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PRINCIPLES OF MANAGEMENT

Question 1:

Principles of management are NOT

- (a) Universal
- (b) Flexible
- (c) Absolute
- (d) Behavioural

ANSWER:

Principles of management are not absolute. They are just the guidelines for the decision making in the course of management. That is, principles of management are not applied as it is in the real business situations rather they need to be modified by the manager as per the situation and the requirement.

Question 2:

How are principles of management formed?

- (a) In a laboratory
- (b) By experiences of managers
- (c) By experiences of customers
- (d) By propagation of social scientists

ANSWER:

Principles of management were developed over years by experiences and observations of the managers. Every manager faces varying situations in real business organisations. Based on these experiences, they draw general conclusions and inferences that guide them in their action and decision making in similar situations. That is, the experiences of the managers form the basis of the principles of management.

Question 3:

The principles of management are significant because of

- (a) Increase in efficiency
- (b) Initiative
- (c) Optimum utilisation of resources
- (d) Adaption to changing technology

ANSWER:

Optimum utilisation of resources entails employing the limited resources (such as capital and labour) to their best possible usage so that maximum benefit can be derived with minimum possible cost. Principles of management help in predicting the cause and effect relationship of the decisions of the managers. Thus, the wastages of resources that may be associated with the hit and trail method can be avoided. Thus, principles of management are significant because of optimum utilisation of resources. Increase in efficiency, initiative and adaptation to changing technology arrives at later stages, once the resources are fully utilised.

Question 4:

Henry Fayol was a

- (a) Social Scientist
- (b) Mining Engineer
- (c) Accountant
- (d) Production engineer

ANSWER:

Henry Fayol (1841–1925) was a French mining engineer who started his work in the mining industry at the age of nineteen. Based on his own experience, he developed the theory of business administration. He gave the concept of 'Administrative Principles'.

Question 5:

Which of the following statement best describes the principle of 'Division of Work'

- (a) Work should be divided into small tasks

(b) Labour should be divided

(c) Resources should be divided among jobs

(d) It leads to specialisation

ANSWER:

According to the principle of 'Division of Work', the work should be divided into small jobs. This is because of the fact that any complex task can be performed efficiently if it is divided into smaller units and performed by specialists.
