

CBSE Test Paper - 05

Chapter - 1 Nature and Significance of Management

1. Why is management also considered as a profession? **(1)**
 - a. Membership of Professional Association is compulsory
 - b. Well-defined body of knowledge
 - c. Entry to profession is restricted
 - d. Professions are bound by code of conduct
2. According to the nature of management, Management can be considered as: **(1)**
 - a. An Art
 - b. Neither a science nor an art
 - c. Both art and science
 - d. A science
3. Which is not an organisational/economic objective of management out of the following? **(1)**
 - a. Earning Profits
 - b. Growth of the organisation
 - c. Survival of the organisation
 - d. Providing employment
4. Which is not a separate function of management out of the following? **(1)**
 - a. Cooperating
 - b. Planning
 - c. Staffing
 - d. Controlling
5. Sujata works as a designer in an export house. As per the terms of an order received by the export house, she has to get 1000 units of denim jackets made in 15 days @ Rs 2000 per jacket. She is able to complete her target production in 20 days because in order to complete the order in 15 days she would have made the workers work over time. As a result, the cost of production per jacket may have increased by Rs 100. In context of the above case; Is Sujata efficient in her work? Explain by giving a suitable reason support of your answer. **(1)**
6. What is meant by management of people? **(1)**

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7. "Management creates a dynamic organisation." How? **(1)**
 8. "Management helps in development of society." How? **(1)**
 9. Elpis Technology Solutions P(Ltd) is able to achieve its target sales within the prescribed time as employees are happy and there are orderliness and coordination in the work environment. Discuss the characteristic of management depicted here? **(3)**
 10. Why management is called a group activity? **(3)**
 11. What are the three levels of management? State any three functions of the top level management. **(4)**
 12. Explain how Management increases efficiency. **(4)**
 13. Explain the following techniques of scientific management:
 - i. Motion Study
 - ii. Time Study **(5)**
 14. State any five features of 'coordination'. **(5)**
 15. Ajay and Sanjay are childhood friends. Sanjay had lost his right hand in an accident in childhood. They meet after a long time in a restaurant. On being asked, Sanjay tells Ajay that he feels very discontented in managing his family business after the death of his father as it doesn't match with his areas of interest. Ajay knows that Sanjay possesses extraordinary skills in management although he hasn't acquired any professional degree in management. Therefore, he asks Sanjay to wind up his business in India and join him in his hotel business in Dubai as an Assistant Manager in the Sales and Marketing Division.

In the context of the above case:

 - a. Can Sanjay be deployed at the post of Assistant Manager in the Sales and Marketing Division though he hasn't acquired any professional degree in management? Explain by giving suitable justifications in support of your answer.
 - b. List any two values that are reflected in this act of Ajay. **(6)**
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Answer

1. b. Well-defined body of knowledge

Explanation:

All professions are based on a **well-defined body of knowledge** that can be **acquired through instruction**.

Management is based on a **systematic body of knowledge** comprising well-defined principles based on a variety of business situations. This knowledge can be **acquired at different colleges and professional institutes and through a number of books and journals**.

2. c. Both art and science

Explanation:

Management is considered both art and science. Because:-

- i. The **practice of management** is an **art**.
- ii. However, managers can work better if their practice is based on the **principles of management**. These **principles** constitute the **science** of management.

3. d. Providing employment

Explanation:

There are three organisational/economic objectives of management :

- i. Survival
- ii. Profits
- iii. Growth **Providing employment** to the **disadvantaged sections of society** is a part of **social objective of management**.

4. a. Cooperating

Explanation:

There are five functions of Management, Which are as follow :-

- i. Planning
- ii. Organising

iii. Staffing

iv. Directing

v. Controlling Cooperating is not a separate function of management.

Cooperating means work together for a common purpose or benefits. While performing different functions of management, Members of an organisation may cooperate each other. Cooperation can be there in all the functions of management. But it can not be considered as a separate function of management.

5. Sujata is effective not efficient in her work as she achieves her target on time but increases the cost of production.
6. Management of people is an art of getting things done through others. As human resources are the most important assets of any organisation. A manager deals with individuals who have different needs and behaviour. He directs and motivates them to work towards the organisational goals by fulfilling their social and financial needs.
7. Management helps people adapt to the changes so that the organisation is able to maintain its competitive edge which results in creating a dynamic organization.
8. By providing good quality products and services, creating employment opportunities, adopting new technology and leading the path towards growth and development.
9. Management is intangible force;
 - i. Management is the intangible force that cannot be seen but its presence can be felt in the way the organization functions.
 - ii. The effect of management is noticeable in an organization where targets are met according to plans, employees are happy and satisfied.
 - iii. Moreover, there is orderliness instead of chaos.
10. Management is called a group activity because success of the management is depend upon the contribution and co-operation of the employees. It is difficult to accomplish the stated objectives without the human beings. Man power is required for the purpose of planning, organizing, staffing, directing and controlling the business activities. People may be doing different tasks but they work towards fulfilling the common organizational goal. In simple words, it requires team work and coordination of individual effort in a common direction. It is not a single person activity it is always done in group. It is mixture of function like planning, organizing, staffing, directing and controlling in such a coordinated way that the goal of the

organization achieve effectively and efficiently & this can not be done by a single person. So we can say that it is a group activity.

11. Three levels of management are:

- i. Top Level Management: They consists of the senior most executives of the organisation like CEO, CFO, President, Vice-President, etc.
- ii. Middle Level Management: Middle management is the link between the top level and the lower level manager e.g., division heads, department heads, and regional heads.
- iii. Supervisory or Operational Management: Foreman supervisors comprise the lower level in hierarchy of the organisation. They interact the actual workforce.

Functions of Top Management

the three functions of top management are-

- iv. Determining objectives of the organisation: Their basic task is to integrate diverse elements and coordinate the activities of different departments according to the overall organisational objectives.
 - v. Welfare and survival of organisation: These top level managers are responsible for welfare and survival of organisation.
 - vi. Analyse business environment: They analyse business environment and its implication for the survival of the firm.
12. i. The aim of a manager is to reduce costs and increase productivity through better planning, organising, directing, staffing and controlling the activities of the organisation.
- ii. A manager increase efficiency also through the optimum utilization of all the resources such as man, machine, material and money (i.e., 4 M).
- iii. For example, a business may concentrate more on producing goods with fewer resources i.e., cutting down cost. This is a case of being efficient. So, in this manner management increases efficiency.
13. **The techniques of scientific management are explained as follows:**
- i. **Motion Study** - The propounder of this concept was Frank Gilbeshth. He defined motion study as the “**Science of eliminating wastefulness resulting from ill-directed and inefficient motions**”. The main aim of motion study is to find the scheme of least wastage of labour. Subsequently, the scope of Motion Study was enlarged and it was named as Method Study.

The method of study can also be defined as “**Systematic recording and critical examination of existing and proposed ways of doing work as a means of developing and applying easier and more effective method and thereby reducing cost**”. Method Study is a technique which includes the standardisation of equipment, method and working conditions, and training of the operator to follow the standard method.

Objectives of Method Study/Motion Study:

1. To improve the process of doing work
 2. To improve the design of work place layout
 3. To find the best way of doing a job
 4. To ensure reduced health hazards
 5. To minimise the unnecessary human movements
 6. To have more effective utilisation of material, machines and workers
 7. To train the individual worker in its practice as per standardised method.
- ii. **Time Study** - Time study is a structured process of directly observing and measuring human work using a timing device to establish the time required for completion of the work by a qualified worker when working at a defined level of performance.

It follows the basic procedure of systematic work measurement of:

- a. **Analysis** of the work into small, easily-measurable components or elements
 - b. **Measurement** of those components and
 - c. **Synthesis** from those measured components to arrive at a time for the complete job.
14. Coordination is a continuous process, by which a manager integrates the inter-related activities of different departments in order to achieve the common organisational goals. Coordination is a function that is inherent and pervasive. Coordination is not a separate function of management it is called a deliberate function which is the duty of every manager either top middle or lower level. It is the essence of management. It is the base or primary function of every manager because the various department of an organisation are working independently and there is a need to relate and integrate their activities towards the desired goal frame by top-level management. Features of coordination are as follows:
- i. **Integration of group efforts:** All business activities like planning, organising,

staffing, directing and controlling are interdependent. Therefore, there should be coordination among them. Coordination enables the business to make efficient use of its available resources.

- ii. **Unity of action:** Coordination enables the manager to secure unity of action in the direction of a common purpose. It always emphasises on unifying the efforts of a different individual in the main direction to achieve the goal effectively and efficiently.
 - iii. **Continuous process:** It is a continuous process and not a one-time task. It is a non-ending function. A manager has to continuously coordinate the activities of different departments in order to meet the targets by using the available resources efficiently.
 - iv. **All pervasive function:** It is an all-pervasive function, which runs through all managerial functions from planning till controlling. It is not only needed among different departments but also with the departments at all levels.
 - v. **Deliberate function:** A manager has to coordinate the efforts of different individuals working in an organisation in a conscious and deliberate manner.
15. i. Yes, Sanjay can be deployed at the post of Assistant Manager in Sales and Marketing Division although he hasn't acquired any professional degree in management as management is not considered to be a full-fledged profession because of the following reasons:
- **Well-defined Body of Knowledge** All professions are based on a well-defined body of knowledge that can be acquired through a teaching - learning process. This feature of a profession is possessed by management as well. There is vast knowledge available on management in the form of definitions, concepts, theories, principles etc.
 - **Restricted Entry** All professions have a restriction on the entry of its practitioners. They have to acquire a specific degree to be professional e.g., LLB for a lawyer MBBS for a doctor etc. But a manager can be an MBA qualified or not.
 - **Professional Association** All professions are affiliated to a professional association which regulates entry, grants certificate of practice and formulates a code of conduct e.g., all lawyers have to be a member of Bar Council to practice law. It is not compulsory for all managers to be a

member of AIMA.

- Ethical Code of Conduct All professions are bound by a ethical code of conduct which guides the behavior of its members. But as it is not compulsory for all managers to be members of AIMA, they all may not be aware of the prescribed code of conduct of AIMA.
- Service Motive All basic motive to serve their client's interest, e.g., lawyers to get justice for their clients, doctors to treat the patients etc. All managers also work in a manner where by they show their effectiveness and efficiency in the form of good quality goods provided to the customer at a reasonable price. Thus, management possesses some characteristics of a profession but not all.

ii. The two values that are reflected in this act of Ajay are:

- Compassion
- Responsibility.