

Chapter-1

Nature and Significance of Management

Focused Area Questions (unofficial)

- 1. -----is considered as the essence of management. **Ans: Co-ordination**
- 2. Mithun Chittilappilli, the Managing Director of V Guard Industries Ltd. belongs to-----  
--levels of management.  
**Ans: Top Level**
- 3. The policy formulation is the function of-----  
a. Top level b. Middle level c. Lower level d. All level **Ans: Top Level**
- 4. Mr. Suresh is working as the Financial Manager of MRF Ltd. At what level he works in the organization?  
**Ans: Middle level**
- 5. The process by which a manager synchronises the activities of departments is known as:  
a. Controlling b. Coordination c. Directing d. Organizing **Ans: Coordination**
- 6. Write a note on 'Co-ordination'. (3 Score)  
Coordination is the process by which managers synchronize/coordinate the activities of different departments to ensure unity of action. Coordination is needed at all levels of management and for all functions of management. Coordination is considered as the **essence of management** because it is the force that connects all other managerial functions.
- 7. Explain the term Management?  
Management is the art of getting things done through others. Management is the process of planning, organizing, directing and controlling activities of and using the resources of an organization for accomplishing the organizational goals efficiently and effectively in an ever-changing environment.
- 8. Classify the following personnels under different levels of management (Top level, middle level and lower level)  
a. Chairman b. Supervisor c. Foreman d. Managing Director e. Purchase Manager

Ans:

(a) Chairman	Top Level
(b) Supervisor	Lower Level
(c) Foreman	Lower Level
(d) Managing Director	Top Level
(e) Production Manager	Middle Level

9. Explain briefly the main **features** of management. (Any-4) (4 Score)

Features of management

1. **Management is a goal-oriented process**

Management always aims at achieving the organizational objectives.

2. **Management is pervasive**

Management is necessary for all the organizations irrespective of its size, nature and functions.

3. **Management is a group activity**

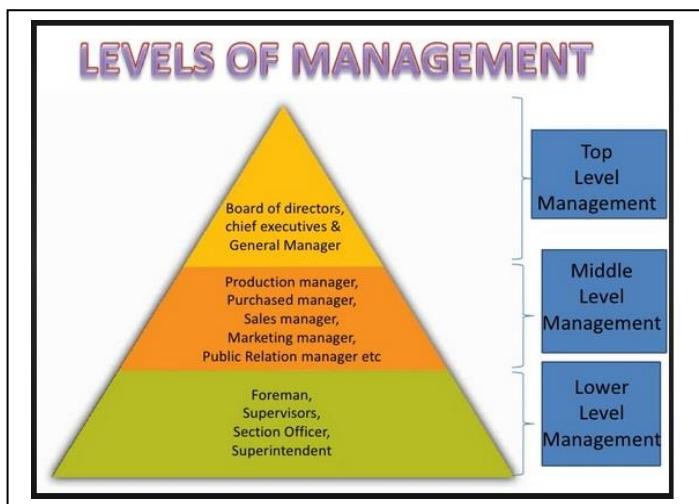
Management consists of number of persons who work as a group. The management functions cannot be performed in isolation

4. **Management is a continuous process**

Management is a continuous or never-ending process.

10. What do you mean by **levels of management**? Give examples for managers at different levels. Briefly explain functions of all the levels? (3 functions each) (8 Score)  
Management does not refer to a single individual but it refers to a group of persons. There are several persons in every organization who occupy different positions (levels) and perform different responsibilities. The management group is classified into three levels on the basis of their responsibilities and powers.

They are:-1. **Top Level**                      2. **Middle Level**                      3. **Lower Level**



**1. Top Level**

Top level management consists of the highest-level officials of an organization. Top level management include Chairman, President, Vice President Chief Operating Officer (COO), Chief Executive Officer (CEO) etc. Important decisions are made at this level.

**Functions of Top-Level Management**

- Determining the objectives of business
- Framing the plans and policies to achieve the set objectives.

### Important questions with answers.....

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- Maintains relationship with outside parties like government, workers, competitors, media etc.

## 2. Middle Level Management

Middle level management consists of departmental heads like production manager, purchase manager, sales manager etc. They act as a link between top management and lower level management.

### Functions of Middle Level Management

- Planning and organizing the activities of their concerned department.
- Middle level management selects and appoints employees of their department.
- Motivating employees based on their performance.

## 3. Lower level / Supervisory level / first line Management

This level consists of supervisors, foreman, inspectors; clerk etc. They pass on the instructions to workers and they attend and solve the problems of workers. They act as a link between middle level managers and workers.

### Functions of Lower-level management

- Planning of day-to-day work
- Assigning duties to individual workers.
- Ensuring standard of quality and steady flow of output.
- Providing on-the-job training to workers.

## Chapter-2

# Principles of Management

### Focused Area Questions (unofficial)

1. 'One subordinate must receive orders from only one superior at a time'. Which principles of management referred here? **Ans: Unity of command**
2. Identify the management which states that 'union is strength'  
**Ans: Esprit de corps**
3. Foreman is example of ..... level management.  
**Ans: Lower level**
4. Mr.Sathyan , the production manager of a firm, instructs Mr.Santhosh,worker, to produce 60 units of a product per day. Mr.Mathew, the assistant production manager , instructs Mr.Santhosh to produce 90 units. Which is the management principle violated here?  
**Ans: Unity of command**
5. "I am always with the workers and giving them direct and immediate guidance and controlling them in the performance of their tasks". Who am I?  
**Ans: Supervisor (Lower-level managers)**

**Important questions with answers.....**

മുഖ്യം വർഷ ബിസിനസ് സർവീസ് പരീക്ഷ ജയിക്കാൻ ബുദ്ധിമുട്ടുന്ന വിദ്യാർത്ഥികൾക്കായി

6. Which techniques of Taylor separates ‘planning’ and ‘execution’ functions?

**Ans: Functional Foremanship**

7. The study of movement of operations of a worker.

a. Method study b. Motion study c. Work study d. Time study **Ans: Motion Study**

8. Name the technique advised by Taylor to give more salary to an efficient worker?

**Ans: Differential piece wage system**

9. “Fayol’s ‘Unity of Command’ and Taylor’s ‘Functional foremanship’ are contradictory”. Do you agree?. Give reason. (2 Score)

**Ans:** No. At a glance one may feel both are conflicting but in actual practice they are not contradictory. Each specialist foremen give direction only on their specific area.

10. Name the **four techniques of Scientific management?** (2 Score)

- a) Functional Foremanship
- b) Standardisation and simplification of work
- c) Work Study
- d) Differential Piece Wage System

11. Match the following (Score-4)

A	B
Functional Foremanship	Frequency of rest intervals required
Efficient and inefficient workers	To eliminate unnecessary movements
Motion study	Inspector
Fatigue Study	Differential piece wage system

**Ans:**

A	B
Functional Foremanship	Inspector
Efficient and inefficient workers	Differential piece wage system
Motion study	To eliminate unnecessary movements
Fatigue Study	Frequency of rest intervals required

12. Explain the technique ‘Functional Foremanship’ developed by F W Taylor. (5 Score)

In this technique Taylor suggested the division of factory into two departments-Planning Department and Production Department. Taylor said foreman must be intelligent, educated, energetic, honest and profession expert. All these qualities can’t be found in one person so Taylor proposed there must be at least eight specialist or foreman to supervise and give orders to workers. There are 4 specialist foremen under the planning in-charge, namely route clerk, instruction card clerk, time and cost clerk and disciplinarian. There are another 4 specialist foremen in production-in-charge., namely Gang boss, speed boss, repair boss and inspector.

**Foremen under planning-in charge**

- 1) **Route Clerk-** responsible for determining the sequence of steps for completing a particular job.
- 2) **Instruction Card Clerk-**He draft and issues instruction to the workers.

**Important questions with answers.....**

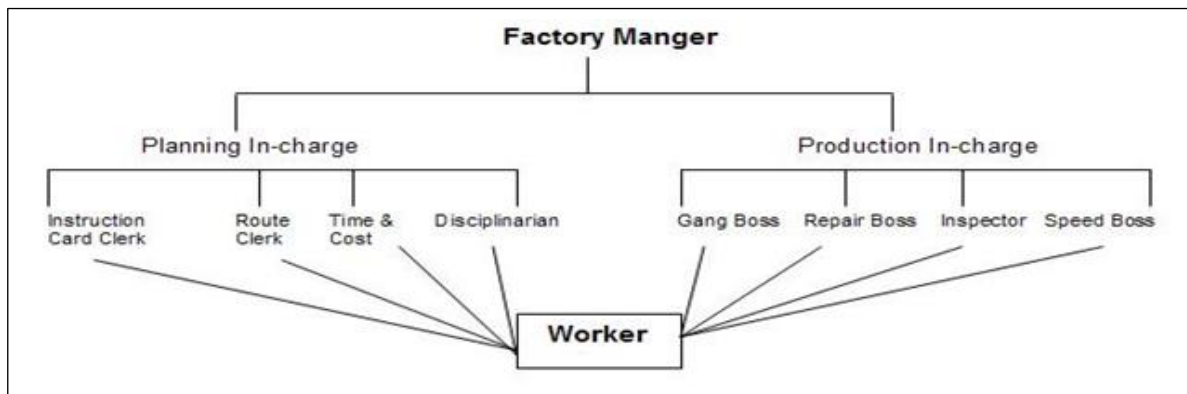
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- 3) **Time and Cost clerk**-He records the time taken for completion of a job and also prepares cost sheet for every job.
- 4) **Disciplinarian**-He ensures that each job is being performed in a disciplined manner.

**Foremen under production-in charge**

- 1) **Gang Boss**-He arranges machines, tools and other resources required for performance of the job so that there is no delay.
- 2) **Speed Boss**-This foreman assures timely completion of work.
- 3) **Repair Boss**-This foreman taken care of the maintenance of machines.
- 4) **Inspector**-This foreman keeps a check on quality control of the output

13. Draw a figure showing 'functional foremanship' as advocated by F W Taylor to ensure specialization in the organization. (5 Score)



14. Match the following:

A	B
Gang Boss	Records the time taken for completion of a job
Inspector	Draft and issue instruction to workers
Time and Cost Clerk	Keeps a check on quality control of the output
Instruction card clerk	Determining the sequence of steps for completing a particular job.
Route Clerk	Arranges machines, tools and other resources for the smooth operations

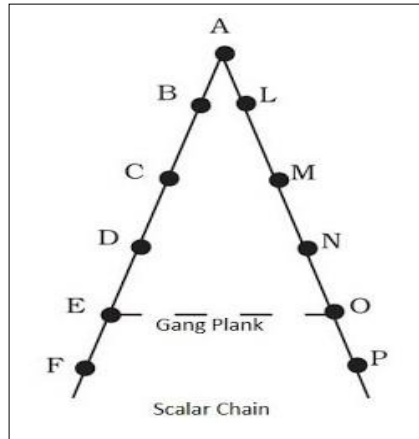
**Ans:**

A	B
Gang Boss	Arranges machines, tools and other resources for the smooth operations
Inspector	Keeps a check on quality control of the output
Time and Cost Clerk	Records the time taken for completion of a job
Instruction card clerk	Draft and issue instruction to workers
Route Clerk	Determining the sequence of steps for completing a particular job.

15. Explain the principle 'Scalar Chain'. (3 Score)

**Scalar chain**

An organization consists of superiors and subordinates. Scalar chain is the formal line of authority (Chain of command) which moves from highest to lowest rank in a straight line. The chain specifies the route through which the information is to be communicated to the desired person. Fayol insists that this chain must be strictly followed by all managers and subordinates in an organisation. Scalar chain or chain of command gives a clear idea about authority-responsibility relationship and systematic communication can be ensured in an organization.



16. Match the following:

A	B
Division of work	Scientific management
No Scope for Rule of Thumb	Employees are treated with kindness and justice
Change in the attitude of management and workers	Subordinates report to only one boss
Unity of Command	Specialisation
Equity	Mental Revolution

Ans:

A	B
Division of work	Specialisation
No Scope for Rule of Thumb	Scientific management
Change in the attitude of management and workers	Mental Revolution
Unity of Command	Subordinates report to only one boss
Equity	Employees are treated with kindness and justice

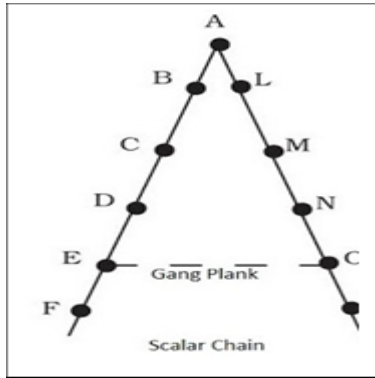
17. Explain the concept 'Gang Plank'. (3 Score)

This is a shorter route of communication. According to this concept, in case of emergency, two executives of the organization of different departments at the

**Important questions with answers.....**

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same level can communicate directly, so that speedy decisions and actions could be taken.



In this example, if there is an emergency, then employee 'E' can directly communicate with employee 'O' through 'Gang plank' as shown in the diagram.

18. Explain the technique 'Differential Piece Wage System' with an example. (6 Score)

Differential piece rate system is a system of wages' payment in which Taylor has suggested two types of wages for similar work. In this system higher rate provided for efficient workers who produced the standard output or more and lower rate for inefficient workers who produced less than the standard output.

For example, Narmada Ltd. provides Rs. 2 per piece if daily production is 25units or more and Rs.1.50 per unit, if production is less than 25 units. Suppose worker 'A' who produced 24 units and he will get Rs.36 (24×1.50) whereas worker 'B' who produced 25 units (just one unit more than worker 'A', but he achieved target) and he will get Rs. 50 (25×2). In this case worker 'A' could not achieve the target. So under this system; workers will be motivated to attain at least minimum standard performance.

Worker	Standard Output	Actual output	Wage Rate (Rs)	Wage (Rs)
A	25	24	1.5	36
B	25	25	2	50

19. Explain the term 'Work Study' (6 Score)

Work study is a systematic, objective oriented, analytical and critical assessment of the performance of workers in various operations in a workshop. **Work study includes:**

- (a) Method study (b) Motion Study (c) Time Study (d) Fatigue Study

**(a) Method Study**

Method study is a technique to know the one best way of doing a particular job. Taylor replaced old rule of thumb. According to Taylor, decision in the organization should not be taken on the basis of wills and wishes of the managers but on the basis of scientific study and analysis. It help

to select the best method and thereby reduce cost of production and to make maximum utilization of resources.

Example: In a car manufacturing, the sequence of operations, place for men, machines, and raw materials etc. will be systematically decided in advance.

**(b) Motion Study**

Motion study refers to the study of various movements, like sitting, standing, holding, turning, changing position etc., of workers, while performing a particular job. The main objective of this study is to identify the motions which are productive, incidental and unproductive. This study helps in eliminating the unnecessary movements as to complete a given task in less time and thereby increasing the efficiency.

**(c) Time Study**

Time study determines the standard time taken by a workman to perform a given task. The standard time is fixed by taking several readings of a specific task. Its purpose is to decide how much time is normally required by the workers to perform a certain job. It helps in calculating labour costs and framing suitable incentive schemes.

**(d) Fatigue Study**

Fatigue study intends to find out the number and frequency of rest intervals that must be provided to a worker in completing a job efficiently.

Example: If workers are involved in heavy manual labour such as brick layering or poor working conditions then small pauses must be given to regain stamina and after each interval they resume their work with greater enthusiasm.

20. Briefly explain about principles(Any 8) of management as contributed by Henri Fayol.  
(8 Score)

**1.Principle of Division of Work**

According to this principle the whole work in an organization must be divided into small tasks and one task or units of work should be assigned to one person according to his ability and qualification. Division of work leads to “specialization”.

**2. Principle of Authority and Responsibility**

Authority means the power to take decision. Responsibility means the obligation to complete the job assigned on time. According to this principle there must be balance (parity) between the authority and responsibility



### 3. Principle of Discipline

Discipline means obedience, respect of authority and observance of established rules. According to Fayol discipline is necessary for the efficient working of an organization. Discipline applies not only to workers but also to managers at all levels.

### 4. Principle of Unity of Command

According to Fayol there should be one and only one boss for every individual employee. This principle states that each participant in a formal organization should receive orders from and be responsible to only one superior. If there is more than one superior, there can be contradictory orders.

### 5. Principle Unity of Direction

According to Fayol there should be 'one head (manager) and one plan' for each group of organizational activities that have the same objectives. For example Reliance Industries Ltd works in various fields including petrochemicals, communications, super markets etc. The activities and objectives of each of these areas will be different. Fayol advocate that each group of activities having the objectives must have one head and one plan. This ensures unity of action and coordination.

### 6. Principle of Subordination of Individual Interest to General Interest

According to Fayol, the interest of the organisation should be the first priority over the interest of any individual in that organization. Workers working in an organization may have personal interest like get high salary, get promotion etc. The organization also has its own objectives (maximum profit with minimum cost). According to Fayol the focus should be on the organizational objectives and not on those of the individual.

### 7. Principle of Scalar Chain

An organization consists of superiors and subordinates. Scalar chain is the formal line of authority (Chain of command) which moves from highest to lowest rank in a straight line. The chain specifies the route through which the information is to be communicated to the desired person. Fayol insists that this chain must be strictly followed by all managers and subordinates in an organisation. Scalar chain or chain of command gives a clear idea about authority-responsibility relationship and systematic communication can be ensured in an organization

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