

# 1 Nature and Significance of Management

## Fastrack Revision

► **Meaning of Management:** Management is a process of planning, organising, staffing, directing and controlling the resources of an enterprise efficiently and effectively for achieving the organisational goals.

According to **Koontz and O' Donnell**, "Management is the creation of an internal environment where individuals working in a group can perform effectively and efficiently for the achievement of organisational goal."

### ► Elements of Concept of Management

- **Management is a Process:** It involves a series of inter-related functions, such as planning, organising, staffing, directing and controlling.
- **Management requires Effective Performance:** Effectiveness in management is concerned with doing the right task and achieving goals on time.
- **Management needs Efficiency:** Management also requires efficiency, *i.e.* achieving the predetermined goals at the minimum cost.

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- The **traditional concept** of management is concerned with accomplishing organisational objectives by directing the efforts of others.
- The **modern concept** insists on achieving goals effectively and efficiently.

► **Effectiveness and Efficiency:** Effectiveness and efficiency are two sides of the same coin. But, these two aspects need to be balanced and management at times, has to compromise with efficiency.

For instance, it is easier to be effective if one ignores efficiency.

#### Difference between Effectiveness and Efficiency

S. No.	Basis of Difference	Effectiveness	Efficiency
(i)	Meaning	It refers to achieving the goals on time.	It refers to doing the task correctly and with minimum cost.
(ii)	Focus	It focuses at the end result of the task.	It focuses at cost benefit analysis, <i>i.e.</i> getting maximum output with minimum resources.
(iii)	Concern	It is concerned with doing the right task.	It is concerned with doing the task right.

### ► Characteristics of Management

- **Management is a Goal Oriented Process:** Management aim to achieve the goals of the organisation by integrating the efforts of all members.
- **Management is all Pervasive:** Management is a universal concept and is required in all organisations, whether big or small, business or non-business.

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*Management is an essential element of every organisation in the whole world.*

- **Management is Multi-dimensional:** It involves three main dimensions:
  - **Management of Work:** Management translates the work in terms of goals to be achieved and assigns means to achieve it.
  - **Management of People:** Management of people implies management of individuals, *i.e.* to allot authorities, responsibilities and establishing reporting relationships.
  - **Management of Operations:** It combines management of work as well as people to produce the goods. It involves deciding what is to be done and who is to do it.
- **Management is a Continuous Process:** Management is ongoing process. It is concerned with constantly identifying the problems and solving them by taking appropriate actions.
- **Management is a Group Activity:** An organisation consists of diverse individuals with different needs. It requires team work and coordination to achieve individual as well as organisational goal through group efforts.
- **Management is a Dynamic Function:** It is a dynamic function. An organisation interacts with ever changing external environment and management has to adapt itself according to the changing environment.
- **Management is an Intangible Force:** Management is an intangible force. It cannot be seen but its presence can be felt when targets are met and there is orderliness and coordination in the work environment.

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*It must be noted that only the management is intangible. People, who perform the functions of management, are very much tangible and visible.*



► **Objectives of Management:** Management seeks to achieve certain objectives which are derived from the basic purpose of the business. The objectives of an organisation can be classified into three categories:

- **Organisational Objectives:** They are needed to achieve economic goals of the organisation. Every organisation aims to achieve three main organisational objectives. These are as follows:
  - **Survival:** The basic objectives of any business is survival. It is possible only when organisation is able to earn enough revenue to cover its costs.
  - **Profit:** Management has to ensure that the organisation makes a profit. Profit is essential for covering costs and risks of the business.
  - **Growth:** A business needs to add its prospects in long run. For this, the organisation must grow and expand to survive in the long run.
- **Social Objectives:** They are needed to achieve benefits of the society by creating economic values consistently for various constituents of society.
- **Personal Objectives:** They relate to individual needs of the employees. Personal objectives include satisfying the following needs:
  - Competitive salaries and perks.
  - Peer recognition.
  - Policy for personal growth and development.
  - Good and healthy working conditions.

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*Management must aim to reconcile personal goals with organisational objectives for harmony in the organisation.*

#### ► Importance of Management

- **Management Helps in Achieving Group Goals:** By bringing human and non-human resources together and giving them common direction for achieving overall goal of the organisation.
- **Management Increases Efficiency:** Management helps in reducing the costs and increasing productivity through better arrangement of the activities of the organisation.
- **Management Creates a Dynamic Organisation:** Efficient management motivates employees to adopt changes by convincing them that changes are not only beneficial for organisation but also it improves the employee's performance.
- **Management Helps in Achieving Personal Objectives:** Through motivation and leadership, management helps the individuals to achieve their personal goals while working towards organisational objectives.
- **Management Helps in the Development of Society:** Management helps in the development of society by giving due importance to social obligations like providing good quality products, generating employment, etc.

#### ► Nature of Management

- **Management as an Art:** Art is the skilful and personal application of existing knowledge to achieve desired results. Management is an art as it satisfies all the characteristics of art like as theoretical knowledge, personalised application and based on practice and creativity.

- **Management as a Science:** Science is a systematised body of knowledge that explains certain general truths or the operation of general laws. Like a science, management has a systematised body of knowledge, that explain general truths and perfect situations. But it is not considered as a perfect science as it is concerned with human behaviour which is unpredictable.

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*Management is a science as well as an art because it is a combination of an organised body of knowledge and skilful application of this knowledge.*

- **Management as a Profession:** Profession refers to an occupation backed by specialised knowledge and training, in which entry is restricted. Management does not possess all the necessary features of a profession. But, there has been a growing trend towards professionalisation of management.

#### ► Levels of Management

- **Top Level Management:** Top level managers are responsible for determining overall objectives and policies for the organisation. It includes Board of Directors, Chairman, President, etc. The main functions of top level management are:
  - To integrate diverse elements and coordinate the activities of different departments.
  - To analyse the business environment.
  - To formulate overall organisational goals and strategies for their achievement.
- **Middle Level Management:** Middle level management (managers) are responsible for implementing policies at top level. It includes heads of different departments, plant superintendent, etc. The main functions of middle level management are:
  - To interpret the policies framed by top management.
  - To ensure that their department has the necessary personnel.
  - To cooperate with other departments for smooth functioning of the organisation.
- **Operational/Lower Level Management:** Lower level managers are responsible for executive work assigned by middle level. It includes supervisors, foremen, superintendents, section officers, etc. It is also known as supervisory level management. The main functions of lower level management are:
  - To oversee the efforts of the workforce.
  - To interact with the actual workforce and to pass on instructions of the middle level management to the workers.
  - To represent workers' grievances.
  - To ensure safe and proper working environment to workers.

#### ► Functions of Management

- **Planning:** It is the process of deciding the objectives and future course of action.
- **Organising:** It is the process of assigning duties, grouping tasks, establishing authority and allocating resources to achieve future goals.
- **Staffing:** This function is concerned with finding the right person for right position at right time.
- **Directing:** It is the process of issuing of instructions for performance of jobs, motivating and leading employees in an organisation.
- **Controlling:** It is the process of ensuring that the organisation is able to attain the organisational goals.





## Knowledge BOOSTER



Management is the process of planning, organising, directing and controlling the efforts of organisational members.

- **Coordination:** It is the process by which a manager synchronises the activities of different departments towards the achievement of a common goal. It is the essence of management as it is needed in all management functions and at all levels of management.

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Coordination is the force that binds all the functions of management.

According to **Theo Haimann**, "Coordination is the orderly synchronising of efforts of subordinates to provide proper amount, timing and quality of execution so that their united efforts lead to the stated objectives, namely, the common purpose of the enterprise."

### ► Characteristics of Coordination

- **Coordination Integrates Group Efforts:** It unifies unrelated or diverse interests towards achievement of common organisational goals.
- **Coordination Ensures Unity of Action:** It acts as the binding force and aims to ensure that all efforts are focused towards achieving organisational goals.
- **Coordination is a Continuous Process:** It is required in all functions of management, therefore, coordination is not a one-time function but a continuous function.
- **Coordination is an all Pervasive Function:** It is universal in nature. It is needed in all departments and at all levels. In the absence of coordination, there is overlapping of activities.

- **Coordination is a Deliberate Function:** A manager has to coordinate the efforts in a deliberate manner even when members of a department willingly coordinate.
- **Importance of Coordination**
  - **Growth in Size:** With increase in size of the organisation, coordination helps to harmonise individual goals and organisational goals.
  - **Functional Differentiation:** As all departments and individuals are interdependent, coordination helps to synchronise their activities so that they proceed together in a single direction.
  - **Specialisation:** Coordination helps to reconcile the differences in approach of different specialists.
- **Coordination is the Essence of Management**
  - **Needed in all Management Functions**
    - **Planning:** Coordination between organisational plan and departmental plan.
    - **Organising:** Required between authority, responsibility and accountability.
    - **Staffing:** To achieve balance between job requirement and qualities of personnel.
    - **Directing:** Required between supervision, motivation and leadership.
    - **Controlling:** Ensure that actual results conform to expected results.
  - **Need at all Levels**
    - Top level needs coordination to integrate activities of organisation for accomplishment of goals.
    - Middle level requires coordination to integrate efforts of different sections and sub-sections.
    - Lower level needs coordination in the activities of workers, to ensure that work proceeds as per plans.

## MNEMONICS

<p><b>1. Concept:</b> Functions of Management <b>Mnemonics:</b> Please maintain Order, Superintendent e.g., Delhi is Coming. <b>Interpretation:</b> P : Planning O : Organising S : Staffing D : Directing C : Controlling</p> <p><b>2. Concept:</b> Features of Management <b>Mnemonics:</b> Go Get IMPortant DoCuments. <b>Interpretation:</b> G : Group activity G : Goal-oriented I : Intangible M : Multi-dimensional P : Pervasive D : Dynamic C : Continuous</p>	<p><b>3. Concept:</b> Objectives of Management <b>Mnemonics:</b> Products On Sale. <b>Interpretation:</b> P : Personal O : Organisational S : Social</p> <p><b>4. Concept:</b> Importance of Management <b>Mnemonics:</b> Economists Discuss GDP. <b>Interpretation:</b> E : Efficient organisation D : Dynamic organisation G : Goal achievement D : Development of society P : Personal objective achievement</p> <p><b>5. Concept:</b> Management as an Art <b>Mnemonics:</b> Power PolnT <b>Interpretation:</b> P : Personalised application P : Practice and creativity T : Theoretical knowledge</p>	<p><b>6. Concept:</b> Management as a Science <b>Mnemonics:</b> SUN rises in the East. <b>Interpretation:</b> S : Systematised knowledge U : Universal validity E : Experiment based</p> <p><b>7. Concept:</b> Management as a Profession <b>Mnemonics:</b> We Can Rest and Play, then Study. <b>Interpretation:</b> W : Well-defined knowledge C : Code of conduct R : Restricted entry P : Professional association S : Service motive</p> <p><b>8. Concept:</b> Features of Coordination <b>Mnemonics:</b> Draw UR PIC. <b>Interpretation:</b> D : Deliberate U : Unity of action R : Responsibility of managers P : Pervasive I : Integrates efforts C : Continuous.</p>
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# Practice Exercise



## Multiple Choice Questions

- Q 1. Name the process of working with and through others to effectively achieve organisational objectives by efficiently using limited resources in a changing environment.**
- a. Management                      b. Planning  
c. Organising                        d. Controlling
- Q 2. Identify the dimension of the characteristic of management—it is multidimensional, which specifies that the task of management is to make the strengths of human resources effective and their weaknesses irrelevant towards achieving the organisation's objectives.** (CBSE SQP 2021, Term-1)
- a. Management of work  
b. Management of people  
c. Management of operations  
d. Management of goals
- Q 3. Ram Murty, a Professor of management conducted a class on 'Management Principles' and explained to his students the significance of management principles. In the next class, the Professor asked his students to play roles of different managers. He gave them various situations and asked them to think like managers and provide solutions to the problems given in these situations. Each student applied the principles of management to the given situations. Each student applied the principles of management to the given situation in his own personalised manner, depending upon his creativity. The nature of management highlighted in the above case is:** (CBSE SQP 2021, Term-1)
- a. Management as a Science  
b. Management as an Art  
c. Management both as an Art and as a Science  
d. Management as a Profession
- Q 4. Which level of management is responsible for the welfare and survival of the organisation?** (CBSE SQP 2021, Term-1)
- a. Top level of management  
b. Middle level of management  
c. Supervisory level  
d. Both b. and c.

Q 5.



**Identify the point of significance of management illustrated in the picture.** (CBSE SQP 2023-24)

- a. Management helps in achieving group goals  
b. Management helps in achieving personal objectives  
c. Management helps in development of society  
d. Management increases efficiency
- Q 6. Which level of management is responsible for coordinating the activities of different departments according to overall objectives of the organisation?** (CBSE SQP 2021, Term-1)
- a. Top level                              b. Middle level  
c. Supervisory level                  d. Both b. and c.
- Q 7. .... is concerned with monitoring organisational performance towards the attainment of organisational goals.**
- a. Organising                            b. Controlling  
c. Staffing                                d. Directing
- Q 8. Like a thread in a garland, ..... is a part of all management functions.**
- a. planning                                b. staffing  
c. coordination                          d. organising
- Q 9. Ravi joined a marketing firm as a sales manager. On his first day in the company, during the orientation programme, the CEO of the company told Ravi that he will have to simultaneously perform the functions of management (planning, organising, staffing, directing, controlling) all the time. Which characteristic of management was the CEO referring to?** (CBSE SQP 2021, Term-1)
- a. Management is a Continuous Process  
b. Management is All pervasive  
c. Management is Multidimensional  
d. Management is Goal-oriented
- Q 10. Match the Column.**

Column I	Column II
A. The force that binds all other functions of management	(i) Planning
B. Doing the right task, completing activities and achieving goals	(ii) Coordination
C. Doing the task correctly with minimum cost	(iii) Efficiency
D. Setting goals	(iv) Effectiveness

- |         |      |       |      |         |       |       |     |
|---------|------|-------|------|---------|-------|-------|-----|
| A       | B    | C     | D    | A       | B     | C     | D   |
| a. (ii) | (iv) | (iii) | (i)  | b. (iv) | (ii)  | (iii) | (i) |
| c. (i)  | (iv) | (iii) | (ii) | d. (ii) | (iii) | (iv)  | (i) |



**Q 11.** KTX Group is rolling out an initiative to help create wealth for its employees through the implementation of employee stock option. Through motivation and leadership, the management will help individuals to develop team spirit, cooperation and commitment to the success of the group. The following importance of management is highlighted above.

(CBSE SQP 2021, Term-1)

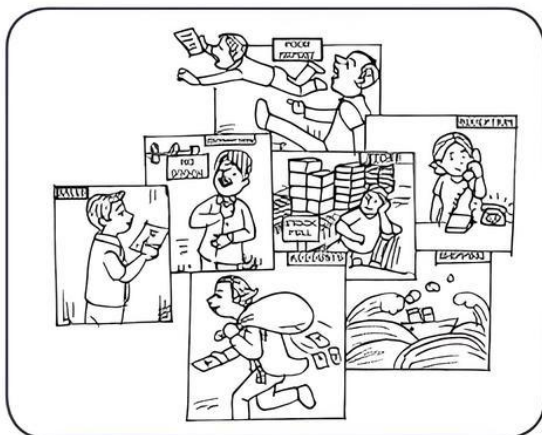
- a. Management helps in achieving personal objectives
- b. Management helps in the development of society
- c. Management creates a dynamic organisation
- d. Management increases efficiency

**Q 12.** Identify the reason which makes management important in the light of the fact that it is generally seen that individuals in an organisation resist change, as a change often means moving from a familiar, secure environment into a newer and a more challenging one.

(CBSE SQP 2022-23)

- a. Management helps in achieving group goals
- b. Management creates a dynamic organisation
- c. Management increases efficiency
- d. Management helps in the development of society

**Q 13.**



Identify which concept of management is missing in the given picture.

- a. Efficiency
- b. Effectiveness
- c. Coordination
- d. Planning

**Q 14.** "The management gives a common direction to the individual effort in achieving the overall goal of the organisation." Which point of importance of management is highlighted in this statement?

(CBSE SQP 2021, Term-1)

- a. Helps In achieving personal objectives
- b. Helps In achieving group goals
- c. Helps to increase efficiency
- d. Helps to create a dynamic organisation.

**Q 15.** "Management consists of three dimensions: Management of work, people and operations." Which feature of management is being highlighted here?

- a. Goal-oriented
- b. Pervasive
- c. Multidimensional
- d. Dynamic

**Q 16.** "What distinguishes a successful manager from a less successful one is the ability to put the principles into practice." Which aspect of the nature of management is highlighted in the above statement?

(CBSE SQP 2021, Term-1)

- a. Management as a Science
- b. Management as an Art
- c. Management as a Profession
- d. Management is an Intangible Force

**Q 17.** SORT-IT Ltd. is a leading software development company. The company is satisfying the diverse needs of its employees. Its employees are given competitive salaries and perks. They have been given chance for their personal growth and development. For harmony in the organisation management has to reconcile personal goals with organisational objectives.

Identify the objective of management being met by SORT-IT Ltd.

(CBSE SQP 2021, Term-1)

- a. Social
- b. Personnel
- c. Organisational
- d. Both a. and b.

**Q 18.** ..... is the process of motivating, leading and communicating with the subordinates to achieve the organisational objectives.

- a. Controlling
- b. Planning
- c. Staffing
- d. Directing

**Q 19.** Unlike professions such as medicine or law which require a practising doctor or lawyer to possess valid degrees, nowhere in the world is it mandatory for a manager to possess any such professional degree. Identify the characteristic of the profession being discussed above which is not being strictly met by management.

(CBSE SQP 2021, Term-1)

- a. Well-defined body of knowledge
- b. Restricted entry
- c. Professional association
- d. Ethical code of conduct

**Q 20.** An organisation consists of diverse individuals with different needs, who join the organisation for different purpose, but as members of the organisation, they work together to achieve organisational goal. Which feature of management is being highlighted?

- a. Goal-oriented
- b. Pervasive function
- c. Group activity
- d. Continuous process

**Q 21.** Which of the following features of a profession is fully satisfied by management?

(CBSE SQP 2021, Term-1)

- a. Service motive
- b. Well-defined body of knowledge
- c. Restricted entry
- d. Ethical code of conduct

**Q 22.** Alo, a mobility platform, is in the process of laying off 400-500 employees in a move aimed at driving cost efficiency. Which objective of management will the firm not be able to achieve by carrying out this process?

(CBSE SQP 2022-23)

- a. Efficiency
- b. Social
- c. Profit
- d. Survival



- Q 23. Which of the following is not a function of middle level management?** (CBSE 2023)
- Analysing the business environment and its implications for survival of the firm
  - Interpreting the policies framed by top management
  - Ensuring that their department has necessary personnel
  - Motivating people in their department to achieve desired objectives
- Q 24. Gagan Ltd. needed funds to fulfil a big order. The management of the company borrowed money from a financial institution @ 16% interest, while the prevailing rate of interest was 12%. As a result of the funds, the company was able to achieve the target. According to you, management was:**
- effective
  - efficient
  - inefficient
  - Both a. and b.
- Q 25. From the following, which is not a relevant feature of management as science?** (CBSE SQP 2023-24)
- Principles are based on the basis of experimentation
  - Systematised body of knowledge
  - Based on practice and creativity
  - Universal validity
- Q 26. Which management function puts the right people at right place?**
- Planning
  - Directing
  - Staffing
  - Organising
- Q 27. Which of the following is an objective of management?**
- Personal
  - Social
  - Organisational
  - All of these
- Q 28. "It acts as the binding force between departments and ensures that all action are aimed at achieving the goals of the organisation." The statement highlights the following characteristic of coordination:** (CBSE SQP 2021, Term-1)
- Coordination is an all pervasive function
  - Coordination is the responsibility of all managers
  - Coordination is a continuous process
  - Coordination ensures unity of action
- Q 29. "A manager in a conscious manner has to ensure that even where members of a department willingly cooperate, coordination gives direction to the willing spirit." The characteristic of coordination being highlighted above is:** (CBSE SQP 2021, Term-1)
- coordination is the responsibility of all managers
  - coordination is a deliberate function
  - coordination integrates group efforts
  - coordination is a continuous process
- Q 30. 'Whether the decisions have been translated into desired actions or not' can be confirmed by performing which of the following function of management?** (CBSE 2023)
- Planning
  - Organising
  - Directing
  - Controlling
- Q 31. Himanshu is working as a 'Marketing Manager' in 'Suvidit-Air-Conditioners', a well-known brand in the field of air-conditioners. Till last month, the company was able to achieve its sales targets. But this month, Himanshu observed that targets were not being met and the number of air-conditioners sold was decreasing. He analysed the situation and found that the new salesman appointed last month was not good and for this he took necessary action. Which of the following function of management helped Himanshu to identify the decrease in sale?** (CBSE 2023)
- Planning
  - Organising
  - Directing
  - Controlling
- Q 32. Different organisations have different goals. 'Zeepo' is an upcoming retail chain for providing consumer goods door-to-door, the objective of this organisation is to increase sales. 'Allie' is an educational organisation working with an objective of providing education to underprivileged children of the society. Management of each of these organisations unite the efforts of their employees towards achieving organisational goals. The characteristic of management discussed above is:** (CBSE 2023)
- Management is goal-oriented.
  - Management is a continuous process.
  - Management is a dynamic function.
  - Management is an intangible force.
- Q 33. Statement I: Coordination is needed in all departments and at all levels. Statement II: Activities are independent in all departments and levels. Choose the correct option from the options given below:**
- Statement I is true and II is false.
  - Statement II is true and I is false.
  - Both the statements are true.
  - Both the statements are false.
- Q 34. Statement I: Management is an intangible force. Statement II: Management has to adapt itself to its changing external environment, which consists of various social, economic and political factors. Choose the correct option from the options given below:**
- Statement I is true and II is false.
  - Statement II is true and I is false.
  - Both the statements are true.
  - Both the statements are false.
- Q 35. Statement I: Management is considered as tangible force. Statement II: Management cannot be seen but its presence can be felt in the way of the organisation. Choose the correct option from the options given below:**
- Statement I is true and II is false.
  - Statement II is true and I is false.
  - Both the statements are true.
  - Both the statements are false.



- Q 36. **Statement I:** Satisfaction of personal objectives is very important in an organisation.  
**Statement II:** Employees are one of the most valuable resource for an organisation.  
 Choose the correct option from the options given below:
- Statement I is true and II is false.
  - Statement II is true and I is false.
  - Both the statements are true.
  - Both the statements are false.

### **Assertion & Reason** Type Questions

**Directions (Q. Nos. 37-47):** There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below:

- Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
  - Both Assertion (A) and Reason (R) are true. but Reason (R) is not the correct explanation of Assertion (A).
  - Assertion (A) is true. but Reason (R) is false.
  - Assertion (A) is false. but Reason (R) is true.
- Q 37. **Assertion (A):** Management translates the work in terms of goals to be achieved and assigns the means to achieve it.  
**Reason (R):** Management is a group activity.
- Q 38. **Assertion (A):** Coordination is not pervasive.  
**Reason (R):** Coordination is required at all levels and in all departments because of interdependence of various activities.
- Q 39. **Assertion (A):** Management is a process.  
**Reason (R):** Management involves a series of inter-related functions like planning, organising, staffing, directing and controlling.

- Q 40. **Assertion (A):** Management increases efficiency.  
**Reason (R):** Management helps the organisation to adapt to changes.
- Q 41. **Assertion (A):** Management requires effective performance.  
**Reason (R):** As it helps in achieving predetermined goals.
- Q 42. **Assertion (A):** The main objective of any organisation is to utilise human and non-human resources in the most efficient and effective manner *i.e.*, to fulfil the economic objectives of the business.  
**Reason (R):** As it will ensure Survival, Profit and Growth of a business. Finance is the lifeblood of a business. So, fulfilling economic objectives is the first priority.
- Q 43. **Assertion (A):** Management is not a pure science.  
**Reason (R):** Management: (i) is a systematised body of knowledge; (ii) is based on observation and experimentation; (iii) has universally validity.
- Q 44. **Assertion (A):** Management is an art.  
**Reason (R):** (i) It involves use of theoretical knowledge; (ii) It is a personalised concept; (iii) It involves practice and creativity.
- Q 45. **Assertion (A):** Coordination does not occur spontaneously nor it can be achieved by force.  
**Reason (R):** Coordination is the responsibility of all managers.
- Q 46. **Assertion (A):** Coordination leads to specialisation.  
**Reason (R):** It helps to harmonise individual goals and organisational goals. Thus, it ensures that all individuals from different backgrounds work towards the common goals of the organisation.
- Q 47. **Assertion (A):** Management is concerned with efficient use of resources.  
**Reason (R):** For management both efficiency and effectiveness need to be balanced. (CBSE SQP 2023-24)

### Answers

- (a) Management
- (b) Management of people
- (b) Management as an Art
- (a) Top level of management
- (a) Management helps in achieving group goals.
- (a) Top level
- (b) Controlling
- (c) coordination
- (a) Management is a Continuous Process
- (a) A-(ii), B-(iv), C-(iii), D-(i)
- (a) (a) Management helps in achieving personal objectives
- (b) Management creates a dynamic organisation
- (c) Coordination
- (b) Helps in achieving group goals
- (c) Multidimensional
- (b) Management as an Art
- (b) Personnel
- (d) Directing
- (b) Restricted entry
- (c) Group activity
- (b) Well-defined body of knowledge
- (b) Social
- (a) Analysing the business environment and its implications for survival of the firm
- (a) effective
- (c) Based on practice and creativity
- (c) Staffing
- (d) All of these
- (d) Coordination ensures unity of action
- (b) coordination is a deliberate function
- (d) Controlling
- (d) Controlling
- (a) Management is goal-oriented
- (a) Statement I is true and II is false.
- (c) Both the statements are true.
- (b) Statement II is true and I is false.
- (c) Both the statements are true.



37. (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
38. (d) Assertion (A) is false, but Reason (R) is true.
39. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
40. (c) Assertion (A) is true, but Reason (R) is false.
41. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
42. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
43. (c) Assertion (A) is true, but Reason (R) is false.
44. (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
45. (c) Assertion (A) is true, but Reason (R) is false.
46. (c) Assertion (A) is true, but Reason (R) is false.
47. (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

## Case Study Based Questions

### Case Study 1

Read the extract given below and answer the questions on the basis of the same:

Mohit Ltd. is engaged in manufacturing of electrical appliances. Mr. Mohit found that the profits had started declining from the last 7 to 8 months. Profit has an implication for the survival of the firm, so he analysed the business environment to find out the reasons, for the decline. Also, the company has been facing problems for the last few months because of chaos between two departments *i.e.*, production department and sales department. Sales department blames production department for delayed production. Production department blames sales department for poor sales. The force that integrates the two departments is missing. So, Mr. Mohit integrates the efforts of these departments into a unified plan of action to achieve better organisational results. He also gives instructions to his managers so that desired actions may be taken to achieve the target on time. Various incentives are also offered to them for achieving desired targets on time.

- Q 1. At which level of management, is Mr. Mohit working?
- a. Top level                      b. Middle level  
c. Lower level                    d. Shop floor level
- Q 2. Which is the force that is missing in the given paragraph?
- a. Cooperation  
b. Coordination  
c. Authority and responsibility  
d. Planning

Q 3. Which function of management is highlighted in the lines, "He also gives instructions ..... time."

- a. Planning                      b. Organising  
c. Staffing                      d. Directing

Q 4. Which objective of management does profit relate to?

- a. Social                          b. Personal  
c. Organisational                d. None of these

## Answers

1. (a)      2. (b)      3. (d)      4. (c)

### Case Study 2

Read the extract given below and answer the questions on the basis of the same:

Sonam is the Branch Manager of Mitushi Handicrafts Pvt. Ltd. The company's objective is to promote the sales of Indian handloom and handicraft products. It sells fabrics, furnishings, readymades and household items are made out of traditional Indian fabrics. Sonam decides quantities, variety, colour and texture of all the above items and then allocates resources for their purchase from different suppliers. She appoints a team of designers and crafts people in the company, who developed some prints for bed covers in bright colour on silk. Although the products looked very attractive and impressive, they were relatively expensive on the front of affordability for an average customer. Sonam suggested that they should keep the silk bed covers for special festive occasions and offer the cotton bed covers on a regular basis to keep costs under control.

Q 1. "She appoints a team of designers and crafts people in the company, who developed some prints for bed covers in bright colour on silk." Which function of management is highlighted in this context?

- a. Controlling                    b. Staffing  
c. Planning                        d. Directing

Q 2. In the above case, "company's objective is to promote the sales of Indian handloom and handicraft products." The above line focus on which feature of management?

- a. Management is an Intangible Force  
b. Management is a Goal-Oriented Process  
c. Management is Pervasive In Nature  
d. Management is a Continuous Process

Q 3. With reference to the given case, at which level of management Sonam is working?

- a. Lower level                      b. Top level  
c. Middle level                    d. Shop floor level





Q 4. "Sonam suggested that they should keep the silk bed covers for special festive occasions and offer the cotton bed covers on a regular basis to keep costs under control." Which function of management is highlighted in this context?

- a. Controlling
- b. Staffing
- c. Organising
- d. Planning

**Answers**

1. (b)    2. (b)    3. (c)    4. (a)

**Case Study 3**

Read the extract given below and answer the questions on the basis of the same:

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 about the activities they have to perform. Then, 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. The 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.

Q 1. Identify the function of management discussed in the given case which the company follows.

- a. Planning
- b. Organising
- c. Directing
- d. Controlling

Q 2. Identify the concept of management discussed which the company tries to bring.

- a. Coordination
- b. Cooperation
- c. Controlling
- d. Planning

Q 3. Find out one importance of the concept highlighted in the given case.

- a. Growth in size
- b. Specialisation
- c. Functional differentiation
- d. None of the above

Q 4. Find out one characteristic of the concept highlighted in the given case.

- a. Continuous process
- b. Deliberate effort
- c. Pervasive
- d. Responsibility of all managers

**Answers**

1. (a)    2. (a)    3. (a)    4. (b)

**Case Study 4**

Read the extract given below and answer the questions on the basis of the same:

Mayra Ltd. is a company which has improved its functioning by proper management. The company has been successful in deciding and completing targets. In the previous meeting, it was decided that in coming years, the company could show increase in the number of workers, number of products produced and also the sales turnover. However, recently it earned a negative reputation 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 cannot 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 back 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 improved.

Q 1. Identify the feature of management highlighted in the given case.

- a. Management is an Intangible Force
- b. Management is Multidimensional
- c. Management is a Goal-Oriented Process
- d. Management is All Pervasive

Q 2. Identify the type of objective being discussed from the given line stated, "..... company could show increase in the number of workers, number of products produced and also the sales turnover."

- a. Organisational
- b. Personal
- c. Social
- d. None of these

Q 3. The concept of management missing in the Mayra Ltd. Company is:

- a. cooperation
- b. coordination
- c. control
- d. direction

Q 4. Identify the feature of coordination being discussed from the given line, "..... as all the departments started to work with one single target of giving back the company its lost fame."

- a. Unity of action
- b. Responsibility of all managers
- c. Pervasive
- d. Continuous process

**Answers**

1. (c)    2. (a)    3. (b)    4. (a)



## Case Study 5

Read the extract given below and answer the questions on the basis of the same:

Mr. Sharma has recently joined ABC 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.

**Q1. Identify the level at which Mr. Sharma was working.**

**Ans.** Mr. Sharma is working at the middle level of management.

**Q2. Also state three more functions required to be performed by Mr. Sharma at this level.**

**Ans.** Three more functions required to be performed by Mr. Sharma at this level are:

- (i) To interpret the policies framed by top management.
- (ii) To ensure that their department has the necessary personnel.
- (iii) To cooperate with other departments for smooth functioning of the organisation.

### COMMON ERROR

Students generally write the answer as 'Top level management'. Top level management works at the level of the organisation as a whole. Here, we are talking about departments. So, middle level comes into role at this level.

## Case Study 6

Read the extract given below and answer the questions on the basis of the same:

Reena Ltd. set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient to cover the costs and the risks. The demand of lanterns was increasing day-by-day, so the company decided to increase production to generate higher sales. For this, they decided to employ people from the nearby villages as very few job opportunities were available in that area. The company also decided to open schools and creches for the children of its employees.

**Q1. Identify and explain the objectives of management discussed above.**

**Ans.** It is related with the social objective of management. It deals with the commitment of an organisation towards society. Such objectives may relate with producing eco-friendly products,

providing employment to the weaker sections of the society, etc.

By covering the costs and risks, the company has also achieved the organisational objectives.

**Q2. Explain other objectives of management.**

**Ans.** They relate to individual needs of the employees. Personal objectives include satisfying the following needs:

- (i) Competitive salaries and perks.
- (ii) Peer recognition.
- (iii) Policy for personal growth and development.
- (iv) Good and healthy working conditions.

## Case Study 7

Read the extract given below and answer the questions on the basis of the same:

Hitesh 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.

**Q1. Identify the level of management at which Hitesh was working.**

**Ans.** Hitesh is working at the top level of management.

**Q2. State three other functions being performed by Hitesh.**

**Ans.** Three more functions required to be performed by Hitesh at this level are:

- (i) To integrate diverse elements and coordinate the activities of different departments.
- (ii) To analyse the business environment.
- (iii) To formulate overall organisational goals and strategies for their achievement.



### Very Short Answer Type Questions

**Q1. "Is management concerned only with doing the right task, completing activities and achieving goals without taking into consideration the cost benefit?" Give reason in support of your answer.**

**Ans.** No, as per the modern concept management is concerned with achieving goals effectively as well as efficiently, i.e. with least cost. So, management takes into consideration the cost benefit also.

**Q2. "Management is the process of getting things done." State the meaning of the term 'process' used in this statement.**

**Ans.** The term 'process' involves a series of inter-related functions, such as planning, organising, staffing, directing and controlling, etc.

**Q3. Various input resources are required by management to complete a task effectively and efficiently. Name any two.**

**Ans.** (i) Money  
(ii) Materials



Q 4. "In an organisation, employees are happy and satisfied, there is no chaos and the effect of management is noticeable." Which characteristic of management is highlighted by this statement?

Ans. Management is an intangible force is highlighted in the above statement.

Q 5. Explain, how management helps in the development of society?

OR

Management helps in development of society. How?

Ans. Management helps in development of society by producing quality goods at fair and competitive prices, providing employment and adopting new technologies to raise the living standard of the society.

Q 6. "Managerial activities are performed in all types of the organisation in all departments and at all levels." Which management characteristic is highlighted here?

OR

"The management principles can be applied to all types of activities." Which characteristic of management is highlighted by this statement?

Ans. 'Management is all pervasive'.

Q 7. What is meant by efficiency in the management?

Ans. Efficiency refers to doing the task correctly and with minimum cost.

Q 8. Which level managers are responsible for coordination? State.

Ans. Top level managers are responsible for coordination.

Q 9. How does coordination integrate group efforts? State.

Ans. All business activities are 'Interdependent'. Therefore, there should be coordination among them. Coordination unifies unrelated or diverse interests towards achievement of common organisational goal.

Q 10. What is meant by management of people?

Ans. Management of people implies management of individuals, i.e. to allot authorities, responsibilities and establishing reporting relationships.

Q 11. "One of the organisational objectives of management is growth of a business." How can growth of a business be measured? Give any two examples.

Ans. Growth of a business can be measured:

- (i) in terms of sales volume.
- (ii) Increase in the number of employees.

Q 12. Identify the nature of management when it is said to be a systematised body of knowledge that explains certain general truths.

OR

Identify the nature of management when a manager applies the existing theoretical knowledge in his own unique manner.

Ans. 'Management as an Art'.

Q 13. Explain in one sentence how management increases efficiency.

OR

"Management increases efficiency." How?

Ans. Management increases efficiency by reducing cost and increasing productivity through better planning, organising, directing, staffing and controlling the activities of the organisation.

Q 14. What should an organisation do to achieve the basic objective of 'survival'?

Ans. An organisation must earn revenues equal to its cost in order to survive in the market.

Q 15. "Management is open to all and any person can be appointed as manager." Why?

Ans. Any person can be appointed as manager because unlike profession, there is no restricted entry in case of management.

Q 16. "A business needs to add to its prospects in the long run." Which organisational objective is highlighted in the statement? Mention two objectives under this category.

Ans. In the above statement, the organisational objective 'Growth' is highlighted.

Two other organisational objectives are: (i) Survival (ii) Profit.

Q 17. How does coordination ensure unity of action in management?

Ans. Coordination acts as the binding force between departments and ensures that all actions are aimed at achieving the goals of the organisation.

Q 18. Identify the nature of management when it is said to be a systematised body of knowledge that explains certain general truth.

Ans. Management as a Science.

Q 19. Sohan is a Superintendent in Care India Pvt. Ltd. and Mohan is working as Plant Superintendent in the same company. Name the managerial level at which Sohan and Mohan are working.

Ans. Sohan is working at operational level and Mohan at middle level.

Q 20. "Successful organisations do not achieve their goals by chance but by following a deliberate process." Identify the process highlighted here.

Ans. 'Management' is highlighted in above statement.



### Short Answer Type-I Questions

Q 1. What is meant by management? Explain any two points of its importance.

OR

Explain any two reasons, which clarify that management is gaining importance day-day.

Ans. **Meaning of Management:** Management is a process of planning, organising, staffing, directing and controlling the resources of an enterprise efficiently and effectively for achieving the organisational goals.



**Importance of Management:** The importance of management are as follows:

- (i) **Management Increases Efficiency:** Management helps in reducing the costs and increasing productivity through better arrangement of the activities of the organisation.
- (ii) **Management Creates a Dynamic Organisation:** Efficient management motivates employees to adopt changes by convincing them that changes are not only beneficial for organisation but also it improves the employee's performance.

**Q 2. "The floor manager of a mall is a very good manager as he performs all the functions of management to minimise 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 to achieve these targets. Under his guidance, the employees admit that they learn a lot and are able to meet their targets. This has led to an increase in their salaries."**  
Identify the importance of management highlighted above.

**Ans.** The importance of management highlighted above are:

- (i) **Management Increases Efficiency:** The aim of a manager is to reduce costs and increase productivity through better planning, organising, staffing, directing and controlling the activities of the organisation.
- (ii) **Management Helps in Achieving Group Goals:** Management is required for achieving goals of the organisation. The manager gives a common direction to individual efforts in achieving the overall goals of the organisation.
- (iii) **Management Helps in Achieving Personal Objectives:** A manager through motivation and leadership helps to develop team spirit, cooperation and commitment.

**Q 3. State three organisational objectives of management.**

**Ans. Organisational Objectives of Management:** The three main organisational objectives are as follows:

- (i) **Survival:** The basic objectives of any business is survival. Survival is possible only when organisation is able to earn enough revenue to cover its costs.
- (ii) **Profit:** Management has to ensure that the organisation makes a profit. Profit is essential for covering costs and risks of the business.
- (iii) **Growth:** A business needs to add to its prospects in long run. For this, the organisation must grow and expand to survive in the long run.

**Q 4. What is the difference between effectiveness and efficiency?**

**Ans.** Differences between Effectiveness and Efficiency are:

S. No.	Basis of Difference	Effectiveness	Efficiency
(i)	Meaning	It refers to achieving the goals on time.	It refers to doing the task correctly and with minimum cost.
(ii)	Focus	It focuses at the end result of the task.	It focuses at cost benefit analysis i.e., getting maximum output with minimum resources.
(iii)	Concern	It is concerned with doing the right task.	It is concerned with doing the task right.

**Q 5. What is meant by management as an art? Explain with the help of any three features.**

**OR**

"The skilful and personal application of existing knowledge to achieve desired results is called art." In the light of this statement, describe whether management is an art or not.

**OR**

"Art is concerned with personal application of knowledge." In the light of this statement, compare all the features of management with art and prove that it is an art.

**Ans. Management as an Art:** Art is the skilful and personal application of existing knowledge to achieve desired results. Management is an art as it satisfies all the characteristics of art like as theoretical knowledge, personalised application and based on practice and creativity.

Management is said to be an art, since it satisfies the following main features of an art:

- (i) Manager practices the art of management in day-to-day job managing an enterprise on the basis of study, observation and experience.
- (ii) Because of the availability of the theoretical knowledge of management, a manager is able to apply it in a personalised manner.
- (iii) Art requires creativity, similarly manager also requires creativity to apply the acquired knowledge in a personalised and skilful manner in real situations.

**Q 6. Ramarjuna joins an IT firm as a system analyst after completing his masters in Computer Science. As the nature of his work demands, he has to work in very close coordination with all the departmental heads in the firm. Very soon Ramarjuna realises that each departmental head has his own individual style of working. They differ greatly in their day-to-day approach to work. They tend to deal with a given situation, an issue or a problem through a combination of their own experience, creativity, imagination, initiative and innovation. In the context of the above paragraph, identify and explain the nature of management.**



Ans. The evaluation of 'Management as an Art' is given below:

(i) **Existence of Theoretical Knowledge:** Art involves existence of theoretical knowledge. The various areas of management like sales, marketing, finance, human resources, etc. involves a lot of literature.

(ii) **Personalised Application:** Art is based on personal application. In management, a person skilfully applies the acquired knowledge according to the situation in his own unique way.

(iii) **Based on Practice and Creativity:** Art involves creative practice of theoretical knowledge gained in order to be an expert in his/her field. A good manager gains experience over a period of time and formulates his own theories for use in a given situation, thus giving rise to different styles of management.



## TIP

Students should interrelate features of art with its applicability in management.

Q 7. "Management is the systematised body of knowledge that explains certain general truths." Explain.

Ans. **Management as a Science:** Science is a systematised body of knowledge that explains certain general truths or the operation of general laws. Like a science, management has a systematised body of knowledge that explain general truths and factual situations. But it is not considered as a perfect science as it is concerned with human behaviour which is unpredictable.

Q 8. Discuss whether management is a science or not with examples.

Ans. **Meaning of Science:** Science is a systematised body of knowledge having logically observed universal principles and findings based on experimentation. Management is deemed as a science for the following reasons:

(i) **Systematised Body of Knowledge:** Management is also a systematised body of knowledge. It has its own theory and principles.

**Example:** Fayol's general principles of management.

(ii) **Principles Based on Experimentation:** The principles of management have been developed over a period of time on the basis of experimentation and observation in different types of organisations.

But, management deals with human beings and human behaviour, so results of these experiments are not so exact.

(iii) **Universal Validity:** The principles of management are not universally applicable. They have to be modified according to the situation.

Thus, all the features of science are not applicable in management.

So, management is an 'Inexact Science' or 'Social Science' i.e. management is 'not a perfect science'.

Q 9. "Management is a profession like medical and legal profession." Do you agree with this statement? Give any three reasons in support of your answer.

OR

Is management a full fledged profession? Give any three reasons in support of your answer.

OR

Praveen and Naveen are friends. Praveen became a professional after completing his MBBS from 'Hindu Medical College'. Naveen completed his MBA from IIM, Bangalore. In a discussion with Praveen, Naveen said that he too is a professional and is working with a multinational company as a senior manager getting a good package. Praveen was not convinced about the fact that Naveen was a professional. In spite of being aware that now-a-days there is increasing emphasis on managed business concerns. Praveen gave three reasons in support of his opinion. Explain the three reasons that Praveen might have given.

(CBSE 2023)

Ans. No, management is not a full fledged profession like legal and medical profession because of the following reasons:

(i) **Restricted Entry:** The entry to any profession is restricted through a prescribed qualification. But there is no restriction on anyone being appointed as a manager in any business enterprise.

(ii) **Professional Association:** Though AIMA is an association for management graduates, it is not obligatory for managers to get registered with any professional body like the Medical Council or Bar Council of India, which regulates the professional conduct of doctors and lawyers respectively.

(iii) **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.

Q 10. Monika, Rashmi and Garima are childhood friends. After completing their education, Monika joined a school as a teacher. Rashmi joined a firm as a Chartered Accountant and Garima as a General Manager in a Multi-national Company. After a long time in a re-union function of the school, they met each other. Rashmi said that they were all professionals now. Garima told Rashmi that she can say this about Monika and herself, but not about her since Manager is not considered a full fledged professional. Why did Garima say that she was not a professional? State any three points in support of your answer.

(CBSE 2023)



Ans. Garima said that she was not a professional because a manager is not considered a full-fledged professional due to the following reasons:

- (i) **Restricted Entry:** The entry to any profession is restricted through a prescribed qualification. But there is no restriction on anyone being appointed as a manager in any business enterprise.
- (ii) **Professional Association:** Though AIMA is an association for management graduates, it is not obligatory for managers to get registered with any professional body like the Medical Council or Bar Council of India, which regulates the professional conduct of doctors and lawyers respectively.
- (iii) **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.

Q 11. Explain any four features of management.

OR

State any four points that highlight the characteristics of management.

OR

"Management is the process of working with and through others to effectively achieve organisational objectives by efficiently using limited resources in the changing environment."

In the light of the above statement, explain any four features of management.

Ans. The features or characteristics of management are as follows:

- (i) **Management is a Continuous Process:** Management is ongoing process. It is concerned with constantly identifying the problems and solving them by taking appropriate actions.
- (ii) **Management is a Group Activity:** An organisation consists of diverse individuals with different needs. It requires team work and coordination to achieve individual as well as organisational goal through group efforts.
- (iii) **Management is a Dynamic Function:** An organisation interacts with ever changing external environment and management has to adapt itself according to the changing environment.
- (iv) **Management is an Intangible Force:** It cannot be seen but its presence can be felt when targets are met and there is orderliness and coordination in the work environment.

Q 12. Top management plans for the entire organisation. According to these plans, the organisational structure is developed and staffed. In order to ensure that these plans are executed according to plans, directing is required. Any discrepancies between actual and realised activities are then taken care of at the stage of controlling. Name and explain the process highlighted above which

started at the planning stage itself and is implicit and inherent in all the functions of management in an organisation. (CBSE SQP 2022-23)

Ans. The process by which a manager synchronises the activities of different departments is known as coordination.

Coordination is the process by which a manager synchronises the activities of different departments towards the achievement of a common goal. It is the essence of management as it is needed in all management functions and at all levels of management.

Q 13. **Captcha Ltd. is a construction company in which all the employees learn various ways of dealing with diverse situations from their seniors. Company provides financial as well as non-financial incentives. This helps the employees, to grow and develop their abilities. The organisation behaves as a responsible constituent of society and always creates good quality products. It has a positive image in the market. The training modules are excellent 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 smoothly. Identify and state three points of importance of management being highlighted here.**

(CBSE SQP 2023-24)

Ans. Importance of management are as follows:

- (i) **Management Helps in Achieving Personal Objectives:** Through motivation and leadership, management helps the individuals to achieve their personal goals while working towards organisational objectives.
- (ii) **Management Helps in the Development of Society:** Management helps in the development of society by giving due importance to social obligations like providing good quality products, generating employment, etc.
- (iii) **Management Creates a Dynamic Organisation:** Efficient management motivates employees to adopt changes by convincing them that changes are not only beneficial for organisation but also it improves the employees' performance.



### Short Answer Type-II Questions ↘

Q 1. Identify the level of management whose basic task is to integrate diverse elements and coordinate the activities of different department according to the overall objectives of the organisation. State any two functions of the level of management identified in the above case.

Ans. Top level management.

Two functions of top level management are:

- (i) To integrate diverse elements and coordinate the activities of different departments.
- (ii) To formulate overall organisational goals and strategies for their achievement.





Q 2. Mita has a successful ice-cream business at Indore, namely Cool-Cool. Her ice-creams are utterly delicious. She makes ice-cream from fresh milk and the same are available in a wide range of flavours and packs. She sets viable business objectives and works with the same in mind in order to ensure that the customers will come back for more.

Having a first mover advantage, her business was doing well. To earn higher profits, she started cutting costs. This would sometimes leads to delay in delivery and the ice-cream was not reaching the market in time. Over a period of time, the demand for her ice-cream declined and because of it the competitors entered the market. She lost some of her market share to competitors.

At the beginning of summer season, she got back-to-back order for supply of 5,000 ice-cream packets of different flavours for special occasions. To ensure that the task was completed and orders delivered in time she hired additional workers. She was, thus, able to produce and deliver the ice-cream packets but at a high production cost. While completing activities and finishing, the given task for achieving goals. Mita realised that she was ignoring one of the important aspects of management.

Identify the aspects of management that has been ignored by Mita. Also explain the same with the help of an example.

Ans. The aspect of management ignored by Mita is efficiency. It means doing the task correctly with minimum cost. It increases when for the same output:

- (i) fewer resources are used.
- (ii) less costs are incurred.

**Example:** A production manager has set a target of producing 20,000 units of a product per month at a cost of a ₹200 each. The production manager achieves the production target at a cost of ₹220 each. In this case, production manager is inefficient but effective.

Q 3. Management is a complex activity that has three main dimensions. Explain these dimensions.

Ans. Management is complex activity that has three main dimensions. These are as follows:

(i) **Management of Work:** All organisation exists for performance of some work. Management translates this work in terms of goals to be achieved and assigns the means to achieve it. This is known as 'Management of work.'

These goals can be in terms of:

- (a) problems to be solve.
  - (b) decisions to be made.
  - (c) plans to be established, etc.
- (ii) **Management of People:** Management of people implies management of individuals. *i.e.* to allot authorities, responsibilities and establishing reporting relationships. It has two dimensions:

(a) It implies dealing with employees as individuals with diverse needs and behaviour.

(b) It also means dealing with individuals as a group of people.

(iii) **Management of Operations:** It combines management of work as well as people to produce the goods. It involves deciding what is to be done and who is to do it. This is interlinked with both management of work and management of people.

Q 4. Mitushi Ltd. is a well-known cement company in India. It is able to earn adequate revenues to cover costs. Its capital base, number of employees and production turnover has increased manifolds over the years. The rate of profitability of the business is also creditable. The employees of the company are happy and satisfied with their remuneration, working conditions, promotion policy, etc. As a part of its moral obligation, the company has taken many initiatives for providing employment to specially abled persons and promoting literacy in the villages adopted by it.

Identify and explain the various types of objectives of management being fulfilled by Mitushi Ltd. by quoting lines from the paragraph.

Ans. The various objectives of management being fulfilled by Mitushi Ltd. are stated below:

(i) **Organisational Objectives:** The organisational objectives of management refers to the main objectives required to fulfil the economic goals of the business organisation. There are three types of organisational objectives namely survival, profit and growth.

Lines Quoted:

(a) **Survival:** 'It is able to earn adequate revenues to cover costs.'

(b) **Growth:** 'Its capital base, number of employees and production turnover has increased manifolds over the years.'

(c) **Profit:** 'The rate of profitability of the business is also creditable.'

(ii) **Personal Objectives:** Personal objectives refers to the objectives which are related to the employees of the organisation.

Lines Quoted: 'The employees of the company are happy and satisfied with their remuneration, working conditions, promotion policy, etc.'

(iii) **Social Objectives:** Every organisation is a part of society. Thus, it has certain social obligations of fulfil. These social obligations are the social objectives of an organisation.

Lines Quoted: 'As a part of its moral obligation, the company has taken many initiatives for providing employment to specially abled persons and promoting literacy in the villages adopted by it.'



Q 5. Hema is one of the most successful managers of her company, 'Kobe Ltd'. She uses her creativity and initiative in handling challenging situations at work.

The knowledge gained by her during her student days at a renowned management institute as well as through her observation and experience over the years is applied by Hema in a skilful manner in the context of the realities of a given situation. She often reads books and other literature in various fields of management to keep her knowledge updated.

- (i) An aspect of the nature of management is being highlighted in the above description. Identify the aspect.
- (ii) Explain any three features of the aspect identified in point (i) with their applicability aspect in management.

Ans. (i) An aspect of the nature of management used in the above description is Management as Profession.

(ii) Three features of profession are:

(a) **Well-defined Body of Knowledge:** All professions are based on well-defined body of knowledge that can be acquired through training and instructions.

Management is a systematised body of knowledge with defined principles.

There are a large number of business schools and Institutes like IIM's all over the country engaged in imparting professional training and education in the field of management. So, this feature of profession is present in management.

(b) **Restricted Entry:** The entry to a profession is based on examination or through acquiring an educational degree. There is no restriction on anyone being appointed as a manager irrespective of educational qualification possessed by him/her. This feature of profession is not fully met in management.

(c) **Professional Association:** Professionals of a particular profession are required to get themselves registered with their respective associations for starting their practice. Such professional associations regulate entry, issues certificate of practice, formulate code of conduct, etc.

AIMA (All India Management Association) has laid down appropriate code of conduct in order to regulate activities of managers. However, there is no compulsion on managers to be part of these associations. So, this feature of profession is not hundred percent present in management.

Q 6. Sony Ltd., wants to modify its existing product, home theatre systems in the market due to decreasing sales.

(i) Which feature of management is highlighted in the above line?

(ii) What decisions/steps should each level of management take to give effect to this decision?

Ans. (i) Dynamic nature of management is highlighted in the above line.

(ii) In the given case, Sony Ltd., wants to modify its existing product. For this, functions to be performed by each level of management are:

**Functions of Top Level Management:**

(a) They must develop long-term objectives like expansion of business and manpower planning, etc.

(b) They should frame policies for departments like production, sales, etc.

(c) They must organise the business into various sections and departments to achieve organisational objectives.

**Functions of Middle level Management:**

(a) They must implement the policies framed by top level management

(b) They must assign duties and responsibilities to operative and supervisory personnel

**Functions of Lower level Management:**

(a) They must supervise the work of workers.

(b) They must maintain the quality of work and minimise wastage of material.

Q 7. Coordination is the essence of management. Explain.

OR

Coordination is not a separate function of management. It is the essence of management.

Ans. Coordination is the essence of management due to the following reasons:

(i) **Needed in all Management Functions:**

(a) **Planning:** Coordination between organisational plan and departmental plan.

(b) **Organising:** Required between authority, responsibility and accountability.

(c) **Staffing:** To achieve balance between job requirement and qualities of personnel.

(d) **Directing:** Required between supervision, motivation and leadership.

(e) **Controlling:** Ensure that actual results conform to expected results.

(ii) **Needed at all Levels:**

(a) Top level needs coordination to integrate activities of organisation for accomplishment of goals.

(b) Middle level requires coordination to integrate efforts of different sections and sub-sections.

(c) Lower level needs coordination in the activities of workers, to ensure that work proceeds as per plans.





## Long Answer Type Questions ↘

**Q 1.** Anju and Manju are good friends. Considering the fact that the activities involved in managing an enterprise are common to all organisations, after completing their masters in business management, both of them take up a job at managerial level in different organisations as per their individual areas of interest. Anju takes up a marketing job in a retail company and strives to increase sales whereas Manju joins an NGO and works diligently to realise its objective related to providing employment to specially abled persons. Both of them have to perform a series of continuous, composite, but separate functions. On some days, Anju may spend more time in planning a future display layout had on another day, she may spend time in sorting out an employee's problem. Both Anju and Manju make conscious efforts to build a feeling of team spirit and coordination among diverse individuals with different needs who work under them. The effect of their management is noticeable in their respective departments as the targets are met according as plans, employees are happy and satisfied, and there is orderliness in its functioning rather than chaos.

In the context of the above paragraph: Identify the various features of management highlighted in the above paragraph by quoting lines from it. Also define management.

**Ans.** **Meaning of Management:** Management is defined as a process of getting things done with the aim of achieving goals 'effectively and efficiently'.

**Features of Management:** The various features of management highlighted in the above paragraph are stated below:

**(i) Management is all Pervasive:**

**Lines Quoted:** "Considering the fact that the activities involved in managing an enterprise are common to all organisations, after completing their masters in business management, both of them take up a job at managerial level in different organisations as per their individual areas of interest."

**(ii) Management is a Goal-oriented Process:**

**Lines Quoted:** "Anju takes up a marketing job in a retail company and strives to increase sales whereas Manju joins an NGO and works diligently to realise its objective related to providing employment to specially abled persons."

**(iii) Management is a Continuous Process:**

**Lines Quoted:** "Both of them have to perform a series of continuous, composite, but separate functions. On some days, Anju may spend more time in planning a future display layout on another day, she may spend time in sorting out an employee's problem."

**(iv) Management is a Group Activity:**

**Lines Quoted:** "Both Anju and Manju make conscious efforts to build a feeling of team spirit and coordination among diverse individuals with different needs who work under them."

**(v) Management is an Intangible Force:**

**Lines Quoted:** "The effect of their management is noticeable in their respective departments as the targets are met according as plans, employees are happy and satisfied, and there is orderliness in its functioning rather than chaos."

**Q 2.** Esha works as the cost and risk management head of a company in power sector. As a result of her excellent managerial competence, the company is able to reduce costs and increase productivity. The company belongs to infrastructure sector, wherein regular amendments are made in the government regulations and policies. She holds regular meetings to ensure that people in her department are not only aware of the related changes but are also able to adapt to these changes effectively. This helps the company to maintain its competitive edge. She motivates and leads her team in such a manner that individual members are able to achieve personal goals while contributing to the overall organisational objective. In the process of fulfilling her duties for the growth of the organisation, she helps in providing competitive services, adopting new technology, creating more employment opportunities, etc. for the greater good of the people at large.

In the context of the above paragraph: Identify the various reasons that have made management so important by quoting from the paragraph.

**Ans.** The various reasons mentioned in the above paragraph that have made management so important are stated below:

**(i) Management Increases Efficiency:** The aim of a manager is to reduce costs and increase productivity through better planning, organising, staffing, directing and controlling the activities of the organisation.

**Lines Quoted:** "As a result of her excellent managerial competence, the company is able to reduce costs and increase productivity."

**(ii) Management Creates a Dynamic Organisation:** Management helps people in the organisation to adapt to the external changes in the environment so that the organisation is able to maintain its competitive edge.

**Lines Quoted:** "The company belongs to infrastructure sector, wherein regular amendments are made in the government regulations and policies. She holds regular meetings to ensure that people in her department are not only aware of the related changes but are also able to adapt to these changes effectively. This helps the company to maintain its competitive edge."





(iii) **Management Helps in Achieving Personal Objectives:** A manager, through motivation and leadership helps to develop:

- (a) team spirit.
- (b) cooperation.
- (c) commitment amongst people so that individual members are able to achieve personal goals while contributing to the overall organisational objective.

**Lines Quoted:** "She motivates and leads her team in such a manner that individual members are able to achieve personal goals while contributing to the overall organisational objective."

(iv) **Management Helps in Development of Society:** An organisation has many obligations towards different groups the constitute it which helps in growth and development of organisation as well as society.

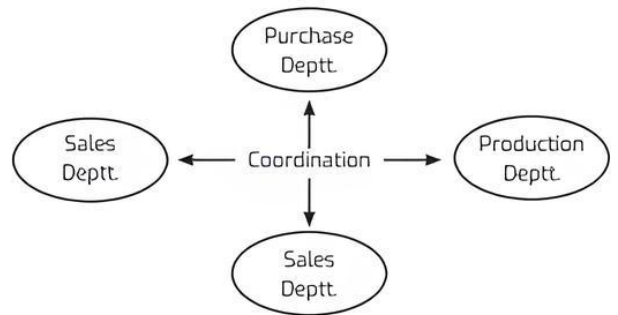
**Lines Quoted:** "In the process of fulfilling her duties for the growth of the organisation. she helps in providing competitive services, adopting new technology, creating more employment opportunities, etc. for the greater good of the people at large."

**Q 3. Kartik joins a garment factory as a plant supervisor in Lucknow. He observes that the output of some workers is very low as compared to the standards set for their performance. On analysing the reasons for the same, he finds out that a lot of time of the workers is wasted in getting the requisite materials issued from the store. Whereas on asking, the storekeeper complains that there is no harmony in the working of the production department as a whole. Everyday the workers approach him at the last minute to procure different kinds of threads, laces, mirrors, buttons, etc. If it is not available in the store, then he has to place an order with the purchase officer. As a result, a lot of time of the workers is wasted. So, in order to integrate the various production activities, henceforth, Kartik ensures that the storekeeper is informed well three days in advance about the requisite material. Consequently, the storekeeper is able to keep the materials ready for the workers every morning in accordance with their requirements.**

**In the context of the above paragraph:**

- (i) **Identify and explain the quality of management that Kartik has introduced in the working of the production department as a corrective measure to control the output of the workers.**
- (ii) **State briefly any two points highlighting the importance of quality of management identified in point (i).**

**Ans.** (i) Coordination is the quality of management that Kartik has introduced in the working of the production department as a corrective measures to control the output of the workers.



**Synchronises Efforts**

It is the process by which the manager synchronises the activities of different departments is known as coordination. It is the essence of management.

(ii) Two points highlighting the importance of coordination are stated below:

(a) **Growth in the Size:** The need of coordination arises when the organisation grows in size i.e. when the number of employees increases. Employees with different values, experiences and objectives become part of the organisation to satisfy their needs.

In order to bring harmony in the organisation, management has to integrate personal goals with organisational goals through coordination.

(b) **Functional Differentiation:** The organisation is divided into different divisions and departments. Each of them have their own separate objectives and functioning. Thus, departments work in isolation and independently leading to conflicts between them. Thus, coordination is required to ensure that these units remain a part of the organisation and more towards the realisation of pre-determined organisational goals.

**Q 4. Differentiate between top level, middle level and lower or supervisory level of management.**

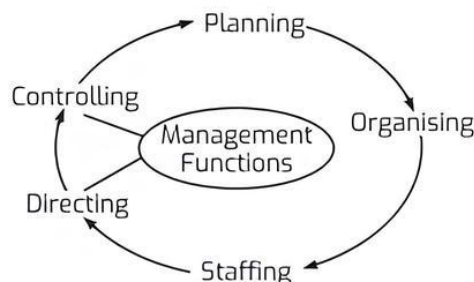
**Ans.** Differences between top level, middle level and lower level management are:

S. No.	Basis of Difference	Top Level Management	Middle Level Management	Lower Level Management
(i)	Time range	It covers a long span of period.	It covers a moderate range of period.	It is concerned with short period.
(ii)	Skills	It requires creative skills.	It needs persuasive skills.	It is concerned with operative skills.
(iii)	Evaluation	It is difficult to evaluate their achievement.	It is less difficult to evaluate their performance.	It is easy to evaluate their performance.



(iv)	Number of Persons	It involves few persons.	It involves moderate number of persons.	It is concerned with large number of persons.
(v)	Policy Formulation	It is concerned with the formulation of policies to a great extent.	It is moderately concerned with policy formulation.	It is least concerned with policy formation.
(vi)	Nature	It is determinative.	It is more administrative than determinative.	It is more executory and managerial than administrative.

**Q 5.** Jayant is working as Head Relationship Manager in the wealth management division of a private sector bank. He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives. A typical day at work in Jayant's life consists of a series of inter-related and continuous functions. He decides the targets for his department which are in line with the objectives of the organisation as a whole. The future course of action for his team members are laid out well in advance. The various resources required by the relationship managers like an iPad with GPS system, account opening forms, brochures, details of account holders, etc. are made readily available to them. The executives are given sufficient authority to carry out the work assigned to them. Jayant works in close coordination with the Human Resource Manager in order to ensure that he is able to create and maintain a satisfactory and satisfied workforce in his department. Through constant guidance and motivation, Jayant inspires them to realise their full potential. He offers them various types of incentives from time-to-time keeping in view their diverse individual needs. Moreover, he keeps a close watch on their individual performances in order to ensure that they are in accordance with the standards set and takes corrective actions whenever needed.



In the context of the above paragraph:

- (i) Identify the concept being referred to in the following line, "He has created an internal

environment which is conducive to an effective and efficient performance of his team of ten relationship management executives."

- (ii) Identify and describe the various functions of the concept as identified in point (i) of the question by quoting lines from the paragraph.

**Ans.** (i) The concept of management is being referred to in the following line, "He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives."

- (ii) The various functions of the management concept mentioned in the above paragraph are listed below:

**(a) Planning:** It is the process of deciding the objectives and future course of action. It is the first function of management.

**Lines Quoted:** "He decides the targets for his department which are in line with the objectives of the organisation as a whole. The future course of action for his team members are laid out well in advance."

**(b) Organising:** It is the process of assigning duties, grouping tasks, establishing authority and allocating resources to achieve future goals.

**Lines Quoted:** "The various resources required by the relationship managers like an iPad with GPS system, account opening forms, brochures, details of account holders, etc. are made readily available to them. The executives are given sufficient authority to carry out the work assigned to them."

**(c) Staffing:** This function is concerned with finding the right person for right position at right time.

**Lines Quoted:** "Jayant works in close coordination with the Human Resource Manager in order to ensure that he is able to create and maintain a satisfactory and satisfied workforce in his department."

**(d) Directing:** It is the process of issuing of instructions for performance of jobs, motivating and leading employees in an organisation.

**Lines Quoted:** "Through constant guidance and motivation, Jayant inspires them to realise their full potential. He offers them various types of incentives from time-to-time keeping in view their diverse individual needs."

**(e) Controlling:** It is the process of ensuring that the organisation is able to attain the organisational goals.

**Lines Quoted:** "Moreover, he keeps a close watch on their individual performances in order to ensure that they are in accordance with the standards set and takes corrective actions whenever needed."





**COMMON ERROR**

Here, students may not be able to identify the concept of management itself. Students must read the words like effective, efficient performance, etc. that are very well stated in the concept of management in order to identify it. Moreover, understanding of the concept of management must be crystal clear.

**Q 6. "Coordination is the orderly arrangement of group efforts to provide unity of action in the pursuit of common purpose." In the light of this statement, explain the nature of coordination.**

OR

**Explain any five features/characteristics of coordination.**

**Ans. Characteristics of Coordination:** The main characteristics/features of coordination are as follows:

- (i) **Coordination Integrates Group Efforts:** It unifies unrelated or diverse interests towards achievement of common organisational goals.
- (ii) **Coordination Ensures Unity of Action:** It acts as the binding force and aims to ensure that all efforts are focused towards achieving organisational goals.
- (iii) **Coordination is a Continuous Process:** It is required in all functions of management, therefore, coordination is not a one-time function but a continuous function.
- (iv) **Coordination is an all Pervasive Function:** Coordination is universal in nature. It is needed in all departments and at all levels. In the absence of coordination, there is overlapping of activities.
- (v) **Coordination is a Deliberate Function:** A manager has to coordinate the efforts in a deliberate manner even when members of a department willingly coordinate.

**Q 7. "Management is considered to be both an art and science." Discuss.**

OR

**"Management is regarded as an art by some, as science or as an inexact science by others. The truth seems to be somewhere in between." In the light of this statement, explain the true nature of management.**

**Ans. Management as an Art:** Art is the skilful and personal application of existing knowledge to achieve desired results. Management is an art as it satisfies all the characteristics of art like as theoretical knowledge, personalised application and based on practice and creativity.

**Management as a Science:** Science is a systematised body of knowledge that explains certain general truths or the operation of general laws. Like a science, management has a systematised body of knowledge that explain general truths and factual

situations. But it is not considered as a perfect science as it is concerned with human behaviour which is unpredictable.

**Management both Science and Art:** Management is a science as well as an art because it is a combination of an organised body of knowledge and skilful application of this knowledge.

**Q 8. What is meant by management? State any three functions of each level of management.**

**Ans. Meaning of Management:** Management is a process of planning, organising, staffing, directing and controlling the resources of an enterprise efficiently and effectively for achieving the organisational goals.

According to **Koontz and O' Donnell**, "Management is the creation of an internal environment where individuals working in a group can perform effectively and efficiently for the achievement of organisational goal."

**Levels of Management:** In an organisation, three levels of management are identified:

(i) **Top Level Management:** Top level managers are responsible for determining overall objectives and policies for the organisation. It includes Board of Directors, Chairman, President, etc. The main functions of top level management are:

- (a) To integrate diverse elements and coordinate the activities of different departments.
- (b) To analyse the business environment.
- (c) To formulate overall organisational goals and strategies for their achievement.

(ii) **Middle Level Management:** Middle level management (managers) are responsible for implementing policies at top level. It includes heads of different functional departments, plant superintendent, etc. The main functions of middle level management are:

- (a) To interpret the policies framed by top management.
- (b) To ensure that their department has the necessary personnel.
- (c) To cooperate with other departments for smooth functioning of the organisation.

(iii) **Operational/Lower Level Management:** Lower level managers are responsible for executive work assigned by middle level. It includes supervisors, foremen, superintendents, section officers, etc. It is also known as supervisory level management. The main functions of lower level management are:

- (a) To oversee the efforts of the workforce.
- (b) To interact with the actual workforce and to pass on instructions of the middle level management to the workers.
- (c) To represent workers' grievances.





## Chapter Test

### Multiple Choice Questions

- Q 1. Management is:  
a. a science                      b. an art  
c. Both a. and b.                d. Neither a. nor b.
- Q 2. .... management passes on the instructions of management to the workers.  
a. Top level                      b. Middle level  
c. Supervisory level          d. None of these
- Q 3. The terms 'Cooperation' and 'Coordination' are:  
a. opposite                      b. synonym  
c. complementary              d. All of these
- Q 4. Statement I: Management must fulfil the personal objectives of individuals.  
Statement II: Satisfied and motivated employees work whole heartedly for the organisation.  
Choose the correct option from the options given below:  
a. Statement I is true and II is false.  
b. Statement II is true and I is false.  
c. Both the statements are true.  
d. Both the statements are false.

### Assertion and Reason Type Questions

**Directions (Q. Nos. 5-6):** There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below:

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).  
b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).  
c. Assertion (A) is true, but Reason (R) is false.  
d. Assertion (A) is false, but Reason (R) is true.
- Q 5. Assertion (A): Management is termed as a 'Process'. Reason (R): Management involves a series of inter-related functions, such as planning, organising, staffing, directing and controlling.
- Q 6. Assertion (A): Management is called an exact science. Reason (R): Management deals with complex human behaviour, which cannot be determined with accuracy.

### Case Study Based Questions

- Q 7. Read the extract given below and answer the questions on the basis of the same:  
Raja Ltd. is a highly reputed company. Different functions are performed by different individuals in this company, who are bound together in a hierarchy of relationships. Every individual in the hierarchy is responsible for successful completion of a particular task.  
Mr. Raman is responsible for the welfare and survival of the organisation. He formulates overall organisational goals and strategies for their achievement. Mr. Puneet ensures that quality of output is maintained, wastage of material is minimised and safety standards are maintained.  
Mr. Sharma assigns necessary duties and responsibilities to the personnel and motivates them to achieve the desired objectives.

- (i) At what level of management Mr. Raman is working?  
a. Middle                      b. Top  
c. Lower                      d. None of these
- (ii) At what level of management Mr. Puneet is working?  
a. Middle                      b. Top  
c. Lower                      d. None of these
- (iii) At what level of management Mr. Sharma is working?  
a. Middle                      b. Top  
c. Lower                      d. None of these
- (iv) Who is creating a link between top level and lower level management?  
a. Mr. Raman                      b. Mr. Puneet  
c. Mr. Sharma                      d. None of these

- Q 8. Read the extract given below and answer the questions on the basis of the same:

Shreeji Ltd. was manufacturing water-heaters. In the first year of its operations, the revenue earned by the company was just sufficient to meet its costs. To increase the revenue, the company analysed the reasons of less revenues. After analysis, the company decided:

- (a) To reduce the labour cost by shifting the manufacturing unit to backward area where labour was available at a very low rate.  
(b) To start manufacturing solar water-heaters and reduce the production of electric water-heaters slowly.  
This will not only help in covering the risks but also help in meeting other objectives too.  
(i) Identify and explain the objectives of management discussed above.  
(ii) Explain the personal objectives of management.

### Very Short Answer Type Questions

- Q 9. Which level act as a link between the two other levels of management?  
Q 10. Why is management an intangible force? State.

### Short Answer Type-I Question

- Q 11. Management is skilful and personal application of existing knowledge to achieve desired results. Explain.

### Short Answer Type-II Question

- Q 12. Management does not have some features of a profession. Explain those features.

### Long Answer Type Questions

- Q 13. Explain any five features of coordination.  
Q 14. Explain the functions of management.