

VIDYA BHAWAN BALIKA VIDYA PITH

शक्ति उत्थान आश्रम लखीसराय बिहार

class 12 commerce Sub. BST. Date 20.7.2020

Teacher name – Ajay Kumar Sharma

Question 6.

After finishing her BBA degree course, Tanya gets a job of Assistant Manager in a retail company through the reference of her cousin Taruna who works in the same company as a Senior Manager. Taruna decides to guide Tanya through her experience by making her aware of the important facts about management in practice. She tells her that neither the principles of management provide any readymade, straitjacket solutions to all managerial problems nor they are not rigid prescriptions, which have to be followed absolutely.

In context of the above case :

1. Identify the two features of principles of management mentioned in the above paragraph by quoting lines from the paragraph.
2. Why do the principles of management not provide readymade, straitjacket solutions to all managerial problems?

Answer:

1. The two features of principles of management mentioned in the above paragraph are as follows:

- General guidelines: The principles of management are guidelines to action. Since the real business situations are very complex and dynamic and are a result of many factors, these principles do not provide readymade, straitjacket solutions to all managerial problems. But the importance of principles cannot be underestimated because even a small guideline may help to solve a given problem.
- Flexible: The principles of management are not rigid prescriptions which have to be followed absolutely. They are flexible and can be modified by the manager when the situation so demands. They give the manager enough discretion to decide which principle should be used under what circumstances as individual principles are like different tools serving different purposes.

2. As the real business situations are very complex and dynamic and are a result of many factors, the principles of management not provide readymade, straitjacket solutions to all managerial problems.

Question 7.

Raj and Simran are both qualified eye surgeons and good friends. After obtaining a certificate of practice, they decide to pursue a career of their own choice. Raj starts an eye care centre in the city whereas Simran joins a government hospital in a small village. They meet after a long time in a party. Raj invites Simran to visit his eye care centre and she accepts his invitation. She observes at his clinic that there is a fixed place for everything and everyone and it is present there so that there is no hinderance in the activities pf the clinic. Also, Raj always tends to replace T with 'We' in all his conversations with the staff members. Later on Raj shares with her that he always deals with lazy staff sternly to send the message that everyone is equal in his eyes.

In context of the above case:

1. Identify and explain the various principles of management that Raj is applying for the successful management of his eye care centre.
2. List any two values that Simran wants to communicate to the society by taking up a job in a village.

Answer:

1. The various principles of management that Raj is applying for the successful management of his eye care centre are described below:
 - 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'. A sense of orderliness will lead to increased productivity and efficiency in the organization.
 - Espirit De Corps: According to Fayol, "Management should promote a team spirit of unity and harmony among employees." A manager should replace I with 'We' in all his conversations with workers to promote teamwork. This approach will give rise to a spirit of mutual trust and belongingness among team members. It will also reduce the need for using penalties.
 - Equity: According to Fayol, "Good sense and experience are needed to ensure fairness to all employees, who should be treated as fairly as possible." This principle emphasizes on kindness and justice in the behaviour of managers towards workers. The managers should not discriminate against anyone on account of gender, religion, language, caste, belief or nationality etc.
2. The two values that Simran wants communicate to the society by taking up a job in a village are:
 - Humanity
 - Concern for poor

Question 8.

Hritik is desirous of setting up a small factory to manufacture different kinds of eco-friendly packaging materials. He proposes to adopt a logical approach to his business rather than hit and trial method as he knows that this can result in tremendous saving of human energy as well as wastage of time and materials. He plans to adopt paternalistic style of management in practice in order to avoid any kind of class-conflict that may emerge between him and the workers. Moreover, he plans to seek the opinion of his workers before taking any important decisions and also offers incentives to them for providing valuable suggestions for the business.

In context of the above case:

1. Identify and explain the various principle of scientific management that Hritik plans to apply in his business.
2. List any two values that he wants to communicate to the society by offering eco-friendly packaging material.

Answer:

1. The various principle of scientific management that Hritik plans to apply in his business are described below:
 - Science, not Rule of Thumb: Taylor believed that there was only one best method to maximise efficiency and it could be developed through scientific study and analysis. This is because if the managers rely on personal judgment in attending to the work related problems, it may suffer from the limitation of a trial and error approach. Therefore, it is important for them to know what works and why does it work. For this, they should adopt scientific method to substitute the 'Rule of Thumb or hit and trial method' throughout the organisation.
 - Harmony, Not Discord: In the paternalistic style of management, the employer takes care of the needs of employees like a father. Taylor said that any kind of class conflicts between the workers and the managers were not

good; rather they must realise that each one is important. Therefore, he emphasised that there should be complete harmony between the management and workers. To achieve this, Taylor called for complete mental revolution on the part of both management and workers by transforming their thinking. The management should share the gains of the company, if any, with the workers and at the same time, workers should work hard.

- **Cooperation, Not Individualism:** Through this principle, Taylor suggests that there should be complete cooperation between the workers and the management instead of individualism. This principle is an extension of principle of 'Harmony, Not Discord'. Both should realise the importance of each other. In order to replace the feeling of competition with cooperation, the management should not close its ears to any constructive suggestions made by the employees. Rather, the workers should be rewarded for any of their valuable suggestions which results in substantial saving in costs. Also, the workers should be taken into confidence by the management whenever any important decisions are to be taken.

2. The two values that Harit wants to communicate to the society by offering eco-friendly packaging material are:

- Concern for environment
- Sense of responsibility

Question 9.

'Study Buddy Pvt. Ltd.' is company dealing in stationery items. In order to establish standards of excellence and quality in materials and in the performance of men and machines, the company adheres to benchmarks during production. Moreover, its products are available in limited varieties, sizes and dimensions thereby eliminating superfluous diversity of products.

Identify the technique of scientific management which has been adopted by 'Study Buddy Pvt. Ltd.'

Answer:

Standardisation and Simplification of Work is the technique of scientific management which has been adopted by 'Study Buddy Pvt. Ltd.'

Standardisation implies devising new varieties instead of the existing ones. It refers to the process of setting standards for every business activity; it can be standardisation of process, raw material, time, product, machinery, methods or working conditions. These standards are the benchmarks which must be adhered to during production. It helps to reduce a given line or product to fixed types, sizes and characteristics, establish interchange ability of manufactured parts and products, determine standards of excellence and quality in materials and of performance of men and machines.

Simplification aims at eliminating superfluous diversity of products in terms of varieties, sizes and dimensions. It not only helps to reduce inventories but also to save cost of labour, machines and tools. Thus it helps to increase turnover by ensuring 'optimum utilisation of resources. Most large companies like Samsung, Toyota and Microsoft etc. have successfully implemented standardisation and simplification.

Question 10.

Anshul owns a small scale factory where utility items are prepared from waste material like paper mache items, paper and cloth bags, decorative material etc. Over the past few weeks, he was observing that the productivity of one of his very efficient worker, Ramdas, is going down. So he decides to probe into the matter and confronts Ramdas one day. On being asked, Ramdas shares with Anshul that he has deliberately slowed down in his work as many of the less efficient workers often pull his leg saying that there is no need for him to be more efficient when everybody is being paid at the same rate. Taking a lesson from this insight, Anshul decides to implement an incentive bonus plan so as differentiate between efficient and inefficient workers.

In context of the above case:

1. Name and explain the incentive bonus plan that Anshul may implement so as differentiate between efficient and inefficient workers.
2. State any two values that Anshul wants to communicate to the society by setting up a special type of business.

Answer:

Differential Piece Wage System is the incentive bonus plan that Anshul may implement so as differentiate between efficient and inefficient workers.

Differential Piece Wage System is a performance based wage system which was introduced by Taylor so as to distinguish between the workers who were able to achieve the standard or performed above standard from those who performed below standard. For example, it is determined that standard output per worker per day is 10 units and those who made standard or more than standard will get Rs. 40 per unit and those below will get Rs. 30 per unit. Now an efficient worker making 11 units will get $11 \times 40 = \text{Rs. } 440$ per day whereas a worker who makes 9 units will get $9 \times 30 = \text{Rs. } 270$ per day. According to Taylor, the difference of Rs. 170 should be enough for the inefficient worker to be motivated to perform better.