

QB365 Question Bank Software Study Materials

Principles of Management Important 2,3 & 5 Marks Questions With Answers (Book Back and Creative)

12th Standard

Commerce

Total Marks : 75

2 Marks

10 x 2 = 20

1) What is Management?

Answer : Management is the process of giving direction and controlling the various activities of the people to achieve the objectives of an organisation.

2) List out the management tools.

Answer : Tools of managements have been developed such as accounting, business law, psychology, statistics, econometrics, data processing, etc.

3) State the meaning of Authority.

Answer : Authority means the right of a superior to give the order to his subordinates whereas responsibility means obligation for performance.

4) What do you mean by Span of management?

Answer : (i) The span of management refers to the number of subordinates who can be managed efficiently by a superior.
(ii) Simply, the manager having the group of subordinates who report him directly is called as the span of management.

5) Who is a manager?

Answer : (i) Manager is a dynamic and life-giving element in every business.
(ii) Without efficient management it cannot be secure the best allocation and utilisation of human, material and financial resources.

6) What is responsibility?

Answer : Responsibility means obligation for performance. It is the amount of work expected from a man by his superior.

7) What is unity of direction?

Answer : All related activities should be put under one group, there should be one plan of action for them and they should be under the control of one manager.

8) What is unity of command?

Answer : (i) This principle states that each subordinate should receive orders and be accountable to one and only one superior.
(ii) If an employee receives orders from more than one superior, it is likely to create confusion and conflict.
(iii) It is the control function which facilitates synchronization of actual performance with pre determined standards.

9) What are the twin purposes of the management process?

Answer : There are twin purposes of the management process: They are
(i) Maximum productivity or profitability; and
(ii) Maximum human welfare and satisfaction.

10) What is Remuneration?

Answer : (i) Workers must be paid sufficiently as this is a Chief motivation of employees and therefore greatly influences productivity.
(ii) The quantum and methods of remuneration payable should be fair, reasonable and rewarding of effort

3 Marks

10 x 3 = 30

11) Define the term management.

Answer : According to Koontz and Weihrich, "Management is the process of designing and maintaining of an environment in which individuals working together in groups efficiently accomplish selected aims.

12) Differentiate management from Administration.(any 3)

Answer :

	BASIS	MANAGEMENT	ADMINISTRATION
1.	Meaning	An organised way of managing people and things of a business is called management	The process of administering an organisation by a group of people is known as administration
2.	Authority	Middle and lower level	Top level
3.	Concerned with	Policy implementation	Policy formulation
4.	Role	Executive	Decisive
5.	Area of operation	It works under administration	It has full control over the activities of the organisation.

13) What are the principles of Taylor?

Answer : Taylor propounded the principles of scientific management. They are:

- (i) Science, Not Rule of Thumb
- (ii) Harmony, Not Discord
- (iii) Mental Revolution
- (iv) Co-operation, Not individualism
- (v) Development of each and every person to his or her greatest efficiency and prosperity.

14) What determines the span of management?

Answer : (i) The Span of Management has two implications:

- 1. Influences the complexities of the individual manager's job
- 2. Determine the shape or configuration of the Organization
- (ii) The span of management is related to the horizontal levels of the organization structure, There is a wide and a narrow span of management.
- (iii) With the wider span, there will be less hierarchical levels, and thus, the organizational structure would be flatter.
- (iv) Whereas, with the narrow span, the hierarchical levels increases, hence the organizational structure would be tall.

15) Is management an Art or Science?

Answer : Is Management a Science:

- (i) Management is an in exact science, because in pure science, the principles are put into test in a laboratory and they are either proved or disproved exactly and precisely.
- (ii) Similarly the management principles can be put to test in an organization where men, machine, money, and materials (4 Ms) are practically integrated towards achieving some chosen organizational goals.
- (iii) These principles cannot be exactly proved or disproved either as they tend to be flexible to changing environment, policies and practical difficulties while synchronizing them together.
- (iv) Everyone believes that management is an art. No, it is not an art in Toto. Because, the concept of art denotes the learning of skills and practicing them in day to day life.
- (v) To conclude, Management is neither a science nor an art, but a combination of both requiring people holding managerial positions.

16) Why management is regarded as a social process?

Answer : (i) The substance of management should be identified as a process

(ii) A process is something that what a person does in the context of his individual duties and responsibilities assigned by his or her immediate higher authority.

(iii) A process also implies on going and unceasing cyclical operations.

(iv) In management, we have planning - action - control cycle.

(v) A process indicates the dynamic nature of management.

(iv) It also implies that change is a constant reality of organisational life and management is the management of change.

17) Explain the principal ideas of school of management.

Answer : (i) Functional school sees management as a process of planning, organising, directing and controlling.

(ii) Behavioural school is not interested in the process only but rather in the way the process affects the organisation, i.e., with and through personnel or human resource

(iii) Quantitative school wants to improve the quality of decision making, i.e., fulfilling the stated objectives of the enterprise.

(iv) Systems approach concentrates on the entire organisation, i.e., inputs - process - outputs,

(v) Contingency approach emphasises dynamic nature of management process in an everchanging business environment.

18) Write a short notes on

a. Equity

b. Initiative

Answer : (a) Equity:

(i) Employees must be treated kindly and justice must be enacted to ensure a just workplace.

(ii) Managers should be fair and impartial when dealing with employees, giving equal attention towards all employees.

(b) Initiative:

(i) Using the initiative of employees can add strength and new ideas to an organization.

(ii) Initiative on the part of employees is a source of strength for organization because it provides new and better ideas.

(iii) Employees are likely to take greater interest in the functioning of the organization.

19) Discuss the differences between the contributions of Taylor and Fayol.

Answer :

Basis	Henry Fayol	F.W. Taylor
1. Perspective	Top level of management	Shop floor level of a factory
2. Basis of formation	Personal experience	Observations and experimentation
3. Focus	Improving overall administration	Increasing productivity
4. Personality	Practitioner	Scientist

20) How do you co-ordinate your classroom with peace?

Answer : (i) Co-ordination is the synchronization (or unification or integration) of the actions of all individuals, working in the enterprise in different capacities, so as to lead to the most successful attainment of the common objectives.

(ii) For example: You can co-ordinate in your classroom by maintaining silence and by sitting your place. Co-operating with the teacher to deliver her lecture and listen to her them.

5 Marks

5 x 5 = 25

21) Explain the principles of modern management. (any 5)

Answer : Henry Fayol is the father of modern management. The following are the major principles of modern management are,

1. Division of Work:

According to this principle the whole work is divided into small tasks. The specialization of the workforce according to the skills of a person, creating specific personal and professional development within the labour force and therefore increasing productivity.

2. Authority and Responsibility:

Authority means the right of a superior to give the order to his subordinates; whereas responsibility means obligation for performance.

3. Discipline:

It is obedience, proper conduct in relation to others, respect of authority, etc. It is essential for the smooth functioning of all organisations.

4. Unity of Command:

This principle states that each subordinate should receive orders and be accountable to one and only one superior.

5. Unity of Direction:

All related activities should be put under one group, there should be one plan of action for them and they should be under the control of one manager.

22) Explain the concept of management .(any 5)

Answer : The management concept can be understood from its profound characteristic features as follows:

1. Body Knowledge:

(i) Management has now developed a specialised body of management theory and philosophy. Management literature is growing in all countries.

2. Management Tools:

Tools of management have been developed such as, accounting, business law, psychology, statistics, econometrics, data processing, etc.

3. Separate Discipline:

Management studies in many universities and institutions of higher learning are recognised as a separate discipline.

4. Specialisation:

There is a growing tendency to select and appoint highly qualified, trained and experienced persons to manage the business in each functional area of management.

5. Code of Conduct:

Enlightened businessmen have recognised that business management is a social institution and it has social responsibilities to be fulfilled - towards customers, employees, and the public or community.

23) Write about the contribution of Drucker to management.

Answer : "Management is a multipurpose organ that manages a business and manages manager, and manages worker and work.- Peter F. Drucker: The Practice of Management.

Drucker stresses three jobs of management:

(i) Managing a business;

(ii) Managing manager; and

(iii) Managing workers and work.

Even if one is omitted, It would not have management anymore and it also would not have a business enterprise or an industrial society. According to P. Drucker, the manager has to balance and integrate the above mentioned three major jobs of a business enterprise.

24) Explain the management process in detail.

Answer : There are five parts of management as a process

1. Management is Co-ordination:

- (i) The manager of an enterprise must effectively co-ordinate all activities and resources of the organisation.
- (ii) Namely, Men, Machines, Materials and Money the Four M's of Management.

2. Management is a Process :

- (i) The manager achieves proper co-ordination of resources by means of the managerial functions.
- (ii) Planning, Organising, Staffing, Directing (or leading and motivating) and controlling.

3. Management is a Purposive Process:

- (i) It is directed toward the achievement of predetermined goals or objectives.
- (ii) Without an objective, we have no destination to reach or a path to follow to arrive at our destination
- (ii) Example; A goal, both management and organisation must be purposive or goal-oriented.

4. Management is a Social purpose:

It is the art of getting things done through other people.

5. Management is a Cyclical Process:

It represents planning action-control-re-planning cycle. (i.e.,) an ongoing process to attain the planned goals

25) Discuss the implications of span of management.

Answer : The Span of management refers to the number of subordinates who can be managed efficiently by a superior.

Simply, the manager having a group of subordinates who report him directly is called as the span of management. The Span of Management has two implications:

- (i) Influences the complexities of the individual manager's job
- (ii) Determine the shape or configuration of the Organization

The span of management is related to the horizontal levels of the organization structure. There is a wide and a narrow span of management. With the wider span, there will be less hierarchical levels, and thus, the organizational structure would be flatter. Whereas, with the narrow span, the hierarchical levels increases, hence the organizational structure would be tall.

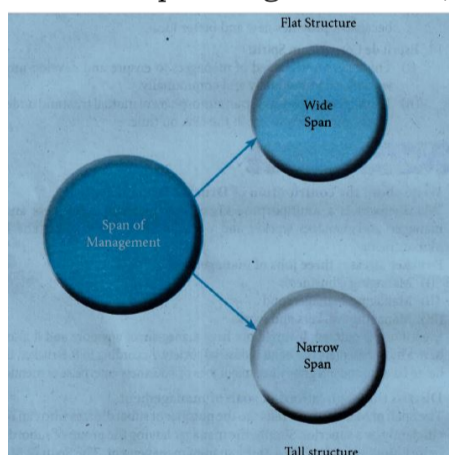
(iii) Both these organizational structures have their advantages and disadvantages. But however the tall organizational structure imposes more challenges.

(iv) Since the span is narrow, which means less number of subordinates under one superior, requires more managers to be employed in the organization. Thus, it would be very expensive in terms of the salaries to be paid to each senior

(v) With more levels in the hierarchy, the communication suffers drastically. It takes a lot of time to reach the appropriate points, and hence the actions get delayed.

(vi) Lack of coordination and control because the operating staff is far away from the top management.

The major advantage of using this structure is that the cross communication gets facilitated, i.e., operative staff communicating with the top management. Also, the chance of promotion increases with the availability of several job positions



In the case of a flatter organizational structure, where the span is wide leads to a more complex supervisory relationship between the manager and the subordinate. It will be very difficult for a superior to manage a large number of subordinates at a time and also may not listen to all efficiently.