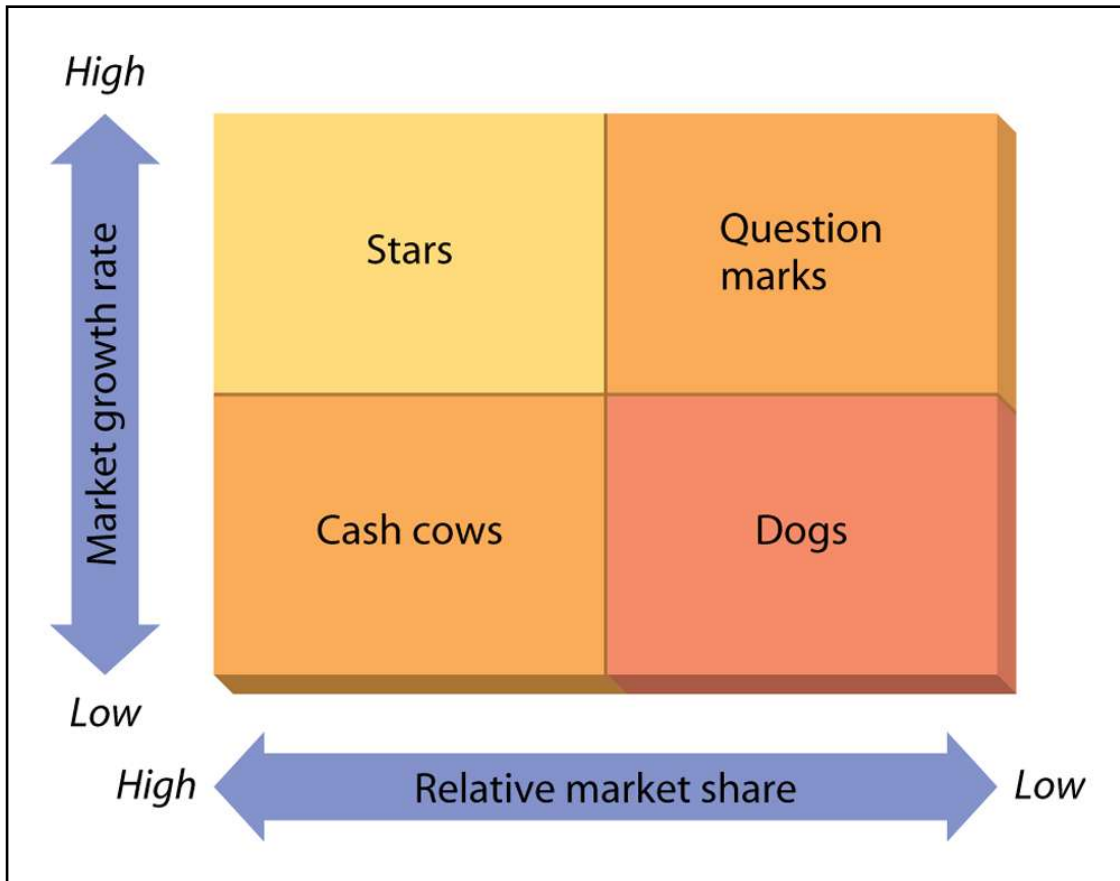
Portfolio management techniques

- Methods that diversified organizations use to make decisions about what businesses to engage in and how to manage these multiple businesses to maximize corporate performance.

Two important portfolio management techniques

- The BCG (Boston Consulting Group) Matrix.
- The GE (General Electric) Business Screen
- **BCG Matrix**
 - A method of evaluating businesses relative to the growth rate of their market and the organization's share of the market.
 - The matrix classifies the types of businesses that a diversified organization can engage as:
 - **Dogs** have small market shares and no growth prospects.
 - **Cash cows** have large shares of mature markets.
 - **Question marks** have small market shares in quickly growing markets.
 - **Stars** have large shares of rapidly growing markets.

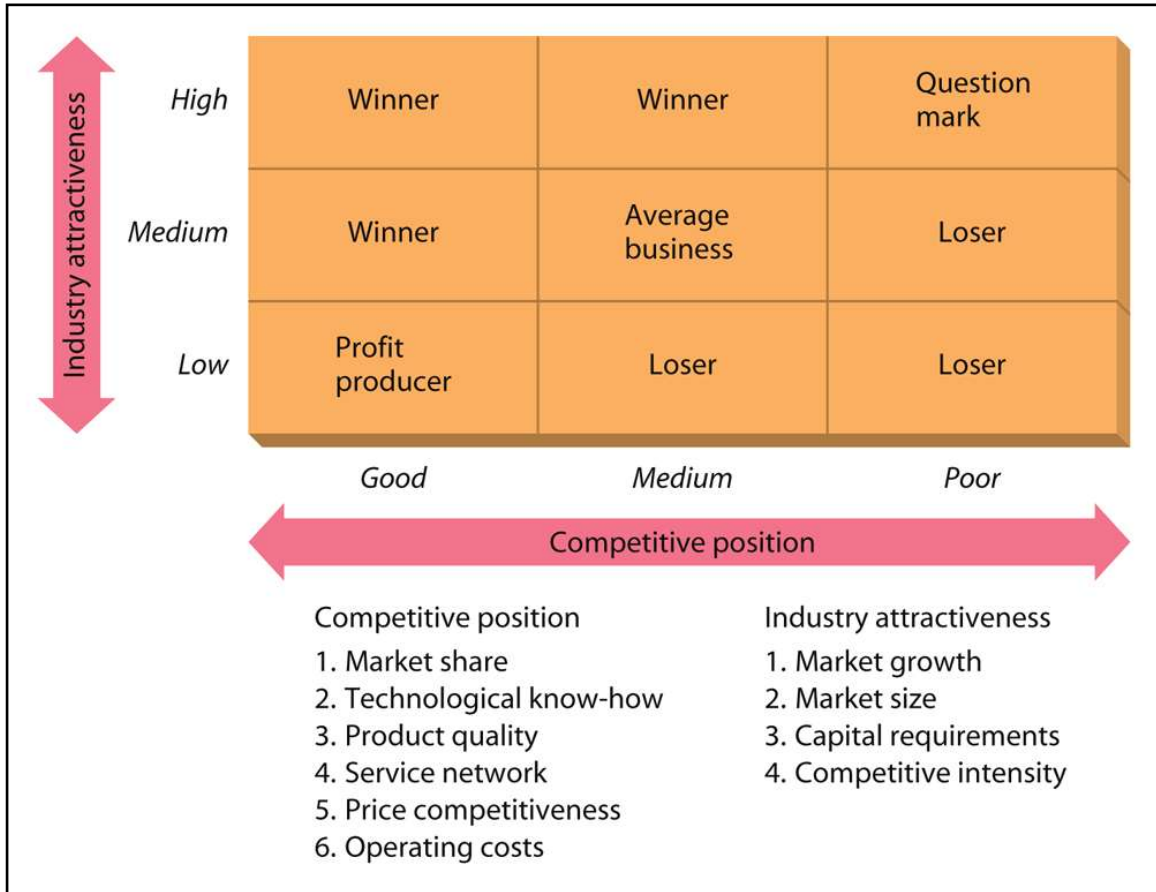
The BCG Matrix



- **GE Business Screen**

- A method of evaluating business in a diversified portfolio along two dimensions, each of which contains multiple factors:
 - Industry attractiveness.
 - Competitive position (strength) of each firm in the portfolio.
- In general, the more attractive the industry and the more competitive a business is, the more resources an organization should invest in that business.

The GE Business Screen



Ques. 29. - Critically evaluate system approach to management.

Ans. - A system is a set of interrelated and interdependent parts arranged in a manner that produce a unified whole. It's a concept taken from the physical sciences and applied to organizations.

System approach is an integrating approach, which considers management in its totality, is based on empirical data. The basic idea of System approach is that any object must rely on empirical data. The basic idea of this approach is that any objects most rely on the method of analysis involving simultaneous variations of mutually dependent variables. The major components of a system are.

Features of management as a system.

1. **Social system**-management is a social system because it has all the characteristic of social system.
2. **Open system**-management has the interaction with environment.

3. **Adaptive**-adaptive means continuous adjustment to changing.
4. **Multidisciplinary**-management relates and integrates knowledge from various disciplines and schools of thoughts like economic, psychology sociology etc.
5. **Dynamic**-Always management moves towards growth and expansion.
6. **Integrated approach**-happening of an event is due to many factors. Management tries to identify such factors reasons.
7. **Probability**-management has the characteristics of Probability.
8. **Multy variable**-there is no simple and single effect phenomenon.
9. **Multidimensional**-management has both micro and macro approach.

Ques. 30. - Discuss the technique to ensure coordination in an organization.

Ans. -

- a. **Clearly defined goal**- the goal of an organization should be laid it down clearly. Every individual in an enterprise should understand the overall the objective.
- b. **Clear lines of authority and responsibility**- this would help in reducing the conflicts among different position which is a sincere for sound coordination.
- c. **Comprehensive program and policies**- this brings uniformity of action because everybody understands the programmed policies in the same sense.
- d. **staff meeting**- In big organizations, special coordinator are appointed. They normally work in staff capacity to facilitate the main managers.
- e. **A special coordinator**- a special coordinator work in a staff capacity to facilitate the men managers.
- f. **Corporation**- co-ordination must be accompanied by corporation.
- g. **Effective competition**- it is the key to proper coordination.

Ques. 31. - Explain the features of Japanese management & Z culture of American Companies.

Ans. - Features of Japanese management -

- a. Japanese believe in lifetime employment. They feel that company has no right in firing employees, unless they do a criminal offense. In the U.S. though, company usually tend to use short term employment rather than live time.
- b. Besides job security Japanese companies believe in trust-the Japanese feel that there should not be any reason for employees/supplier/customers to distrust the organization. U.S. companies are known to distrust one another. If they feel their

superior is not giving them a good deal, U.S. companies tend to look for somebody who really.

c. People in Japan feel that a person should not be evaluate or promoted until he has served 10 years that the company. During those 10 years, they will be taught everything in the company. Whereas American dislike this method because they believe in rapid feedback and fast promotion.

d. Japanese Corporation believes that you should not give your employees a set target. They feel that the employee should know what his objective is, and know what the customer wants. American on the other hand, and believe that in order to operate a business, you must give them what they think is there said objective. American feel that in order for them to get motivated, management has to set in objective for them to meet.

e. When Japanese Company has to make a decision; they feel the whole company shall be involved. In America, though, the only people are allowed to take decision concerning the company of top management executive, and not employees.

f. In Japan workers do not like the idea that one individual should be rewarded for their performance. They believe it is not right for them to compete to make each other. Americans on the other hand live for praises, and he even if you work harder than somebody else you should make more.

Ques. 32. – Which factors determine Span of Management?

Ans. – These factors determining Span of Management –

1. **Job complexity** - Subordinate jobs that are complex, ambiguous, dynamic or otherwise complicated will likely require more management involvement and a narrower span of management.
2. **Similarity of subordinate jobs** - The more similar and routine the tasks that subordinates are performing, the easier it is for a manager to supervise employees and the wider the span of management that will likely be effective.
3. **Physical proximity of subordinates** - The more geographically dispersed a group of subordinates the more difficult it is for a manager to be in regular contact with them and the fewer employees a manager could reasonably oversee, resulting in a narrower span of management.
4. **Abilities of employees** - Managers who supervise employees that lack ability, motivation, or confidence will have to spend more time with each employee. The result will be that the manager cannot supervise as many employees and would be most effective with a narrower span of management.
5. **Abilities of the manager** - Some managers are better organized, better at explaining things to subordinates, and more efficient in performing their jobs. Such managers can function effectively with a wider span of management than a less skilled manager.

Ques. 33. – Define Co-ordination and it's Techniques/Methods.

Ans. – Definition –

- According to **Mooney and Railey**; "coordination is the orderly arrangement of group efforts to provide unity of action in the pursuit of a common goal".
- According to **Terry** "coordination deals with the task of blending efforts in order to ensure successful attainment of an objective. It is accomplished by means of planning, organizing, actuating & controlling".

Techniques/methods of effective coordination

- Clearly defined goals
 - Clear lines of authority & responsibility
 - Comprehensive programmes & policies: everybody should understand in the same sense
 - Staff meeting: will result in better communication
 - Special coordinators: they work in the capacity of staff to facilitate the main manager
 - Cooperation: individuals must be willing to help each other
 - Effective communication.
1. **Clearly defined goals**-the goal of an organization should be laid it down clearly. Every individual in an enterprise should understand the overall the objective.
 2. **Clear lines of authority and responsibility**-this would help in reducing the conflicts among different position which is a sincere for sound coordination.
 3. **Comprehensive programme and policies**-this brings uniformity of action because everybody understands the programmed policies in the same sense.
 4. **staff meeting**-In big organizations, special coordinator are appointed. They normally work in staff capacity to facilitate the main managers.
 5. **A special coordinators**-a special coordinator work in a staff capacity to facilitate the men managers.
 6. **Cooperation**-co-ordination must be accompanied by corporation.
 7. **Effective communication** -it is the key to proper coordination.

Ques.34. - Explain the techniques of control.

Ans. - Techniques of control can be categorized into two categories: -

1. Traditional technique

(I.) Budgetary control - it is applied to a system of management and accounting control by which all the operations and outputs are forecast as far as ahead as possible and actual results, when a known on compared with the budget estimates. A budget in reality is both a planning tool and a control mechanism. Budget development process very among organizations according to who does the budgeting and how the Financial Resources are allocated.

Some budget development methods are as follows:-

- **Top down budgeting**-Managers prepare the budget and send it to subordinates.
- **Bottom up budgeting**-figures come from the lower levels and are adjusted and coordinated as they move up the hierarchy.
- **Zero based budgeting**-managers develop each new budget by justifying the projected allocation against the contribution to the fundamental and organizational goals.
- **Flexible budgeting**-Any budget exercise can incorporate flexible budgets, which set "meet or beat" standards that can be compared to expenditure.

(II.) Statistical data and reports:-Statistical data are widely used for the purpose of managerial control. Data may be presented in the form of tables, graphical charts and a special report.

(III.) Marginal costing:-Marginal costing is the ascertainment of marginal cost and of the effect on profit of changes in volume or type of output by differentiating between fixed & variable cost.

(IV.) Break even analysis:-it determines the probable profit/loss at a different level of activity. It establishes relationship among cost of production, volume of production, profit and sales. It is also know as cost volume profit analysis.

2. Modern techniques:-

Management audit:- It is comprehensive and constructive review of performance of management team of any organization. It investigates formally and in-depth management.

PERT: - Programme Evolution and Review Technique is a basic network technique which includes planning, monitoring and controlling of activities. It also provides the framework for treating a wide range of management problems.

CPM: - Critical Path Method analyses the project into different operations and determines their relationship on a network diagram. It marks critical activities in a project and concentrates on them. It is based on assumptions that expected time is actually the time taken to complete the project.

Management information system (MIS) - MIS is a system designed to supply information required for effective management of an organization. MIS is vital to

supply information required for effective management of an organization. It can be broadly classified into two categories –

- Data Collection
- Data Management.

Ques. 35. - Comparison between both American style and Japanese style?

Ans. –

Organization type A American	Organization type J Japanese
Short-term employment	Lifetime employment
Individual decision making	Collective decision making
Individual responsibility	Collective responsibility
Rapid evaluation & promotion	Slow evaluation & promotion
Explicit control mechanisms	Implicit control mechanisms
Specialized career path	Non specialized career path
Segmented concern for employee as a person	Holistic concern for employee as a person

Ques. 36. – Define Organization and Types of Organization.

Ans. – Organization –

According to Louis. A. Allen

“Organization is the process of identifying and grouping of the work to be performed, defining and delegating responsibility and authority and establishing relationship for the purpose of achieving organization goals”.

Types of Organisation.

(I.) Line organization - The person having greater decision-making authority are placed at the top, and those having the least decision-making authority are placed at the bottom.

Kinds of line organization –

- 1. Pure line organization**
- 2. Departmental line organization**

Pure line organization: The entire individual perform the same type of work but for better control and supervision they may be divided into different groups, each placed under the charge of a foreman.

Departmental line organization:

Under this there are number of departments which comes under the control of the chief executive at the top. All the heads derives his authority from the general manager and delegate's authority to his immediate subordinates.

(II.) Line and Staff Organization:

It is one, in which there is basic departmentation for primary business functions, operated on the concept of the scalar chain; and there is a provision for specialized activities performed through staff officers, the latter acting ordinarily in an advisory capacity.

(III.) Functional organization: A functional organization is one where all the activities of the business are divided based on the function and entrusted to a specialist. Like production, marketing, finance, personnel, research.

(IV.) Project organization: A project organization is one, in which a project structure is created as a separate unit or division within a permanent functional structure; drawing specialists and workers from various functional departments who work under the overall leadership, control and co-ordination

(V.) Matrix organization: It is referred to as the "multiple command system" has two chains of command. One chain of command is functional, in which the flow of authority is vertical. The second chain is horizontal depicted by a project team which is led by the project or group manager who is an expert in team's assigned area of specialization

(VI.) Committee organization: A committee means a group of persons formed for a stated purpose. It may be a standing committee, or convened for a special purpose.

Ques. 37. - What can be the reason for failure of delegation? Suggest some ways to make delegation effectively.

Ans. - Reason for failure of delegation: - delegation would be a failure if it is inadequate to extend it falls of the need for authority & degree of delegation of authority. However, there are many other factors responsible for failure of delegation. These are: ----

Superior's love for authority: - If superior is an autocrat, he wouldn't like delegating the authority.

Maintenance of tight control: - A manager generally does not delegate as he wants to maintain tight control over the operations assigned to him.

Fear of subordinates: - Superior has always the fear of his subordinate's growth because of which he adopts for defensive behavior.

Fear of exposure: - Managers may not delegate simply because adequate delegation may reveal the managerial shortcomings being practiced.

Negative attitude towards subordinates - It also acts as hindrance towards effective delegation process.

Personality factors - It also affect the degree of delegation of authority.

Following are the some measures which will help in making the delegation more effective:-

Making the potential delegator feel secure: - He should be clear that so long he continues to contribute to the organization, his job is secure.

Creating awareness for the need of delegation: - This can be done through proper education & training.

Determining decisions & tasks to be delegated: - Delegator should be informed about all the types of tasks to be performed & their relative importance to the organization.

Establishment off conducive organizational climate –

Choosing the diligent wisely:-A delegator must make a careful selection of the person to whom the work is delegated.

Tying delegation with planning:-Authority should never be delegated to the manager without proper planning.

Delegating the authority for whole job:-this would give the delegator a chance will to participate in complete undertaking.

Developing appropriate control techniques:-Delegator must keep monitoring the work of his subordinate in order to ensure there is no misuse of the authority.

Ques. 38. - What is SWOT Analysis?

Ans. – A SWOT analysis is a strategy planning tool used to evaluate the strength, weakness, opportunities and threats involved in a project or in a business venture. It is key concept in the world of corporate planning, strategy formulation and other practical spheres of management.

In this analysis, Strengths and Weakness are internal factors and Opportunities and Threats are external factors.

Strength –

- Production environment (e.g.. technology)
- Marketing environment (e.g. wide distribution network)
- Personnel environment (system of promotion, remuneration)
- Financial environment (excellent budgetary system)

- HRM (employee relations)

Weakness –

- Production environment (e.g.. Inadequate plant capacity)
- Marketing environment (poor advertising campaign)
- Personnel environment (no provision for training)
- Financial environment (improper management of working capital)
- HRM (conflict between line & staff employees)

Opportunities –

- Political (favorable policies)
- Legal (relaxation in MRTP)
- Social-religious-cultural factors (standard of living, availability of educated ,skilled workers)
- Natural environment factor (good climate conditions)
- Technological factor (availability of latest technology)

Threats –

- Political (unfavorable policies-high rate of tax)
- Legal (strict provision of company law)
- Social-religious-cultural factors (change in fashion)
- Natural environment factor (increasing environmental pollution)
- Technological factor (change in technology).

Ques. 39. – Explain the contribution of

- (I) GILBRETHS,**
- (II) HENRY L. GANTT,**
- (III) MAX WEBER**

Ans. –

(I) GILBRETHS - Frank B & Lillian M Gilbreth collaborated on fatigue & motion studies and focused on ways of promoting the individual worker's welfare. According to them every motion that was eliminated will reduce fatigue. The Gilbreth argued that motion study would raise worker morale because of its obvious physical benefits & it demonstrated management concern for the worker.

Gilbreth contribution to management was the concept of work simplification. Work simplification is based on respect for the dignity of people and of work. It is defined as "the organized application of common sense".

(II) Henry L Gantt (Worked with Taylor)

Henry L Gantt developed the Gantt chart, which is used for scheduling multiple overlapping tasks over a time period. He focused on motivational schemes, emphasizing the greater effectiveness of rewards for good work. He developed a pay incentive system with a guaranteed minimum wage and bonus systems for people on

fixed wages. He also focused on the importance of the qualities of leadership and management skills in building effective industrial organizations.

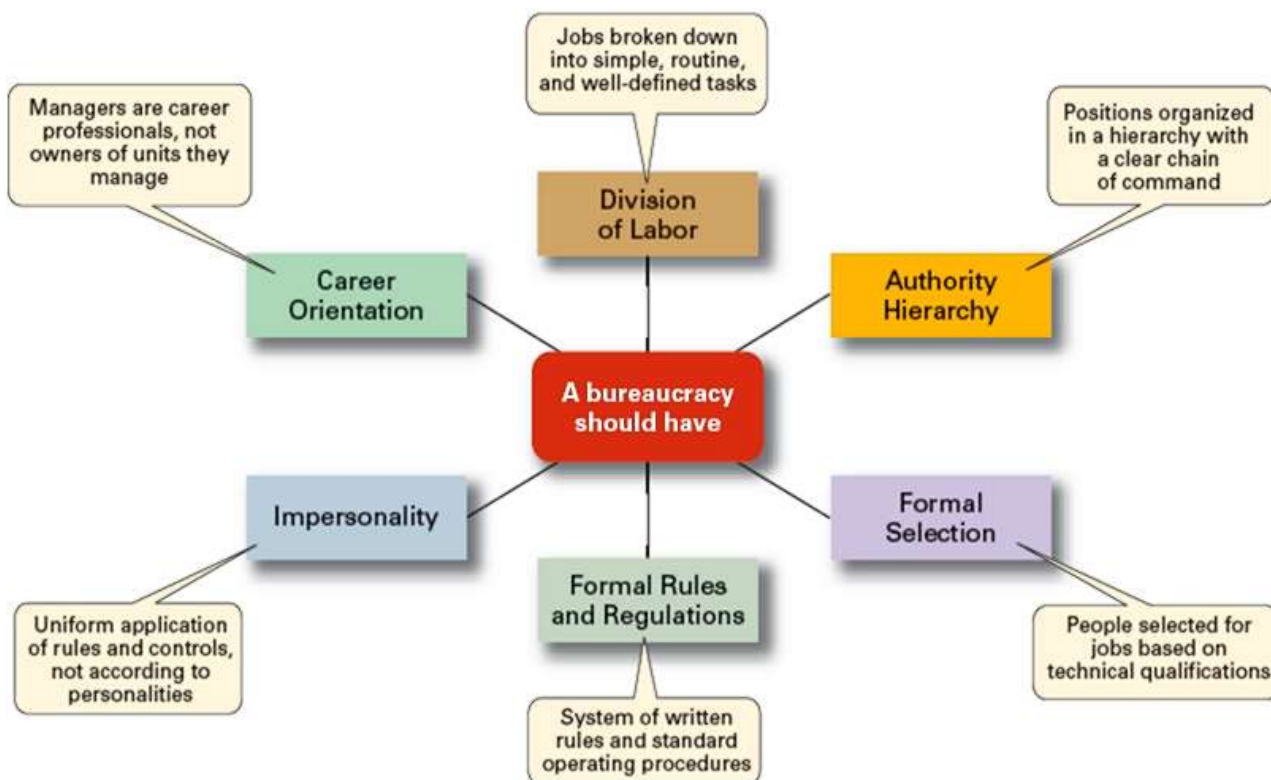
- ♦ Abandoning the differential rate system as having too little motivational impact. Gantt came up with a new idea;
- ♦ Every worker who finished assigned work would win a 50 cent bonus
- ♦ The Supervisor would earn a bonus for each worker who reached the daily standard plus an extra bonus if all the workers reached it.
- ♦ (Resulted in PERT & CPM)

(IV) Max Weber

Max Weber was a German Intellectual with interests in sociology, religion, economics, and political science. He used the concept of "BUREAUCRACY" as an ideal organizational arrangement for the administration of large – scale organizations. According to Weber following are the essential elements for an organization.

1. Division of work
2. Hierarchy
3. Formalized rules
4. Impersonality
5. Selection and promotion of employees on ability

Weber's ideal bureaucracy



Ques. 40. - How important are ethics in today's society?

Ans. - The following guidelines ensure the ethics management program in operated in a meaningful fashion:-

- a. **Recognize that managing ethics is process:-**Ethics is a matter of values and associated behaviors. Value is descended through the process of ongoing reflection. Therefore, ethics programs may seem more process oriented than most important for practices.
- b. **The bottom line off and ethics program is accomplishing preferred behaviors in the workplace:-**As with any management practice, the most important outcome is behaviors preferred by the organization. The best of ethical value and intentions are relatively meaningless unless they generate fair and just behaviors in the workplace. That is why practice that generate lists of ethical value, or code of ethics, must also generate policies, procedures and training that translate those value to appropriate behaviors.
- c. **The best way to handle ethical dilemmas is to avoid their occurrence in the first place:-**that is why practices such as developing coded of ethics and codes of conduct are so important. Their development sensitizes

employees to ethical consideration and minimizes the chances of unethical behavior occurring in the first place.

- d. **Make ethics decision in group, and make decisions public, as appropriate:**-this usually produce a better quality decisions by including diverse interests and perspective, and increase the credibility of the decision process and outcome by reducing suspicion of unfair bias.
- e. **Integrate ethics management with other management practice:**-When developing the value statement during strategic planning, include ethical value preferred in the workplace.
- f. **Use cross functional teams when developing and implementing the ethics management program:**-it is vital that the organization's employees feel a sense of participation and ownership in the program is there are to adhere to its ethical values. Therefore, include employees in developing and operating the program.
- g. **Try to operate ethically and making a few mistakes is better than not trying at all:**-it is the trying that counts and brings peace of mind not achieving a heroic status in society.