

DELHI PUBLIC SCHOOL, JAMMU

WORKSHEET

BUSINESS STUDIES

CLASS 12TH

PART A: PRINCIPLES AND FUNCTIONS OF MANAGEMENT

UNIT-1 NATURE AND SIGNIFICANCE OF MANAGEMENT

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

Efficiency- Doing the right task correctly and using resources wisely in a cost-effective manner.

Effectiveness-Doing the right task and completing it within the given time period.

Characteristics/Features of the Management

- a) Management is a Goal oriented process.
- b) Management is all pervasive/Universal.
- c) Management is Multidimensional.
- d) Management is a continuous process.
- e) It is a group activity.
- f) It is a dynamic function
- g) It is an intangible force.

Objectives of Management-

- a) Organizational objectives
 - Survival
 - Profit
 - Growth
- b) Social objectives
- c) Personal objectives

Importance of management

- a) Helps in achieving group goals.
- b) Increases Efficiency.
- c) Creates dynamic organization.
- d) Helps in achieving personal objectives.
- e) Helps in the development of society.

Nature of Management-

Management is both science and art- Management can be regarded as both science and art because it is a combination of an organized body of knowledge and skillfull application of this knowledge.

Levels of Management

- a) Top level Management
- b) Middle Level Management
- c) Operative/Supervisory/Lower-Level Management.

Hierarchy of Management

The chain of command consisting of a series of managerial positions is called hierarchy of management.

Coordination

Coordination may be defined as orderly arrangement of group efforts to provide unity of action in the realization of a common purpose.

Nature/Features of Coordination-

- a) Integrates group efforts
- b) Ensures unity of action
- c) Continuous process
- d) Pervasive function
- e) It is the responsibility of all the managers.

Need/Importance of Coordination

- a) Size of the organization
- b) Functional Differentiation
- c) Specialization.

QUESTIONS FOR PRACTICE

- Q1. Company X is facing a lot of problems these days. Its manufactures white goods like washing machines, microwave ovens, refrigerators and air conditioners. The company's margins are under pressure and the profits and market share are declining. The production department blames marketing for not meeting sales targets and marketing blames production department for producing goods, which are not of good quality for meeting customers' expectations. The finance department blames both production and marketing for declining return on investment and bad marketing.

Which concept of management do you think the company is lacking? Explain briefly.

What steps should be company the company management take to bring the company back on track?

- Q2. Mega Ltd manufactured 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 analyzed the reason behind the less revenues. After analysis, the company decided.

- to reduce the labour costs by shifting the manufacturing unit to a backward area where labour was available at a very low rate.
- 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.

Identify and explain the objectives of management discussed above.

- Q3. Sooraj works as a salesman in a company selling pet accessories and food. He has been given a target of selling 1200 units of the food packets in a month by offering a maximum of 10% discount to his customers. In order to meet his monthly sales target, on the last two days of the month, he offers 15% discount to his customers.

In the context of the above case:

Is Sooraj effective in his work? Explain by giving a suitable reasons in support of your answer.

- Q4. Kitchen king Enterprises are producers of hand operated grinders. Now with a lot of women in the society going out for job there is a greater demand for product which is more efficient and works at a great speed. On realizing this change the company decided to enter into the market for producing electronically operated mixers and grinders and food processors.

Which level of management will take this decision?

- Q5. 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 realizes that each departmental head has 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 case:

Identify and explain the nature of management highlighted in the above case.

- Q6. XYZ power 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 increased 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 crèches for the children of its employees.

a. Identify and explain the objectives of management discussed above

Q7. Arundhati has been promoted to the post of Marketing Division Head of a soft drink company. Identify the level of management at which she will be working henceforth. State any four functions that she will have to perform at this level.

Q8. Ashutosh Goenka was working in 'Axe Ltd', a company manufacturing air purifiers. He found that the profits has started declining from the last six months. Profit has an implication for the survival of the firm, so he analyzed the business environment to find out the reasons for this decline.

Identify the level of management at which Ashutosh Goenka was working?

Q9. Geetika is working in a private sector bank. One of her function relates to the formulation of the overall organizational goals and strategies of the bank. Identify the level of management at which she is working? State any three other functions that she has to perform at this level.

Q10. A company's target product is 5000 units in a year, to achieve this target the manager has to operate in double shifts due to power failure. The manager is able to meet the target but at a higher production cost.

Is the manager efficient or effective?

Q11. The production manager at Smart Laptops Ltd., was assigned a target of producing 5000 laptops in a month. He had 10 workers under him. Each of these workers was allotted the task of producing 500 laptops each. During the course of the month, due to severe cold, two workers feel sick. The other workers refused to divide their work amongst them and concentrated only on the production of their own individual targets of producing 500 laptops. Thus, at the end of the month the group target of 5000 laptops could not be met.

Which characteristic of management is being ignored in the above case?

Q12. Anju and Manju are good friends. Considering the fact that the activities involved in managing an enterprise are common to all organization after completing their masters in business management, both of them take up a job at managerial level in different organizations 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 realize 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 and 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 to plans, employees are happy and satisfied, and there is orderliness in its functioning rather than chaos.

In context of the above case:

Identify the various features of management highlighted in the above paragraph by quoting lines from it.

Q13. Identify the functions of the management.

a. Motivating employees and giving instructions to them to perform the tasks assigned to them.

b. Recruitment and selection of the personnel.

c. Finding out deficiencies in implementation of plans.

Q14. Amit and Kavya, complete their school education together. After that Amit appears and qualifies MBBS entrance examinations and joins a reputed Medical college to pursue a degree in medicine. After 4 years, he will get a degree from Medical council of India and start practicing as a doctor. Kavya had to take over her mother's business as she passes away in a tragic accident. She

assumes the post of Managing Director' in the company. Kavya also joins National Open School to complete her graduation along side.

On the basis of above para identify and explain the main features of a profession. Also, share your views on whether management is a profession or not.

- Q15. Prime Minister of India, launched the Swachh Bharat Abhiyan and urged all the citizens and business organizations to actively support it. Keeping this in mind, Armour Helments Pvt. Ltd. decided to contribute by installing 500 dustbins in and around major markets of the city.

Which objective of management is the company trying to fulfill by this act?

ANSWERS

- Q1. The company is lacking an important aspect of management that is Coordination. Here production department, marketing department and finance department are not working in unity for achieving the goals of the organization due to which return on investment and market share is declining.

To bring company back on track proper coordination should be ensured. Coordination will help in integrating activities of separate units of an organization to accomplish the goals efficiently. Favourable environment should be created where departments instead of blaming each other can work in harmony with each other for improving the current situation of the company.

- Q4. Top level management

- Q6. a. Social Objectives have been discussed in the given situation. The social objectives of an organisation basically involves the creation of benefit and development of the society. The following are some of the social objectives of management that are being indicated in the given situation.

- i. Producing environment friendly products such as solar lanterns.
- ii. Setting-up a factory of solar lanterns in order to provide electricity in rural areas.
- iii. Providing employment opportunities to the needy.

- Q10. He is effective but not efficient