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ESSENTIAL POINTS TO SOLVE CASE STUDIES

Concept of management

Management is the process of getting work done from others effectively as well as efficiently by involving functions of management to achieve organisational goals.

Efficiency involves minimising costs and increasing output. Effectiveness means doing the right work, on or before time in the right quantity and maintaining the right quality.

Characteristics of management

1. Management is a goal oriented process. Every organisation exists for the completion of a goal. Organizations differ from each other and hence have different sets of goals that they wish to accomplish.
2. Management is all pervasive. Management is present everywhere. Management activities are common to all types of organisations whether these are economic, social or political organisations.
3. Management is multidimensional. Management is multidimensional as it includes the following:
 - Management of work. Management: (i) sets goals, (ii) provides means and resources to complete the work.
 - Management of people. Management directly deals with the human element in the organisation. The main responsibility of management is to 'get the work done through people/ Management of people involves the following two dimensions—
— Dealing with individuals having different behaviours and needs.
— Dealing with individuals in the form of a group of people.
 - Management of operations. All organisations are engaged in providing some basic products or services. This involves production process that converts input into output. Management ensures proper execution of operation corrected with this production process.
4. Management is a continuous process. Management process is a series of continuous, composite but separate functions that include planning, organising, staffing, directing and controlling. These functions are performed by all the managers all the time.
5. Management is a group activity. Management ensures teamwork and coordination of individual efforts. It guides these individual efforts towards a common direction to achieve organisational goals.

6. Management is a dynamic function. Management is considered as a dynamic function as it has to adapt itself to the changes occurring in the various dimensions of the environment like political, social, legal, economic and technological changes.
7. Management is an intangible force. Management is intangible in the sense that it can not be touched or seen. Its presence can only be felt in the manner in which an organisation performs or operates.

Objectives of management

1. Organisational Objectives. Management is responsible for achieving organisational objectives. These may include the following:

1. Survival. Revenue should cover costs if an organisation wants to survive.
2. Profit. A decent gap between revenue and cost indicates good profit. Profit decreases business risk.
3. Growth. Growth is achieved when the number of products manufactured by a company increases, number of branches and employees increases.

2. Social Objectives. Organisation being a part of society has certain obligations towards it. Social objectives may include:

1. Conservation of environment and natural resources.
2. Creating employment opportunities.
3. Providing technological solutions to society.

3. Personal or Individual Objectives. Personal Objectives include:

1. Fulfilment of financial requirements of the employees.
2. Fulfilment of social requirements of the employees.
3. Fulfilment of learning needs like training and self development.

Importance of management

1. Helps in achieving group goals by providing a common direction to individual efforts.
2. Increases efficiency. Management aims at reducing the cost and increasing the productivity by better planning, organising, staffing, directing and controlling.
3. Management creates a dynamic organisation. Management helps people in the organisation to adapt to the various changes occurring in the environment. This helps the organisation in maintaining its competitive edge.
4. Helps in achieving personal objectives. Management makes sure that individual members are able to achieve their personal goals while contributing to the overall organisational objective.
5. Helps in the development of society. It provides good quality goods and services, generates employment opportunities and adopts new technologies for the betterment of the people.

Management as an Art

Art refers to the application of skillful and personal application of knowledge in order to achieve desired outcomes. It is concerned with creativity and innovativeness. Following are the features of an Art:

1. Existence of theoretical knowledge
2. Personalised application
3. Based on practice and creativity

Management can be considered as an art as it satisfies the following criteria

1. A successful manager practices the art of management based on his study, observation and experience. He may acquire knowledge through written work available in various fields of management like finance, human resource and marketing.
2. There are several theories of management that have been evolved by many management thinkers which are the basis of certain universal principles. A manager applies knowledge and scientific methods to a particular situation in his own distinct manner. A good manager works through a balanced combination of practice, creativity, imagination, initiative and innovation.
3. Different managers have different styles of getting things done through others. A manager applies his knowledge in a skillful and personalised manner depending upon the situation faced by him.

Hence it can be concluded that management is an art as it satisfies the characteristics of an art.

Management as a Science

Science is a systematised body of knowledge that helps in explaining general truths or the operation of general laws. Following are some features of Science:

1. Systematised body of knowledge
2. Principles based on experimentation
3. Universal validity

Management possesses the following features of Science:

1. Management like Science has its own theories and principles. These theories and principles are based on cause and effect.
2. Management principles have been developed on the basis of scientific observation and experiments in different types of organisations. Since management deals with the human element of the organisation, the results of these experiments cannot be accurately predicted. This is the reason why management is considered as an inexact science.
3. The principles of management are not exact as the principles of pure science and their application and use is not universal. These principles have to be modified according to a given situation. However, they provide the managers with certain standardised techniques that can be used in different situations.

Management as a profession

Profession can be defined as an occupation backed by specialised knowledge and training.

Following are certain characteristics of a profession:

1. Well-defined body of knowledge
2. Restricted entry
3. Representative body or Professional Association
4. Ethical code of conduct, and
5. Service motive.

Management however is not considered as a full fledged profession. It does not possess some features of a profession:

1. Management like profession has a systematic body of knowledge having well-defined principles which are based on a variety of business situations.
2. Anyone can be a manager irrespective of his academic qualifications. There is no restriction on anyone being designated as a manager. Hence management does not strictly meet this criterion of being a profession.
3. There are various associations of practising managers in the country like AIMA (All India Management Association). It lays down a code of conduct for its members. However, it is not mandatory for managers to become members of such associations.

Levels of management

The term 'Levels of Management' refers to a line of demarcation between different managerial positions in the organisation. They emerge due to authority-responsibility relationship that links

superiors and subordinates within the organisation.

Following are the three levels of management:

Level of Management	Designations	Functions
1. Top Level	. Chairman, Chief Excecutive Officer (CEO), Chief Operating Officer	1. Deciding overall organisational goals. 2. Making policies and strategies

	(COO), President and Vice President, etc.	<ol style="list-style-type: none"> 3. Coordinating the activities of different departments from a level above. 4. Welfare and survival of the organisation. 5. Top management is ultimately responsible for all the activities of the organisation.
2. Middle Level	Operations manager, Plant superintendent, Departmental managers, etc.	<ol style="list-style-type: none"> 1. Interpreting the policies framed by the top management. 2. Ensuring optimum number of personnel in the department. 3. Assigning duties and responsibilities to the subordinates in the department. 4. Coordinating with other departmental

		heads at the same level.
3. Supervisory Level	Foreman, Supervisors, Section Officers, etc.	<ol style="list-style-type: none"> 1. Giving instructions to the workforce. 2. Giving feedback to the workforce. 3. Providing on-the-job training to the workers. 4. Acting as a link between workers and management.

Functions of management

1. **Planning.** Planning is deciding in advance what is to be done. It is the primary function performed by every manager and is the base of all other functions. It involves setting objectives (quantified goals) and deciding the course of action. This course of action has all the necessary guidance to achieve the set objectives.
2. **Organising.** Organising is the process of starting the implementation of plans. The job positions are clearly specified. Working relationships are clarified. The necessary resources are also allocated. Finally reporting relationships are established leading to the formation of management hierarchy.
3. **Staffing.** Staffing is a managerial function of hiring and developing the required number of employees to fill in various positions in the organisation.
4. **Directing.** It involves leading, influencing and motivating employees to perform the tasks assigned to them.
Following are the key elements of directing:
 - Supervision
 - Motivation
 - Leadership
 - Communication
5. **Controlling.** Controlling is monitoring what is being accomplished by evaluating the performance and if needed, applying corrective measures so that the performance takes place according to Plan.

Concept of Coordination

Coordination is the process by which a manager synchronises the activities of different departments and individuals working in these departments towards the achievement of a common goal. It is the force that binds all the functions of management. It is considered as the essence of management.

Characteristics of Coordination

1. **Coordination integrates group efforts** as unrelated activities and diverse interests are given a common direction.
2. **Coordination ensures unity of action** as the conflicts between various departments and individuals are minimised.
3. **a Coordination is a continuous process.**
4. **Coordination is an all pervasive function.**
5. **Coordination is the responsibility of all managers.** The top level managers coordinate with all middle level managers. The middle level managers coordinate simultaneously with top as well as lower level managers. The lower level managers coordinate with middle level managers and the workers.
6. **Coordination is a deliberate function.** It is pre-planned and does not happen on its own.

Importance of Coordination

1. **Growth in size.** When an organisation expands or grows in size, the number of people and departments working in the organisation rises. This requires more coordination.
2. **Functional differentiation.** An organisation has several departments or divisions. All these divisions or departments work differently. So there is a great possibility that conflicts may arise between these departments. Coordination helps in focussing the efforts and activities of various departments on attainment of common organisational goals.
3. **Specialisation.** Due to their expertise, the specialists do not like taking advice or suggestions from others especially in matters relating to their field. Therefore, an organisation needs coordination for the purpose of reconciling the different approaches and interests of the specialists.

CASE STUDIES

Question 1:

Josh Enterprises decides to have a meeting of all the key employees of different departments in the organisation. The main motive is to tell the employees to keep the target of 20% increase in sales as the main objective when they work throughout the year. The meeting is full of ideas regarding the employees and processes involved. Various plans are made to harness the potential of the employees and streamline the processes. However with the passage of a few days the external business environment checks the capability of the organisation to adapt to the situations. The company

successfully comes out at the end of the year with flying colours.

What are the various characteristics of management you can find highlighted here? Also identify the lines in which these characteristics have been highlighted.

Answer:

The various characteristics of management involved here are:

1. **Goal Oriented.** The main motive is to tell the employees to keep the target of 20% increase in sales as the main objective when they work throughout the year.
2. **Multidimensional.** Various plans are made to harness the potential of the employees and streamline the processes. Employees—People, and Streamline the process—Operations.
3. **Dynamic.** However with the passage of a few days the external business environment checks the capability of the organisation to adapt to the situations.

Question 2:

XYZ Ltd. is a management oriented company. Time and again all the employees learn from their seniors various ways of dealing with diverse situations. They are provided training whenever required. They are also given incentives both financial as well as non financial. The result is employees see their development in the organisation. The organisation tries to behave as a responsible constituent of society and always creates good quality products. It has a very good image in the market. The training modules are superb and the employees always try to find unique ways of providing solutions in the context of rapidly changing business environment. This has helped the organisation to adjust frequently in a very good manner.

Which importance of management is highlighted here? Also identify the lines.

Answer:

The importance of management highlighted here are:

1. **Development of personnel.** They are also given incentives both financial as well as non financial. The result is employees see their development in the organisation.
2. **Development of society.** The organisation tries to behave as a responsible constituent of society and always creates good quality products.
3. **Helps in becoming dynamic organisation.** The training modules are superb and the employees always try to find unique ways of providing solutions in the context of rapidly changing business environment.

Question 3:

Gold Land Pvt. Ltd. is a wheat producing company. Daily 5000 bags of wheat weighing 10 kg each are produced here. In comparison to the previous year this ere has been less number of bags produced on a per day basis. The number is around 4500 which is less than the target of 5000 set by the company. The company however has been able to reduce the costs involved in comparison to last year's spending on the production and packaging of each bag. The quality of bags has also been up to the mark. Identify the concept of management ignored here.

Answer:

The concept ignored here is that of effectiveness as the quantity produced here is

lesser than targeted. Effectiveness requires output to be in required quantity, time and quality.

Question 4:

A floor manager of a mall is a very good manager as he utilizes all the functions of management to minimize cost of maintenance of his area. He directs all the staff members under him to follow the targets and advises them to put their efforts in the direction of achievement of these targets. Under his guidance the employees admit that they learn a lot and are able to meet their targets. This has led to the increase in their salaries. Identify the importance of management highlighted above.

Answer:

The importance of management highlighted here are:

1. **Management increases efficiency.** A floor manager of a mall is a very good manager as he utilizes all the functions of management to minimize cost of maintenance of his area,
2. **Management helps in achieving group goals.** He directs all the staff members under him to follow the targets and advises them to put their efforts in the direction of achievement of these targets.
3. **Management helps in achieving personal objectives.** This has led to the increase in their salaries.

Question 5:

ABCD Inc. is a company which deals with providing car service at home and on road. There are different departments in this company like Human Resources, Marketing, Finance, Research & Development and Operations. The top management of the company tries its level best to synchronize the activities of different departments in the best possible manner. The result is the increased efficiency and attainment of goals. However with the passing of time the size of the company has grown and now there are many branches of this company. The synchronization has turned more important with the increase in the size of the company and the number of employees. The Departmental Heads of the company are specialists in their respective areas and the top management tries to work with them not with authority but by respecting their views on the subject. Their ego clashes are avoided to ensure smooth functioning of the organisation.

Identify the concept of management highlighted above. Write two benefits highlighted in the above paragraph of this concept.

Answer:

The concept of management highlighted above is that of **Coordination**. The top management of company tries its level best to synchronize the activities of different departments in the best possible manner.

The importance of coordination:

1. **Growth in size.** When the organisation grows in size coordination plays an important role in synchronizing all the activities as the number of employees and branches increases.

The synchronization has turned more important with the increase in the size of the company and the number of employees.

2. **Specialisation.** The specialists like the departmental heads cannot be tackled just by unity of command. They have their own egos. Here the best way to tackle them is to ensure coordination among them. Their ego clashes are avoided to ensure smooth functioning of the organisation.

Question 6:

Alpha Beta Inc. decided to go for perfect coordination in the various aspects of the company. They focus on synchronization of all the activities of the organisation. For this they know coordination will be the key. At the stage of thinking of what is to be done throughout the year they decide to take into consideration the harmony between the goals of the organisation and those of the individual departments. When they hire employees they pay them only after evaluating their worth in terms of how efficient they are. Finally when the last month of production comes they, time and again check the deviation between the set targets and the actual production done.

In the above paragraph the main focus is on coordination. However various functions of management also come into picture. You have to identify the three functions of management highlighted above in which coordination can be seen.

Answer:

The various functions of management highlighted above are:

1. **Planning.** At the stage of thinking of what is to be done throughout the year **they decide** to take into consideration the harmony between the goals of the organisation and those of the individual departments.
2. **Staffing.** When **they hire employees** they pay them only after evaluating their worth in terms of how efficient they are.
3. **Controlling.** Finally when the last month of production came they were time and again **checking the deviation between the set targets and the actual production done.**

Question 7:

Saagar Ltd. believes in coordination among departments and activities. The company relies heavily on professional coordination. For this the company takes steps throughout the year. Coordination is kept in mind by all the managers regardless of the level they are working at. Throughout the year the various activities are synchronized without failure. Every department ensures that within it every employee and operation is guided by the theme of proper coordination. Whenever an employee takes an action he consults others, whenever needed, thus properly contributing to his team. The process of coordination is just not limited to the employees. Even at the departmental level the various departments use this binding force to create perfect harmony among them so that the organisational goals can be fulfilled. All the coordination that occurs in the organisation is a result of proper training and premeditated attempts by the company to get the best results possible. .

The above case represents all the characteristics of coordination. Identify the lines which represent them and also name the characteristics.

Answer:

1. **Coordination is the responsibility of all managers.** Coordination is kept in mind by all the managers regardless of the level they are working at.
2. **Coordination is a continuous process.** Throughout the year the various activities are synchronized without failure.
3. **Coordination is all pervasive.** Every department ensures that within it every employee and operation is guided by the theme of proper coordination.
4. **Coordination is a group activity.** Whenever an employee takes an action he consults, others whenever needed, thus giving properly contributing to his team.
5. **Coordination involves unity of action.** Even at the departmental level the various departments use this binding force to create perfect harmony among them so that the organisational goals can be fulfilled.
6. **Coordination is a deliberate function.** All the coordination that occurs in the organisation is a result of proper training and premeditated attempts by the company to get the best results possible.

Question 8:

Radio XYZ is a company which has improved its functioning by proper management. The company has been good in fixing and completing targets. The main reason for its success has been the involvement of all of the employees. The company tries to keep its targets in front of the employees so that each one of them can contribute to the completion of goals. Though their activities may be different yet they contribute to the common targets or goals of the organisation. The company has won the prize for the best organisational climate. This has been possible due to the impact of great managerial discipline which might not be visible to an outsider in the first look but he realises it when he stays in the organisation. Gradually the organisation has developed itself into a very successful company. It has produced different types of radios according to the needs of the customers. During last decade it has adapted to the requirements of the market and produced different type of radios suiting the needs of the customers. The management of three components is always significant to the company — employees, process and amount of work to be done. Controlling these three areas is always a top priority to the company. Recently a meeting was held which laid stress on the need of taking good management to all levels and departments of the organisation. In the above case find all the characteristics of management and highlight the lines which help you identify them.

Answer:

The following characteristics of Management have been highlighted:

1. **Management is a goal oriented process.** The company has been good in fixing and completing targets.
2. **Management is a group activity.** Though their activities may be different yet they contribute to the common targets or goals of the organisation.
3. **Management is an intangible force.** This has been possible due to the impact of great managerial discipline which might not be visible to an outsider in the first look but he realises it when he stays in the organisation.
4. **Management is a dynamic function.** During last decade it has adapted to the requirements of the market and produced different type of radios suiting the needs of the customers.

5. **Management is multidimensional.** The management of three components is always significant to the company—employees, process and amount of work to be done.
6. **Management is all pervasive.** Recently a meeting was held which laid stress on the need of taking good management to all levels and departments of the organisation.

Question 9:

Dheeraj, Neeraj and Suraj are three friends. They work in the same company. They are managers but they belong to three different levels of management. Every day they meet and discuss their work with each other. One day they were having a conversation.

Dheeraj said, “These days I am having a lot of problems motivating the people at Shop Floor. I have decided to purchase two new machines. I know I will have to set an example by being the best leader.”

Neeraj said, “I am having problem with knowing the exact requirement of people in my department. Different polices have to be informed to the employees so that they become aware of our company’s goals. I also have to coordinate with other departmental heads to know their requirements.”

Suraj said, “I have to decide for long term. I know I will be ultimately responsible for every activity. All the policies and strategies require a lot of planning before formulation.” In the above case identify the different levels of management these three friends belong to.

Answer:

1. **Dheeraj belongs to lower level of management.** Lower level manager works at the Shop Floor level. Shop Floor is the place where workers work and machines are kept.
2. **Neeraj belongs to middle level management.** Middle level manager decides the number of employees to be required in his department. He also has to coordinate with other departmental heads though at the same level.
3. **Suraj belongs to the Top level of management.** Top level manager is required to plan for long term basis. He is responsible for all the activities in the organisation. Policies and strategies are formulated by the Top management.

Question 10:

In a country named Wonderland acting is considered as a profession. Whosoever has to become an actor has to read books written about acting. These books tell the nuances of acting and without reading these books one can’t be considered as an actor. To judge the ability of an actor an examination is conducted and then a degree is assigned to the qualified persons who can then act in films. There is also a body which provides membership to all actors. There are about thirty thousand actors in wonderland who are compulsorily members of this organisation.

What are the three features of profession highlighted here? Also identify the lines highlighting these features?

Answer:

The three features of profession highlighted here are:

1. **Well-defined body of knowledge.** An actor has to read books written about acting.
2. **Restricted Entry.** To judge the ability of an actor an examination is conducted and then a degree is assigned to the qualified person who can act in films.

3. **Professional Association.** Actors in wonderland who are compulsorily members of this organisation.

Question 11:

Faulty works Inc. has a very dynamic Plant Superintendent, Amit, who is fond of dealing with tough situations. He is a perfectionist who believes in doing quality management. Every week he prepares a schedule which helps in minimization of wastage of efforts and time of the department. He however is upset with the cutthroat competition among the employees which is having a negative impact on the overall production. Even after all such problems he is managing the situation very well. On 26th Feb he informs his boss that the target given to him has been achieved and with the best quality.

The best part was that still two days were remaining for the dead line to be over which was 28th Feb. However his boss was not pleased as the cost incurred by his team for the completion of project is more than the allowed limit.

In the above case find out the concepts of management violated and the concepts followed? Also tell at which level of management does Amit work?

Answer:

The concepts of management which have been violated are:

1. Cooperation. There is so much competition among the employees that there is negative outcome of it.
2. Efficiency. There has been more than expected spending of resources which has led to increase in overall costs incurred.

The concepts of management which have been followed are:

1. **Coordination.** Every week he prepares schedule and thus brings down wastage of efforts.
2. **Effectiveness.** As the work is completed before time and with required quality. Amit works at the **middle level management** as Plant Superintendent is a middle level manager.

Question 12:

Pricey Medicines was a world level medicine manufacturing company. However recently its fame had come down under the impact of resignations put forth by two of its departmental heads. These departmental heads were experts in their fields. One was leading the marketing department and the other was a scientist of repute who headed the manufacturing department. In the top level management meeting it was found that such departmental heads who were specialists in their areas can't be tackled by unity of command. They were egoistic as they were specialists.

After the meeting things started to change for the organisation as all the departments started to work with one single target of giving the company its lost fame. There was a combined effort which doubled the revenue of the organisation. A special regulation system of including every level manager was brought into action. Thus the overall functioning of the organisation was improved.

In this case a concept of management was missing. Identify it. Also identify its characteristics highlighted here.

Answer:

After meeting the things started to change for the organisation as all the departments started to work with one single target of giving the company its lost fame. There was a combined effort which doubled the revenue of the organisation. A special regulation system of including every level manager was brought into action. Thus the overall functioning of the organisation was improved.

The concept of management which was missing was **Coordination** (such departmental heads who are specialists in their areas can't be tackled by unity of command).

The two characteristics of coordination which are highlighted are:

1. **Unity of Action**—as all the departments started to work with one single target of giving the company its lost fame; and
2. **Responsibility of all managers**—A special regulation system of including every level manager was brought into action.

Question 13:

Ice Air Manufacturers are the leading AC manufacturers. On meeting the record target they decided to give prize to the best worker of the year. Rajesh who is a very devoted worker wins the prize of the best worker. He is very happy. Mr. Kulkarni who is the CEO of the company gives a heart-touching speech. He tells all the workers present that the company should reach new heights this year. Their contribution will be immense. He tells them that the revenue this year should exceed cost so much so as to reduce the business risk. So that in the coming years company could show increase in the number of workers, number of products produced and also the sales turnover. The speech ends with the promise made by the labour union head that the company will get the full support from the workers.

In the above case which type of objectives are discussed by Mr. Kulkarni in the speech? What is the other term used for this category of objectives? At which level of management does Rajesh work in the company?

Answer:

The type of objectives discussed are **Organisational Objectives** since

1. **Profit**—revenue this year should exceed cost so much so as to reduce the business risk; and
2. **Growth**—increase in the number of workers, number of products produced and also the sales turnover are discussed here.

The level at which Rajesh works is the non-managerial level since all the workers work at this level and he is a worker (Rajesh who is a very devoted worker).

Question 14:

Shiva Computers Ltd. is a leading company in Computer Technology and IT services. The CEO of the company attributes the success of the Company to its managerial team spirit, which have helped to handle rapid changes in technologies and to transform threats into opportunities. Like any other business enterprise profits are important for survival and growth of Shiva Computers Ltd. The management of the company believes that a satisfied employee creates a satisfied customer; who in turn creates profits that

lead to satisfied shareholders.

The company has a strong sense of social responsibility. It has set up many educational institutions in the field of management, engineering and computer education, in which half of the students are girls.

On the basis of the given information about Shiva Computers Ltd. answer the following

(a) Identify and explain the objectives of the company discussed in the above para. Also quote the lines for the identified objectives.

(b) Identify any two values which the company is trying to communicate to the society.

Answer:

(a) "Like any other business enterprise profits are important for survival and growth of Shiva Computers Ltd."

Objective—Organisational objectives. Organisational objectives include proper utilisation of material and human resources to fulfill the economic objectives of the business. These economic objectives include the following:

1. **Survival.** Management has to ensure the survival of the organisation. An organisation must generate sufficient revenue so that it is able to cover its costs.
2. **Profit.** Management must ensure that business earns profit so that it can continue its operations in the long run.
3. **Growth.** It involves adding to the prospects of the business in the long run. Growth of the business is indicated by increase in sales volume, increase in number of employees, increase in investment, etc.

"The management of the company believes that a satisfied employee creates a satisfied customer, who in turn creates profits that lead to satisfied shareholders."

Objective—Personal objectives. Various people join a particular organisation to satisfy their diverse needs that range from financial needs to affiliation needs. Management aims at reconciling personal goals with organisational goals for the purpose of creating harmony. "The company has a strong sense of social responsibility. It has set up many educational institutions in the field of management, engineering and computer education, in which half of the students are girls.

Objective—Social objectives. Social objectives involve creation of benefit by the business for the society. It involves creation of economic value for the benefit of the members of the society.

(b) Values:

1. Team Spirit and Good work culture.
2. Women's Empowerment.
3. Fulfilling social responsibility by showing concern for the society. (any two)

Question 15:

White Camel Sports Ltd. has recently given job to two employees. Rajesh work experience as Rajesh is a bit older and had worked in an MNC earlier. However both are paid equally. Every person in their department knows that Rajesh is more efficient than Suresh. Definitely they see a mismatch in the salaries and the efficiencies of the employees in the company. The marketing department of the same company has this year set a monthly target of 10000 units of sports items to be sold. In the month of March 6000 items were sold and the deviation was 4000 units. In the month of April 8000 units were sold and the deviation was 2000 units. Despite these deviations no effort is being made to track the performance of the company to minimize the gaps. In the above case which two functions of management have been discussed? A very important concept of management has also been overlooked. Identify it.

Answer:

The functions of management discussed above are—

(i) Staffing (The company has recently given jobs to two employees) and **Controlling** (Deviations are being discussed above).

The concept of management which is missing in the above case is **coordination**. There is lack of coordination in **staffing** (they see a mismatch in the salaries and the efficiencies of the employees in the company) and **controlling** (no effort is being made to track the performance of the company to minimize the gaps).

Question 16:

Cyclone Cycles is a leading bicycle manufacturing company. The company decides to manufacture 5000 bicycles by the end of the month. The bicycle manufacturing cost is to be kept below Rs.750 per unit. The bicycles have to be manufactured at the set toughness enduring capacity at the scale of 8 out of 10. With all these parameters in mind the company kick starts its manufacturing. By the 28th of the month the company is able to achieve the manufacturing of 5050 bicycles. The toughness endurance scale is well above 8.25 out of 10. When everything seems to have gone well the manufacturing department reveals that per unit cost of each bicycle is Rs.780. In the above case do you think that the company has been able to achieve Effectiveness? 1

Answer:

Yes the company has achieved **Effectiveness**. Since the quality (toughness scale— 8.25 well above 8), quantity (5050 units well above 5000 units) and dead line (the target is achieved on 28th) have been achieved. The company lacks in efficiency as per unit cost has gone above the set target by Rs.30.

Question 17:

Mr. Sanjeev is responsible for the welfare and survival of his organisation. After few years of gaining work experience he decides to write a book on management. In his book he broadly gives five valuable suggestions:

1. Management of a company is good if it is able to calm down the resistance of the employees. Whenever the employees find something new they tend to resist. It is in the

favour of the company and the employees must be guided to accept the change and thus bring down the resistance. They must learn only change is constant.

2. Unless and until the betterment of employees is achieved management is useless. A good management helps its employees by giving them recognition, increment in salary, promotion, etc.
3. Management should earn profits but it should also produce good products. It should also involve itself in providing facilities to society without any profit motive. Further it should help to provide employment in backward areas by focusing on these areas also.
4. Management should apply all the functions of management like planning, organizing, staffing, directing and controlling. The essence of management which is coordination should be present in every function of management.
5. Management should provide common direction to its employees. They will always have diverse interests and their efforts will go off the track but it is important to guide them in the required direction.

At which level of management does Sanjeev work? What will be the outcomes of these five suggestions?

Answer:

Sanjeev works at the top level to management of the company as he is responsible for the welfare and survival of his organisation.

Now the consequences of his suggestions will be:

1. Management helps in making a **Dynamic Organisation**. If it is able to calm down the resistance of the employees.
2. Management helps in achieving **Personal Objectives** of the employees. *A good management helps its employees by giving them recognition, increment in salary, promotion, etc.
3. Management helps in **Development of Society**. Produce good products, involve itself in providing facilities to society without any profit motive and provide employment in backward areas by focusing on these areas also.
4. Management helps in **improving efficiency**. Efficiency is achieved when management applies all the functions of management like planning, organizing, staffing, directing and controlling.
5. Management helps in **achieving group goals**. Provide common direction to its employees. Their efforts may be diverse and unrelated but they should be provided a common direction.

Question 18:

In an island there is a famous ship company. Hundreds of workers work here. All of them belong to a culture where they help each other. The environment in the company is about helping each other thus leading to a great environment in the company. However the company lacks professionalism. Most of the workers are school dropouts and they hardly know how to make their work synchronized as a team. Failing of plans is common in this company.

After reading the above case find out the concept of management which is followed and its advantage. Also find out one concept of management which is violated and its outcome on the company. 4

Answer:

The concept of management which is followed is **Cooperation**. Since the workers help

each other and the general environment in the company is of cooperation. The advantage of cooperation is that there is satisfaction within the employees in its presence.

The concept of management which is violated is **Coordination**. They hardly know how to make their work synchronized as a team. One disadvantage of not following coordination is the wastage of effort and time.

Question 19:

A very innovative firm has decided to increase its sales. The company is good but they have noticed that their growth has stagnated for the last couple of years. The top management calls for an emergency meeting. For this they have outlined a series of activities to be performed by each person. The people are told the activities they have to perform. Thus the work is divided among individuals. The efforts taken by the firm turn out to be very productive for the organisation and it gains huge profit. The newspapers and management institutes also praise the company for its high standards of management. However as time passes the size of the organisation grows and thus they think of bringing another concept of management with a lot of precision. This concept of management is not voluntary but rather based on a lot of clear cut thinking in advance. The main idea is to reduce confusion among the employees regarding any of the activities they have been assigned.

Identify the functions of management highlighted in the above lines which the company follows. Also Identify in the above lines a concept of management discussed which the company tries to bring. Find out one importance and one characteristic of this concept highlighted above. 5

Answer:

The functions of management highlighted above are **Planning** (The company has decided to increase its sales) and **Organising** (The work is identified and divided among individuals).

The concept of management highlighted above is **Coordination**.

The importance of coordination **when the size of the organisation increases** is told here and the characteristic highlighted is **coordination is deliberate**. The concept of management is not voluntary but based on a lot of clear cut thinking in advance.

Question 20:

Management has evolved like other disciplines. There are umpteen numbers of books of management. One can see that the various theories of management are getting absorbed in the competitive work environment. We can see students of various courses like MBA, BBA, etc. acquiring learning of the systematic knowledge in their syllabus. When these students come in the actual industry environment, not all of them are successful. Success in actual work environment depends upon the intelligent application and mastery of the basic principles of management. Today various companies are considering them as responsible components of society and have started including Corporate Social Responsibility in their main program. These companies have realised that they will be requiring support from Government and people if they want to achieve some important feats in this field.

In the above paragraph one feature is each of science, art and profession has been

discussed. Identify each of them.

Answer:

Management as Science—Systematised body of knowledge. We can see students of various courses like MBA, BBA, etc. acquiring learning of the systematic knowledge in their syllabus.

Management as an Art— Based on practice and creativity. Success in actual work environment depends upon the intelligent application and mastery of the basic principles of management.

Management as a Profession—Service Motive. Companies are considering them as responsible components of society and have started including Corporate Social Responsibility in their main program.

Question 21:

Aman, Ahmad and Ally are partners in a firm engaged in the distribution of dairy products in Maharashtra state. Aman is a holder of Senior Secondary School :ate from Central Board of Secondary Education with Business Studies as one of his elective subjects. Ahmad had done his post graduation in History and Ally in dairy farming. One day there was a serious discussion between Ahmad and Ally regarding the nature of management. Ahmad argued that management was a profession. Whereas Ally argued against it saying that the legal and medical profession are the only professions because they fulfill all the conditions of profession. Aman on the basis of his knowledge of business studies explained the nature of management as a profession to Ahmad and Ally.

Explain, how Aman would have satisfied both Ahmad and Ally.

Answer:

Aman would have satisfied both Ahmad and Ally by explaining the following features of management as a profession.

1. **Well-defined body of knowledge.** All professions are based on a well-defined body of knowledge that can be acquired through instruction. Management too is based on a systematic body of knowledge comprising well-defined principles. This feature of profession is present in management.
2. **Restricted entry.** The entry to the above stated profession is restricted through a prescribed qualification. But there is no restriction on anyone being appointed as a manager in any business enterprise. So, presently this feature of profession is not present in management.
3. **Professional association.** Legal and medical professions are affiliated to a professional association like bar council and medical council which regulates entry, grants certificates of practice and formulates and enforces a code of conduct. There are several associations of practising managers in India, like the AIMA that has laid down a code of conduct to regulate the activities of their members. There is, however, no compulsion for managers to be members of such an association. So, presently this feature of profession is not present in management.
4. **Ethical code of conduct.** Legal and medical professions are bound by a code of conduct which guides the behaviour of its members. AIMA has devised a code of conduct for Indian managers but there is no statutory backing for this code. So, presently this feature of profession is not present in management.

5. **Service motive.** The motive of legal and medical profession is to serve their client's interests by rendering dedicated and committed service. The basic purpose of management to help the organisation achieve its goals by providing good quality products at reasonable prices, thereby serving the society, is being increasingly recognised. So, presently this feature of profession is not fully present in management. This shows that management does not satisfy all the criteria of a profession. So, Aman would have been able to satisfy both Ahmed and Ally by making them understand that Management is a profession but not a full fledged or a true profession.

Question 22:

Kamal, Khan and Devid are partners in a firm engaged in the distribution of dairy products in Madhya Pradesh. Kamal is a holder of Senior Secondary School Certificate from Central Board of Secondary Education with Business Studies as one of his elective subjects. Khan had done his post graduation in Hindi literature and Devid in Dairy Farming. One day there was a serious discussion between Khan and Devid regarding the nature of 'Management as a Science'. Khan argued that management was not a science whereas Devid was of the opinion that Management is a Science. Kamal intervened and corrected both Khan and Devid about the nature of Management as a Science with the help of his knowledge of Business Studies.

Explain, how Kamal would have been able to satisfy both Khan and Devid?

Answer:

Kamal would have satisfied both Khan and Devid by giving the following points for considering management as a science:

1. **Existence of a systematized body of knowledge.** Like science, management has its own theory, techniques and principles. It also draws some principles from various disciplines such as Economics, Sociology, Psychology and Mathematics. So this feature of science is present in management.
2. **Principles based on observation and experimentation.** Management principles have been developed on the basis of scientific observation and experiments in different types of organisation.
3. **Universal validity and application.** The principles of management are not as exact as the principles of science and their application and their use is not universal. They have to be modified according to a given situation. However, they provide managers with certain standardized techniques that can be used in different situations irrespective of the area, region and country.
4. **Cause and effect relationship.** Principles of management like science establish cause and effect relationship between different variables. For example, Lack of unity of command would lead to confusion and indiscipline. So, this feature of science is also present in management.

Hence management has some features of science that is the reason why it is considered as an inexact science not a pure science. It is a soft science or a social science as management is concerned with human beings whose behaviour cannot be predicted with absolute accuracy.

Question 23:

Dinesh is a versatile manager. However due to the nature of his job most of the time of his day is occupied with planning. One day his friend who runs an advertising company

calls him for a lunch. Dinesh finds his friend very busy as his friend tells him that the company he is working in is very busy these days in finding the right person for the right job. Soon Dinesh leaves after having a detailed discussion with his friend. During that lunch he learnt many things from his friend and applied the things learnt in his company the best outcome was the adaptable nature of the company that turned out to be after application of this learning. The company earned more revenue by the end of the year. Which level of management Dinesh belongs to? What function was performed by his friend's company? Which particular characteristic of management was achieved by Dinesh for his company? Also identify the concerned lines.

Answer:

The level at which Dinesh is working is Top level of management (most of the time of his day is occupied with planning).

The function performed by his friend's company is Staffing. The company he is working in is very busy these days in finding the right person for the right job.

The characteristic of management achieved by Dinesh is **Dynamic Function**. The best outcome was the adaptable nature of the company that turned out to be after application of this learning.

Question 24:

Ashutosh Goenka was working in 'Axe Ltd.', a company manufacturing air purifiers. He found that the profits had started declining from the last six months. Profit has an implication for the survival of the firm, so he analysed the business environment to find out the reasons for this decline.

(a) Identify the level of management at which Ashutosh Goenka was working.

(b) State three other functions being performed by Ashutosh Goenka.

Answer:

(a) Top level management.

(b) Following are the three functions performed by Ashutosh being a top level manager.

1. Integrating the diverse elements and coordinating the activities of different departments as per the overall objectives of the organisation.
2. Formulating overall organisational goals and strategies for their achievement.
3. Taking the responsibility for all the business activities and for its impact on the society.

Question 25:

Rishitosh Mukerjee has recently joined AMV Ltd. a company manufacturing refrigerators. He found that his department was under-staffed and other departments were not cooperating with his department for smooth functioning of the organisation. Therefore, he ensured that his department has the required number of employees and its cooperation with other departments is improved.

1. Identify the level at which Rishitosh Mukerjee was working.
2. Also, state three more functions required to be performed by Rishitosh Mukerjee at this level.

Answer:

(a) Rishitosh Mukerjee is working at the Middle Level management. Nature & Significance of Management

(b) Three functions performed at this level are:

1. Interpreting the policies faced by the top management.
2. Assigning necessary duties and responsibilities to the subordinates.
3. Motivating the personnel to achieve desired objectives.

Question 26:

Clean Sanity ware is a big company. Managing many employees at the same moment is a challenge which this company always faces. Since the company has many departments it is necessary for the company to ensure unity of action among various departments. The various departments are human resources, marketing, finance, operations and sales. The employees are always concerned about the company and are a useful resource to their organisation. Though they have diverse interests and have to perform different activities the management ensures that the efforts of the employees should be given a focus so as to achieve the organisation goals. The different departments have their own interests but due to proper coordination the conflicts of interest in the departments is minimized to a nil. When it comes to the employees the organisation shows its concern. The career of employees is shown a developmental path through proper training modules and job enrichment. Rajeev is a manager who takes care of all the duties and responsibilities to be assigned to his employees in the department. He uses all sources to develop a proper communication with them and leaves no attempt to motivate them. This year the company has decided to give the best manager award to Rajeev for his contribution to the organisation.

Which characteristics of coordination have been highlighted in the above case? Which type of objective is fulfilled here? At which level of management does Rajeev work? Which function of management does he perform here? Also identify the lines in each case. 6

Answer:

The characteristics of coordination involved above are:

1. **Coordination ensures unity of action (characteristic of coordination).** Since the company has many departments it is necessary for the company to ensure unity of action among various departments.
2. **Coordination integrates group efforts (characteristic of coordination).** Though they have diverse interests and have to perform different activities the management ensures that the efforts of the employees should be given a focus so as to achieve the organisation goals.
3. **Functional Differentiation (Importance of coordination).** The different departments have their own interests but due to proper coordination the conflicts of interest in the departments is minimized to a nil.

The objective which is fulfilled here is the Personal Objective. The career of employees is shown a developmental path through proper training modules and job enrichment. Rajeev works at the middle level of management. Rajeev is a manager who takes care

of all the duties and responsibilities to be assigned to his employees in the department. Rajeev is following the Directing function of management. He uses all sources to develop a proper communication with them and leaves no attempt to motivate them.