

CBSE Test Paper - 04
Chapter - 1 Nature and Significance of Management

1. Which is not an objective of management out of the following? **(1)**
 - a. Organisational Objective
 - b. Social Objective
 - c. Political Objective
 - d. Personal Objective
2. Management is both Science and Art. Science can be defined as _____ **(1)**
 - a. None of these
 - b. Systematised body of knowledge
 - c. How to apply knowledge
 - d. Restricted Entry
3. Effectiveness is concerned with _____ **(1)**
 - a. Getting things done with the aim of achieving goals effectively and efficiently
 - b. Doing the task correctly with minimum cost
 - c. Doing the right task, completing activities and achieving goals
 - d. None of these
4. Management is: **(1)**
 - a. A science
 - b. None of these
 - c. Both art and science
 - d. An art
5. How does coordination integrate group efforts? State. **(1)**
6. Volvo Ltd.'s target is to produce 10,000 shirts per month at a cost of rupees 100 per shirt. The Production Manager achieved this target at a cost of 90 per shirt. Do you think the 'Production Manager' is effective? Give one reason in support of your

answer. **(1)**

7. Production manager tries to produce goods with minimum costs. Name the concept which is being focused by management? **(1)**
8. What do you mean by Management Hierarchy? **(1)**
9. Geetika is working in a private sector bank. One of her key 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. **(3)**
10. Why is management considered as multi-faceted concept? **(3)**
11. Explain the importance of Coordination? **(4)**
12. 'Management is multi-dimensional'. Explain. **(4)**
13. The skillful and personal application of existing knowledge to achieve desired results is called art. In light of this statement, describe whether management is an art or not. **(5)**
14. Management is regarded as art by some, as science or as inexact science by others. The truth seems to be somewhere in between. In light of this statement, explain the true nature of management. **(5)**
15. 'Coordination is a synchronisation of group efforts to achieve organisational objectives'. In the light of this statement, highlight any three features of coordination. **(6)**

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Answer

1. c. Political Objective

Explanation:

Management has three objective:

- i. Organisational/Economical - a. Survival b. Profit c. Growth
- ii. Social
- iii. Personal Management is not limited upto political objective as it is very narrow concept. In this world the objective of management of any organisation can be broadly classified into three catagories discussed above.

2. b. Systematised body of knowledge

Explanation:

Science is a Systematised body of knowledge. Its principles are based on a cause and effect relationship. For example, the phenomenon of an apple falling from a tree towards the ground is explained by the law of gravity. Science has its own vocabulary of terms and concepts. Whereas Art is concerned with application of that knowledge.

3. c. Doing the right task, completing activities and achieving goals

Explanation:

Effectiveness is concerned with the end result. Effectiveness basically means finishing the given task irrespective of the cost incurred.

Example - Suppose, a company's target production os 5000 units in a year. To achieve this target the manager has to operate on double shifts due to power failure most of the time. This manager is able to produce 5000 units but at a higher production cost. In this case manager is effecitive beacause he has achieved the target. At the same time he is not efficient beacause he has achieved this target at higher production cost.

4. c. Both art and science

Explanation:

Because it has features of both science and art .It is pure art but not pure

science.

5. **Integration of group efforts:** All business activities such as sale and production department have to coordinate between them to work effectively and efficiently. Therefore, there should be coordination among all the functions of management. Coordination enables the business to make efficient use of its available resources.
6. Yes, because he has shown both effectiveness as well as efficiency. the work was completed on time and with minimum cost.
7. Efficiency which means that complete the work with minimum use of resources.
8. The chain of authority - responsibility relationships from top to bottom is called as management hierarchy. Authority going from upward to downward and responsibility going from downward to upward.
9. Geetika is working at the top level of management in the private sector bank. The three other functions that she has to perform at this level are outlined below:
 - a. To integrate diverse elements and coordinate the activities of different departments according to the overall objectives of the organization.
 - b. To analyse the business environment and its implications for the survival of the firm.
 - c. To formulate overall organizational goals and strategies for their achievement.
10. Management is a very complex activity. It can not be possible by a single person. It is said to be multi-faceted because of following reasons:
 - i. **Management of work:** All organizations exist for the performance of some work. Management ensures that the given task is completed effectively and efficiently. All management activities are performed to achieve the goals or to accomplish the task. Work or task is depending upon the nature of the business. For example, work to be done in school is providing education, in the industry to manufacture some product.
 - ii. **Management of people:** People or Human Resources are the most important asset of an organization because management is an art of getting things done through the people. Management has to take care of the financial as well as personal needs of employees.
 - iii. **Management of operations:** Irrespective of size, nature and location, no matter what the organization is, in order to survive in the competition it has to provide some product or service. To produce goods and service or to complete the

production process, in which inputs are converted into finished product, it needs workers and good management. It is mixture of both management of work as well as management of people in an appropriate way to get success in the market.

11.
 - i. Growth in size:
 - (a) As organisation grow in size the number of people employed by the organisation also increases.
 - (b) Thus, it becomes necessary for organisational efficiency to harmonise individual goals and organisational goals through coordination.
 - ii. Functional differentiation:
 - (a) Functions of an organisation are divided into departments, divisions and sections. All departments may have their own objectives, policies and their own style of working.
 - (b) The process of linking the activities of various departments accomplishes organisational goals.
 - iii. Specialisation:
 - (a) Modern organisations are characterised by a degree of specialisation. Specialists usually think that they only are qualified to evaluate, judge and decide according to their professional criteria.
 - (b) Therefore, some coordination is required by an independent person to reconcile the difference in approach interest or opinion of the specialist.
12. Management is a complex activity and involves following three main dimensions -
 - i. **Management of works** In each and every organisation, the certain type of work is to be performed. In school, overall development of a child is to be done; in hospitals, patients are treated etc. Management converts these works into goals and devises the means to achieve them. Every organisation has to perform lots of work to get their goal accomplishes on time.
 - ii. **Management of People.** As we know that management is a group activity and it is concerned with “getting things are done through people”, which is a very difficult task. All the employees have different personalities, needs backgrounds and methods of work. Thus, it becomes management’s job to make them work as a group by giving common direction to their efforts and coordinate overall activities like sale purchase finance etc.
 - iii. **Management of operations.** In order to survive, each organisation has to perform

a lot of activities as production department have to produce and sale department have to sale and finance have to manage finance thus, management of operations is inter linked with both the above dimensions viz., management of work and the management of people.this provide the direction to do work effectively and efficiently.

13. Basic features of art are as follows

Management can be said as art since it satisfies the following features

- i. The existence of theoretical knowledge
- ii. Personalised application
- iii. Based on practice and creativity
- iv. In every art, there is systematic study material is available to acquire the theoretical knowledge of the art. As in management successful, the manager must practice the art of management in the day-to-day job of managing an enterprise which is based on study, observation and experience. There is a lot of literature available in various areas of management like marketing, finance and human resource which the manager has to specialise in.
- v. There are various theories of management propounded by many management thinkers, which prescribe certain universal principles. A manager applies these scientific methods and body of knowledge to a given situation, issue or a problem in his own unique manner.
- vi. In the field of art, only theoretical knowledge is not enough. Every artist has personal skills and creativity of applying the knowledge, for example, an artist has learned a lot of arts tricks but he apply it according to the situation. A manager applies his acquired knowledge in a personalised and skillful manner in the light of the realities of a given situation. He is involved in the activities of the organisation, studies critical situations and apply his own theories in a given situation.
- vii. As without practice, artists lose their creativity. Arts require creative practice to make it more effective. Like any other art, a manager, after studying various situations, formulates his own theories for use in the given situation. This gives rise to different styles of management.

14. Management is an art as well as a science but an inexact science. Management may be regarded as art because of the following reasons

Management as a science: Management may be regarded as science because it fulfills the following characteristics of science.

- i. **The existence of theoretical knowledge:** Successful management practices the art of management in the day-to-day Job of managing an enterprise based on the study, observation, and experience. In every art, there is systematized and organized study material is available and it is also now available in management in every field like finance or marketing.
- ii. **Personalized application:** The use of basic knowledge varies from individual to individual, therefore, it is a personalized concept, e.g. two dancers, two speakers will always differ in demonstrating their art as in management two students of the same college will get the different job either they get the same education. So these features are also present in the management.
- iii. **Based on practice and creativity:** A good manager works through a combination practice, creativity, imagination. initiative and innovation. He uses tact and creativity to develop his own style. Thus, management is an art because it satisfies all the characteristics of art.
- iv. **The systematized body of knowledge:** Like science, management is a systematic body of knowledge with its own theories and principles that have developed over a period of time and now a lot of study material is also available for management like for finance and HR there is a lot of books are available for their studies. So, this feature is present in management.
- v. **Principles based on observation and experimentation:** Like science, management principles, are derived through observation and repeated experimentation and with cause and effect relationship.
However, since management deals with human beings and they are not the same mentalities in the whole world so, the outcome of these experiments are not capable of being accurately predicted. So this feature is partially present in the management
- vi. **Universal validity:** Principles of management like principles of pure science provide managers with certain standardized techniques that can be used in different situations, Since they have to be modified according to a given situation, their application and use is not universal as the factor of a human being is involved in it and that is not the same in the whole world.

So, this feature of science is not fully present in management.

15. Coordination is the process whereby an executive develops an orderly pattern of group efforts among his subordinates and ensures unity of action in the pursuit of common purpose.

The features or nature of coordination are as follows

- i. **Integration of group efforts:** All business activities are interdependent on each other either sale purchase or production. Therefore, there should be coordination among all of them Coordination enables the business to make efficient use of its available resources. As there is no need for coordination if a single person is doing any work because he has to manage whole work by himself. For example, the supply of material should come, when production needs it, If there is a mismatch in the time schedule, it is an instance of lack of coordination. It is the central task of the manager to reconcile differences in approach, timing, efforts or interests to harmonize individual goals with organizational goals. Coordination is the effort to ensure a smooth interplay of the functions and forces of all the different components of an organization so that its purpose will be realized with minimum friction and maximum collaborative effectiveness.
- ii. **Coordination is needed at all levels:** Coordination is an essential function which is required at all levels of management. The content and scope of coordination will vary at different levels. However, it is a part of the duty which should be performed by every managerial personnel right from the operational level to the top management. It is the process which started by the top level management and ended at the lower level management.
- iii. **Coordination ensures unity of action:** The purpose of coordination is to mute the efforts of every individual in the realization of common purpose. As every individual comes in the organization with an individual goal but manager have to coordinate it with the organizational goal so that his, as well as the organizational goal, should be achieved. It acts as a binding force in all the function of management.