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PART-1**A. Answer any 4 questions from 1 to 6. Each carries 1 score. (4X1 =4)**

- 1a. Production manager.
- 2.b. External.
- 3.c. Staffing.
- 4.b. Budget.
- 5.b. Capital structure.
- 6.d. Social.

B. Answer all questions from 7 to 10. Each carries 1 score. (4X1=4)

- 7.a. Planning.
- 8.a. Training.
9. b. Controlling.
10. b. Scientific management.

PART -II**A. Answer any 3 questions from 11 to 15. Each carries 2 scores. (3X2=6))**

11.

| | |
|---------------------------|----------------------------|
| Organisational Objectives | Survival |
| Social Objectives | Benefits for society |
| Personal objectives. | To satisfy personal needs. |

12.1. Treasury Bill, 2. Commercial Paper,3. Call Money,4. Certificate of Deposit,5. Commercial Bill (Any 2)

13.1. *Right to Safety*;,2. *Right to be informed*;;3. *Right to choose* ;,4. *Right to be heard* ,5. *Right to seek redressal*: 6. *Right to Consumer Education*: (Any 4)

14. a. **Authority**.
- b. **Responsibility**.

15.

| Money Market | Capital Market |
|--|---|
| 1. It is a market for short term instruments having a maturity period of less than one year. | 1. It is for medium and long term instruments having maturity period of more than one year. |
| 2. It helps to meet the working capital needs. | 2. It helps in meeting fixed capital needs. |
| 3. The instruments in money market are Bill of exchange, treasury bills, certificate of deposits, commercial papers etc. | 3. The instruments are equity shares, preference shares, debentures, bonds etc. |
| 4. It is a wholesale market. | 4. It is a retail market. |
| 5. The central bank, commercial banks and other financial institutions take part in the market. | 5. Stock exchanges, Merchant banks, Issue houses and many financial intermediaries take part in the market. |
| 6. Money market instruments do not have an active secondary market. | 6. Capital market instruments have both |

| | |
|---|--|
| 7. Money market transactions normally take place over telephone and other ways. | primary and secondary markets. |
| 8. The market regulator is the central bank of the country. In India it is RBI. | 7. Capital market transactions normally take place at stock exchanges. 8. There is a separate regulator in the capital market. In India it is SEBI. |

(any 2 points)

B. Answer any 2 questions from 16 to 18. Each carries 2 Scores. (2X2=4)

16. **Financial incentives:** (i) Pay and allowances, (ii) Productivity linked wage incentives, (iii) Bonus, (iv) Profit Sharing, (v) Co-partnership/ Stock option, (vi) Retirement Benefits, (vii) Perquisites.

Non-Financial Incentives: (i) Status, (ii) Organisational Climate, (iii) Career Advancement Opportunity, (iv) Job Enrichment, (v) Employee Recognition programmes, (vi) Job security, (vii) Employee participation, (viii) Employee Empowerment. (any 2).

17. i) Training is a systematic learning, (ii) It enhances employee productivity both in terms of quantity and quality, (iii) Training equips the future manager who can take over in case of emergency, (iv) Training increases employee morale and reduces absenteeism and employee turnover.

18. Increasing competition, More demanding customers, Rapidly changing technological environment, Necessity for change, Need for developing human resource, Market orientation, Loss of budgetary support to the public sector (2 points)

Part -III

A. Answer any 3 questions from 19 to 23. Each carries 4 scores. (3X4=12)

19.1. Setting performance standards

2. Measurement of actual performance.

3. Comparison of actual performance with standards.

4. Analysing deviations .

5. Taking corrective action .

20.a. Marketing mix refers to the combination of 4 basic marketing tools such as Product, Price, Place, and Promotion. It is also known as four 'Ps'.

b. Price, & Place,

21. **i) Economic Environment:**

Interest rates, inflation rates, changes in disposable income of people, stock market indices and the value of rupee are some of the economic factors that can affect management practices in a business enterprise.

(2) Legal Environment:

Legal environment includes various legislations passed by Government administrative orders issued by government authorities, court judgments etc.

Eg: Constitutional Provisions; Companies Act 2013; Industries (Development and Regulations) Act 1951.

22.a. 1. On the job training.

2. Off the job training.

b. **On the job training:** Coaching:, Job Rotation:

Off the job training: Films:, Case Study:

23. Match the following

| | |
|---------------------------------------|----------------|
| Act of overseeing something | Supervision |
| Act of stimulating people to actions. | Motivation |
| Act of sharing information | Communication. |
| Ability to influence people | Leadership. |

B. Answer any 1 question from 24 to 25. carries 4 scores. (1X4=4)

24. Effectiveness and efficiency are two sides of the same coin. But these two aspects need to be balanced in every organization.

Efficiency ensures Maximum output with limited resources and Maximum output with limited resources.

Effectiveness ensures actual result with planned result and Completing the task in time.

25. *Planning leads to rigidity; reduces creativity; involves huge costs; It is a time consuming process; Planning does not work in a dynamic environment; and does not guarantee success.*

PART -IV

A. Answer any 3 questions from 26 to 29. Each carries 6 scores. (3X6=18)

26. Levels of management refers to the arrangement of managerial positions in an organization. Generally speaking there are three levels in the hierarchy of an organisation. They are Top Level, Middle Level and Lower Level (Supervisory or Operational) Management.

(i) Top Level Management:

They consist of the senior-most executives of the organisation by whatever name they are called. They are usually referred to as the chairman, the chief executive officer, chief operating officer, president and vice-president.

Functions:

- Top level managers are responsible for the welfare and survival of the organisation.
- They analyse the business environment and its implications for the survival of the firm.
- They formulate overall organisational goals and strategies for their achievement.
- They are responsible for all the activities of the business and for its impact on society.

(ii) Middle Level Management:

It is the link between top and lower level managers. They are subordinate to top managers and superior to the first line managers. They are usually known as division heads or different departmental heads such as production manager, finance manager etc.

Functions:

- Middle management is responsible for implementing and controlling plans and strategies developed by top management.
- They are responsible for all the activities of first line managers.
- Their main task is to carry out the plans formulated by the top managers.

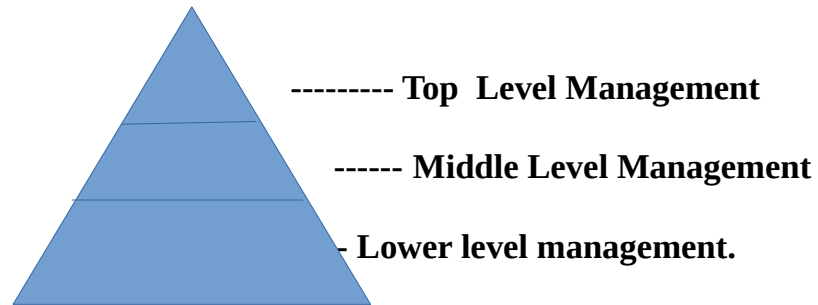
(iii) Supervisory Level or Operational Level Management:

Lower level management is the lowest level in the organisational hierarchy. It consists of foreman, supervisors, finance and accounts officers, sales officers etc.

Functions:

- a. Supervisors directly oversee the efforts of the workforce.
- b. They prepare plans for day to day activities.
- c. They act as a link between middle level management and workers.
- d. They provide on the job training to workers.
- e. They maintain personal and immediate contact with production employees.

Hierarchy of the organisation.



27.a.

- 1. Formal organisation.
- 2. Informal organisation.

b.

| Basis | Formal organisation | Informal organisation |
|-----------------------|--|--|
| Meaning | Structure of authority relationships created by the management | Network of social relationships arising out of interaction among employees |
| Origin | Arises as a result of company rules and policies | Arises as a result of social interaction |
| Authority | Arises by virtue of position in management | Arises out of personal qualities |
| Behavior | It is directed by rules | There is no set behaviour pattern |
| Flow of Communication | Communication takes place through scalar chain | It can take place in any direction |
| Nature | Rigid | Flexible |
| Leadership | Managers are leaders. | Leaders may or may not be managers. They are chosen by the group. |

28. Qualities of a Good Leader

(i) Physical features:

Physical features like height, weight, health, appearance determine the physical personality of an individual.

(ii) Knowledge:

A good leader should have required knowledge and competence.

(iii) Integrity:

A leader should possess high level of integrity and honesty. He should be a role model to others.

(iv) Initiative:

A leader should have courage and initiative.

(v) Communication skills:

A leader should be a good communicator. He should be not only good speaker but a good listener, teacher, counsellor and persuader.

(vi) Motivation skills:

A leader should be an effective motivator. He should understand the needs of people and motivate them.

(vii) Self Confidence:

A leader should have high level of self confidence.

(viii) Decisiveness:

Leader should be decisive in managing the work.

(ix) Social skills:

A leader should be sociable and friendly with his colleagues and followers.

29. Investment Decision:

It relates to how the firm's funds are invested in different assets.

Financing Decision:

This decision is about the quantum of finance to be raised from various long-term sources.

Dividend Decision:

It relates to the distribution of dividend. Dividend is that portion of profit which is distributed to shareholders.

B. Answer any 2 questions from 30 to 32. Each carries 6 scores. (2X6=12)

30. i. Universal Applicability - Management principles have universal application in all types of organizations and in all places.

ii. General Guidelines – Management principles are derived from experience and analysis and they are in the form of mere statements.

iii. Formed by practice and experimentation .

iv. Flexible - Management principles never remain static; they are applied in given situations.

v. Mainly behavioural - Human behavior is unpredictable and it is often situational.

vi. Cause and effect relationship – Cause and effect relationship is indicated by management principles.

31. A basis for coordination – Coordination among different departments in the organization is possible only through proper communication.

a. Smooth working of the enterprise – When there is a communication gap, all organized activities come to a standstill.

b. Basis for decision making – Communication provides the required data for decision making.

- c. Increases managerial efficiency – Conveying the goals, issuing instructions, allocating jobs, evaluating performance etc are done through communication, which will improve the efficiency of management.
- d. Promotes cooperation and industrial peace – Two way communications promotes cooperation and mutual trust between management and workers.
- e. Establishes effective leadership – In order to influence the subordinates the leader should possess good communication skills.
- f. Boosts morale and provides motivation.

32.i. Convenience products: They are the consumer products that people usually purchase frequently, and with least purchasing efforts. E.g., soap, toothpaste, bread, magazines, biscuits etc. Its features are:

- a. Purchased with least efforts and time
- b. Generally essential products.
- c. Purchase unit is small and low price.
- d. Standardized price and most of them are branded items.
- e. Heavy competition on such products, hence heavy advertisement is needed.
- f. Sales promotion techniques and short term incentives are needed.

2. Shopping products - These are the products purchased by the consumers by spending considerable time in comparison of features like price, quality, size, style etc. e.g., home appliances, clothes, jewellery, furniture, TV, Computer, Washing machine etc. Its features are:

- g. Durable in nature.
- h. Price and profit per unit is comparatively high.
- i. Since the unit price is high, consumer take much efforts before purchasing decision.
- j. Buying of these products is generally pre-planned but no impulse buying (without a plan).
- k. Generally handled by retailers.

3.Speciality Products – These products have unique characteristics and brand loyalty of the highest order for which consumers willing to make special purchasing effort. E.g., paintings, artwork, antiques, idols etc. Its features are:

- a. Demand for such products is inelastic, even if the price increases, demand does not decrease.
- a. Demand for such products is limited as there will be small number of buyers.
- b. These products are costly.
- c. They are available only in specific places, so the buyers have to take extra effort.

PART-V

Answer any 2 questions from 33 to 35. Each carries 8 scores. (2X8=16)

33.(1). **Unity of Command** –

This principle states that each employee should receive orders from one superior only. It helps to avoid and confusion and conflict in the workers.

(2). **Unity of Direction** :

Each group of activities having the same object must have one head and one plan. This ensures unity of action and coordination.

(3) **Scalar Chain:**

An organisation consists of superiors and subordinates. The formal lines of authority from highest to lowest ranks are known as scalar chain.

According to Fayol, “Organisations should have a chain of authority and communication that runs from top to bottom and should be followed by managers

and the subordinates.” In case of urgency the established chains can be violated and Gang Plank (direct contact) between two concerned authorities may be established.

Short-circuiting the chain of command where emergency decisions are to be taken is known as **Gang Plank**.

(4) **Order:**

According to Fayol, “People and materials must be in suitable places at appropriate time for maximum efficiency.” The principle of order states that ‘A place for everything (everyone) and everything (everyone) in its (her/his) place’.

34. **Planning Process (Steps)**

(i) **Setting Objectives:**

The first and foremost step is setting objectives. Every organisation must have certain objectives. Objectives may be set for the entire organisation and each department or unit within the organisation. Objectives or goals specify what the organisation wants to achieve. Eg: an increase in sales by 20%.

(ii) **Developing Premises:**

Planning is done for the future which is uncertain, certain assumptions are made about the future environment. These assumptions are known as planning premises.

(iii) **Identifying alternative courses of action:**

Once objectives are set, assumptions are made. The next step is to identify the alternative courses of action to achieve the objectives.

(iv) **Evaluating alternative courses:** The next step is to weigh the pros and cons of each alternative. The positive and negative aspects of each proposal need to be evaluated in the light of the objective to be achieved.

(v) **Selecting an alternative:**

This is the real point of decision making. The best plan has to be adopted and implemented.

(vi) **Implementing the plan:**

Implementation means putting plans into action to achieve the objective. For the successful implementation, the plans are to be communicated to the lower levels at every stage.

(vii) **Follow-up action:**

Plans are to be evaluated regularly to check whether they are being implemented and activities are performed according to schedule.

35. External Sources refers to the recruitment of candidates from outside the organization. It provides wide choice and brings new blood in the organisation.

(i) **Direct Recruitment:**

Under the direct recruitment, a notice is placed on the notice board of the enterprise specifying the details of the jobs available. Job seekers assemble outside the premises of the organisation on the specified date and selection is done on the spot.

(ii) Casual Callers:

Many reputed business organisations keep a database of unsolicited applicants in their offices. These list can be used for recruitment. It reduces the cost of recruiting workforce in comparison to other sources.

(iii) Advertisement :

It is the most effective means to search potential employees from outside the organization.

(iv) Employment Exchange:

Employment exchanges run by the Government are regarded as a good source of recruitment for unskilled and skilled operative jobs.

(v) Placement Agencies and Management Consultants:

In technical and professional areas, private agencies and professional bodies appear to be doing substantive work.

Placement agencies provide a nationwide service in matching personnel demand and supply. These agencies compile bio-data of a large number of candidates and recommend suitable names to their clients.

(vi) Campus Recruitment:

Recruitment from educational institutions is a well-established practice of businesses. This is referred to as campus recruitment.

(vii) Recommendations of Employees:

Applicants introduced by present employees, or their friends and relatives may prove to be a good source of recruitment.

viii) Labour Contractors:

Labour contractors maintain close contacts with labourers and they can provide the required number of unskilled workers at short notice. Workers are recruited through labour contractors who are themselves employees of the organisation.

(ix) Advertising on Television:

This method of recruitment is gaining importance these days. The detailed requirements of the job and the qualities required to do the job are published by the organisations through television.

(x) Web Publishing:

There are certain web sites specifically designed and dedicated for the purpose of providing information to the job seekers.