

Meaning, Nature & Importance of Management Principles

1 Mark Questions

1. What is meant by 'Principles of management'?
(All India 2013 2009; Delhi 2011)

Ans. Principles of management are general guidelines, which can be used for conduct in work places under certain situations. It also helps manager to take and implement thoughtful decisions.

2. What is meant by 'Universal applicability of principles of management'? (Delhi 2011; All India 2008C)

Ans. 'Universal applicability of principles of management' means that the principles of management are intended to apply to all types of organisations at all places.

3. State any one reason why principles of management are important? (All India 2011)

Ans. Principles of management are important as they help managers in taking thoughtful and scientific decisions.

4. What is meant by the statement 'principles of management are flexible'? (Delhi 2011)

Give any one reason why principles of management are not rigid prescriptions? (All India 2010; Delhi 2010)
or

Why are the principles of management called flexible? (Delhi 2009)

State how the management principles are flexible. (Delhi 2008)

Ans. Principles of management are flexible, which means that they are not rigid, and can be modified by the manager as per the situation.

5. What is meant by the statement 'principles of management are contingent'? (All India 2011)

Ans. The application of principles of management is contingent as it depends upon the prevailing situation at a particular point of time.

6. Give any one reason why principles of management do not provide readymade solution to all managerial problems. (All India 2010; Delhi 2010)

Ans. Principles of management do not provide readymade solution to all managerial



problems because principles provide general guidelines to managers whereas real business situations are extremely complex and not based on theoretical knowledge.

7. Why are the principles of management called universally applicable? (All India 2009)

Ans. The management principles are universal because these are applicable in all conditions and in all organisations whether it is a profit making or non-profit making.

8. The principles of management are different from those of pure sciences. State any one difference. (All India 2008; Delhi 2008)

Ans. Management principles are flexible, whereas principles of pure science are rigid.

9. How the management principles have been derived? (All India 2008)

Ans. The management principles have been derived through observation, analysis, experimental studies and personal experiences of the managers.

10. Why is it said that management principles are universal in application? (Delhi 2008)

Ans. The management principles are said to be universal in application because these are applicable to all types of organisations, irrespective of the size or nature.

11. State any two points which highlight the nature of principles of management. (Delhi 2008C)

Ans. Following points highlight the nature of principles of management:

- (i) They are universal.
- (ii) They are flexible.

3 Marks Questions

12. Explain how principles of management

- provide useful insight into reality and
- help in thoughtful decision-making (Delhi 2012)

Ans. (i) Provide useful insight into reality The principles of management provide useful insight into real world situations. Managers may apply these principles to fulfil their tasks and responsibilities. These principles guide the managers in taking and implementing thoughtful decisions,



(ii) Thoughtful decision-making These principles help in enhancing knowledge, ability and understanding of managerial situations and circumstances. They must be timely, realistic and subject to measurement and evaluation. They emphasise logic rather than blind faith and are free from bias and prejudice.

13. Explain how principles of management

- **help in optimum utilisation of resources and effective administration and**
- **help the managers in meeting changing environment requirements. (All India 2012)**

Ans. (i) Principles of management help in optimum utilisation of resources by equipping managers to foresee the cause and effect relationship of their decisions and actions, as such the wastage associated with a trial and error approach can be overcome.

Principles of management help in effective administration by limiting the boundaries of management discretion so that their decisions may be free from personal prejudice and bias.

(ii) Principles of management help the managers in meeting changing environment requirements because they can be modified according to the changes taking place in the environment, e.g. the principle of division of work has now been extended to the entire business. Therefore, companies are focusing on their competency and divesting non-core business.

4/5 Marks Questions

14. Explain any five characteristics which reflect the nature of principles of management. (Delhi 2010c)

Ans. Management principles are broad and general guidelines for decision-making and behaviour.

Following features highlight the characteristics of management principles:

(i) Universal application Management principles are applied in every situation where the objectives are attained through group efforts. All social, economic, political or religious organisations apply management principles for their successful operations. Every organisation must make the best possible use of its available resources by the application of management principles along with managerial functions such as planning, organising, staffing, directing and controlling.

(ii) Flexibility The principles of management are not rigid prescriptions, which have to be followed absolutely. They are flexible and can be modified by the manager when the situation so demands. They give the manager enough discretion to do so.

(iii) General statements Management principles are concerned with human behaviour which cannot be tested under laboratory conditions. Human behaviour cannot be

predicted accurately. Therefore, management principles are not as exact as the principles of physical science.

(iv) Influencing human behaviour Human element is an essential factor of production. It activates and extracts work from other factors also. Each person is different from other as regards to his ability, knowledge, skills, social status, attitudes and ideologies. Management is concerned with the integration of individual efforts.

(v) Cause and effect relationship Management principles also form a cause and effect relationship. It indicates the consequences of certain actions or inactions in the business, eg. if wages are paid on piece rate system, the quantity of work will increase but the quality will suffer. The principles of unity of command, will avoid confusion, duplication and overlapping of work.

15. Explain by giving any five reasons why principles of management are needed? (All India 2010)

or

Explain by giving any five reasons why proper understanding of management principles is necessary? (Delhi 2009)

Ans. Management principles are essential for the successful running of business organisation. These principles are guidelines to management. They highlight the areas where the management should pay immediate attention. These principles simplify the process of management, increase the overall efficiency of management and help in the achievement of objectives.

The significance of management principles can be summarised as follows:

(i) Provide the manager with useful insight into reality Management principles act as guidelines for the managers. These principles improve knowledge, ability and understanding of managers under various managerial situations. The effects of these principles help the managers to learn from their mistakes.

(ii) Optimum utilisation of resources Several principles of management aim at optimum utilisation of all types of resources for the attainment of organisational goals, e.g. principles of division of work, discipline, unity of direction, order, etc facilitate better utilisation of human efforts and physical resources.

(iii) Scientific decisions The knowledge of management principles enables managers to learn the cause and effect relationship between variables operating in the organisation. They are able to develop a scientific and objective approach towards problem solving and decision-making.

(iv) Meeting changing environment requirements Every businessman has to cope up with the changes that are taking place in the business environment. Management principles train the managers to implement the changes in right direction and at right level in the organisation.

(v) Fulfilling social responsibility A manager is able to achieve efficiency and economy in the activities of his enterprise by applying management principles. These principles are aimed at maximising profits without loss of social value. In other words, management principles seek to ensure that the resources of the society are utilised fully and good quality products at fair prices are made available to society.

16. Explain how principles of management help in

- **meeting changing environment requirement and**
- **making scientific decisions. (All India 2009)**

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