

DELHI PUBLIC SCHOOL, JAMMU

Session-2021-22

Subject- Business Studies

Class XII

FOUNDATION WORKSHEET

Unit - 1 : NATURE AND SIGNIFICANCE OF MANAGEMENT

Summary of the Chapter

Meaning/concept of management:

Management is the process of getting things done with the aim of achieving goals effectively and efficiently.

Effectiveness : means completing the right task to achieve the goal within time.

Efficiency: means completion of task using minimum resources

Features of management

1. Multidimensional - Management of Work, Management of People, Management of Operation
2. Continuous process
3. Dynamic
4. Intangible force
5. Goal oriented
6. Group activity
7. pervasive

Functions of Management-

1. Planning - Setting objectives and targets and formulating an action plan of what is to be done, how to be done and when to do it
2. Organising - Assignment of duties, task, establishment of authority and responsibility Relationship, allocating the resource required to perform the planned task.
3. Staffing-Finding and placing the right person at the right job at the right time.
4. Directing - Leading, influencing, motivating the staff chosen to perform the assigned task efficiently and effectively.
5. Controlling - Ensuring/Monitoring the activities in an organisation are performed as per

Management objectives

Organisational objectives:

Survival:- Ensure that the organisation survives and exists in the future.

Profitability:- Earning adequate profit in order to survive and grow.

Growth:- Growth indicates how well it exploits the potential opportunities.

Social objectives:

- Producing quality products at reasonable rates,
- Generating employment opportunities
- Environmental friendly methods of production.

Personal objectives:

- Meeting the Financial needs like competitive salaries and perks
- Social and safety needs of the employee like peer
- Providing healthy working conditions
- More opportunities for growth and development

Importance of management

1. Achieving Group Goals
2. Dynamic organization
3. Achieving Personal objectives
4. Increases efficiency
5. Development of society facilitate changes

Levels of Management-

The levels of management denote a demarcation between various position in an organization on the basis of the irresponsibility, authority and status .These are–

Top management - Ex- CEO, Board of directors, MD, President & chairman.

Functions:

- a) Decide overall objectives of the organization.
- b) To make plan.
- c) Provide various resources
- d) Decide policies

Middle Management - Ex- Departmental heads such as purchase manager, Operations manager, production manager, marketing manager & plan superintendent etc. Divisional heads

Functions:

- a) To implement plan and policies.
- b) To assist top management.
- c) To assign job to subordinates.
- d) To recruit employees for their respective departments

Lower level Management - eg- Foremen, Inspectors, Supervisors etc.

Functions

1. To arrange raw materials, tools and other facilities.
2. To ensure about the performance of workers
3. To ensure safety and security of workers

Nature of management

As an art:-

1. Based on practice and creativity
2. Personalised Application

3. Existence of Theoretical knowledge

As a Science:

1. Universal validity
2. Arranged, organized systematic body of knowledge
3. Principles arrived after experimentation

As a Profession:

1. Well defined body of knowledge.
2. Existence of code of conduct
3. Professional association (AIMA)
4. Restricted entry
5. Fees as remuneration for their services

Coordination

It is the synchronization of various activities and efforts in an organization providing the Required amount of quality, timing and sequence; thus ensuring the achievement of the planned goal with minimum content.

Features of coordination:

1. Integrates Group Effort:
2. Ensures unity of action
3. It is a Continuous Process
4. It remains the function and responsibility of every manager

Practice Questions

1. 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 analysed the reasons 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.

a) Identify and explain the objectives of management discussed above.

2. Mr. Nithin Singhania's father has a good business of iron and steel. He wants to go to USA for his MBA but his father thinks that he should join the business. On the basis of emerging trends, do you think that Mr. Singhania should send his son to USA? Give

any three reasons in support of your answer.

3. In order to achieve target production of 50,000 units per month, the Production Manager of Action Shoes Ltd had to operate on double shifts. Due to power failure most of the time, the manager was able to achieve the target, but at a production cost. In your point of view, what is lacking in management? Explain.

4. Various departments of Swift Automobiles Ltd have set up their own objectives without paying any interest to the organizational objectives.

a. Name the values which are ignored by the departmental heads.

b. What would be the impact of diverse objectives on the organization?

5. Mr. Amol passed his B.Sc (Non-medical) examination in the year 2014. After this he successfully ran the business of his father. Suddenly he thought of seeking employment.

He got the job of a finance manager in a company on the basis of his knowledge, experience and proficiency. He is doing his job successfully.

i. Is the appointment of Mr. Amol as a manager valid?

ii. Was not it necessary for him to do M.B.A or some other course for this job?

6. Why coordination is considered as an essence of Management?

7. Discuss the nature of Management.