

**CBSE Test Paper - 02**  
**Chapter - 2 Principles of Management**

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1. How many principles are given by Henry Fayol? **(1)**
  - a. 16
  - b. 20
  - c. 18
  - d. 14
2. The principles of management are significant because of: **(1)**
  - a. Optimum utilisation of resources and effective administration
  - b. Meeting changing environment requirements
  - c. All of these
  - d. Scientific decisions
3. Unity of direction is concerned with\_\_\_\_\_ **(1)**
  - a. One Head One Plan
  - b. Planning by Production manager
  - c. One Head Different Plans
  - d. Planning by Employees
4. "She/he keeps machines, materials, tools etc., ready for operations by concerned workers". Whose work is described by this sentence under functional foremanship? **(1)**
  - a. Instruction Card Clerk
  - b. Gang Boss
  - c. Repair Boss
  - d. Route Clerk
5. What is the aim of doing motion study? **(1)**
6. Name the techniques of Taylor which is the strongest motivator for a worker to reach

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standard performance. **(1)**

7. It refers to the use of scientific methods in decision-making to resolve management problems rather than depending on rule of thumb or trial-and-error method. Name it. **(1)**
8. Which technique of Taylor is the extension of the principle of 'division of work' and 'specialisation'? **(1)**
9. Give reasons why management principles are required? **(3)**
10. 'Discipline is double-edged tool' Comment. **(3)**
11. An organisation follows the principles of management. What are the adverse effects of each of the following principles on the organisation?
  - i. Unity of Command
  - ii. Order
  - iii. Stability of Personnel **(4)**
12. Explain the 'Cooperation, not Individualism' principle of scientific management? **(4)**
13. Explain Fayol's principles of 'Scalar-chain' and 'Discipline' with the help of examples. **(5)**
14. Explain the following principles of Fayol with the help of one example for each:
  - i. Scalar chain
  - ii. Stability of tenure of personnel **(5)**
15. Explain the following techniques of scientific management:
  - i. Time study
  - ii. Simplification of work. **(6)**

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**Answer**

1. d. 14

**Explanation:**

**Henri Fayol propounded 14 Principles of Management.** Based largely on his own experience, he developed his concept of administration. The 14 principles of management propounded by him which are as follow:

- i. Division of work
- ii. Authority and Responsibility
- iii. Discipline
- iv. Unity of command
- v. Unity of direction
- vi. Subordination of Individual Interest to General Interest
- vii. Remuneration of Employees
- viii. Centralisation and Decentralisation
- ix. Scalar chain
- x. Order
- xi. Equity
- xii. Stability of Personnel
- xiii. Initiative
- xiv. Espirit de corps

2. c. All of these

**Explanation:**

Principles of management are significant or important because of following reasons :

- i. Providing managers with useful insights into reality
- ii. Optimum utilisation of resources and effective administration
- iii. Scientific decisions
- iv. Meeting changing environment requirements
- v. Fulfilling social responsibility

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vi. Management training, education and research

3. a. One Head One Plan

**Explanation:**

Unity of direction is concerned with one head one plan because:

- All the units of an organisation should be moving towards the same objectives through coordinated and focussed efforts.
- Each group of activities having the same objective must have **one head and one plan**.
- This ensures unity of action and coordination.
- For example, if a company is manufacturing motorcycles as well as cars then it should have two separate divisions for both of them. Each division should have its own incharge, plans and execution resources.

4. b. Gang Boss

**Explanation:**

Gang Boss keeps machines, materials, tools etc., ready for operations by concerned workers. Whereas

- Repair Boss ensure proper working condition of machines and tools.
- Instruction Card Clerk draft instructions for the workers.
- Route Clerk specify the route of production.

5. The aim of this study is to detect and eliminate unnecessary movements in order to find out the best method of doing a particular task which ensures time-saving and increased production.

6. **Differential Piece Wage system:** In this system efficient and inefficient workers are paid at different rates. So the scope of extra earnings motivates the worker to put extra efforts.

7. Scientific management.

8. Functional foremanship is the technique of Taylor which has been asked in the question

9. Following are the reasons that management principles are required:

- a. They are the guiding tools.
- b. They influence the behaviour of human resources.
- c. They clarify the road map of functions of management.
- d. They enable the manager to transform into an efficient leader.

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10. Discipline is a double-edged tool. It is expected to strike a balance between enforcing the discipline on one hand and motivating employees on the other. Personnel entrusted with enforcing it are expected to be competent and capable of achieving this balance. Employees must honor the commitment made by them and management must meet its promises to increase wages declaration of bonus etc. To achieve proper discipline, skilled superiors at all levels, clear and fair agreements and judicious application of penalties etc. are required. To impose discipline on the employees is not an easy task as human behavior is not easy to be controlled. While Discipline imposition, on one hand, is extremely essential in an organization whereas on the other hand, it is really a challenging task to ensure that the employees must not revolt against the system in the organization.
11. The adverse effect of the following principles of management on the organization are:
- i. Unity of command:
    - a. Chaos and confusion: When subordinate takes the order from more than one superior it leads to chaos and overlapping of orders.
    - b. Lack of accountability: If this principle is not followed it leads to lack of accountability.
  - ii. Order:
    - a. Avoiding proper order: There is a tendency to avoid proper order for men and materials. People may follow their whims and fancies.
    - b. Lack of discipline: In the absence of order there is lack of discipline among employees in the organisation.
  - iii. Stability of personnel:
    - a. Lack of initiative: The same employees may not be having new ideas and initiative.
    - b. Brings lethargy: When employees are ensured of stable employment, they may become lethargic.
12. Cooperation, not Individualism:
- i. There should be complete cooperation between the labour and the management instead of individualism. This principle is an extension of principle of 'Harmony not discord'.
  - ii. Competition should be replaced by cooperation. Both should realise that they need each other.

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- iii. For this, management should not close its ears to any constructive suggestions made by the employees. They should be rewarded for their suggestions which results in substantial reduction in costs. They should be part of management and, if any important decisions are taken, workers should be taken into confidence.
  - iv. At the same time workers should desist from going on strike and making unreasonable demands on the management. In fact when there will be open communication system and goodwill there will be no need for even a trade union.
  - v. Paternalistic style of management, whereby the employer takes care of the needs of employees, would prevail as in the case of Japanese companies.
  - vi. According to Taylor, there should be an almost equal division of work and responsibility between workers and management.
  - vii. All the daylong the management should work almost side by side with the workers helping, encouraging and smoothing the way for them.
13. i. **Scalar chain:** It is the chain of superiors ranging from the top to the lowest ranks. The principle of scalar chain suggests that there should be a clear line of authority from top to bottom linking managers at all levels. The scalar chain serves as the chain of command and also as the chain of communication. Under the chain of command, orders, and instructions issued at higher levels, flow through intermediate managers before reaching the lower levels. The chain should not be violated in the normal course of formal communication. For example, A, working as a Sales Manager in an organization wants to communicate with a subordinate of his subordinate, then he should follow a formal chain of command. However, in an emergency, communication can take place between two people working at the same level but in different departments, through gangplank. For example, A, working as a Sales Manager wants to communicate with B, the Production Manager, can directly communicate without following Scalar Chain through Gangplank.
- ii. **Discipline:** Discipline is obedience, application and an outward mark of respect. It means obedience to the rules of the organization on the part of both superiors and subordinates. Discipline is necessary for the smooth running of the organization. According to Fayol, 'Discipline requires good superiors at all levels, clear and fair agreement and judicious application of penalties'. Discipline does not mean only rules and regulations but it also means the development of commitment on the

part of employees towards the organization as well as towards each other. When the employees consider the organization as their own responsibility. This is the real application of the principle of Discipline.

14. i. **Scalar chain** It is the chain of superiors ranging from the top to the lowest ranks. The principle of the scalar chain suggests that there should be a clear line of authority from top to bottom linking managers at all levels. The scalar chain serves as the chain of command and also as the chain of communication. Under the chain of command, orders, and instructions, issued at higher levels, flow through intermediate managers before reaching the lower levels. The chain should not be violated in the normal course of formal communication. It also provides a clear image of the job positions and authority in an organization to all the employees. The accountability of each individual becomes quite transparent and clear and thus there is no scope for unnecessary blames and allegations.



However, in case of an emergency, communication can take place between two people working at the same level but in different departments, through gang plank. For example, if in XYZ Ltd, E wants to communicate with R. He will have to follow the path in chain-like first he delivers information to D, then D to C, B, A, M, N, O and at last E transfers the message to R. But in case of emergency, E can directly contact R according to the concept of gangplank.

- ii. **Stability of tenure of personnel** According to this principle, there should be reasonable security of jobs. Labor turnover should be minimized to maintain organizational efficiency. Personnel should be selected and appointed after due and rigorous procedure. But once selected, they should be kept at their post/position for a minimum fixed tenure. They should be given reasonable time to show results. Any aphorism in this regard will create instability/insecurity among employees. By following this principle, the organization can ensure that the employee would give his wholehearted worth to it or else he or she would tend

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to leave the organization. Under this situation, recruitment, selection, and training cost will be high but the outcome of it enables the organization to achieve higher profits in a very short span of time. For example, if Arnav is lured for the post of an executive in a company, then. According to this principle, he should be kept on the same position for a fixed tenure say for 1 year, so that he can show better results. He could not achieve the desired targets immediately but being assured that he would not lose his job, he would surely strive for a better performance.

15. i. **Time study:** Time study refers to a technique, which is used to determine the standard time taken by a workman of reasonable skills and ability to perform a well-defined job. Time measuring devices (stopwatch) are used to conduct this study. This type of study is helpful in deciding the standard time required to perform a job. It also helps in determining a fair day's work for the workman. It creates time consciousness among the workers which saves time. It leads to cost reduction and increased efficiency.
- ii. **Simplification of work:** Simplification means making a job easier by eliminating unwanted activities. In relation to production it means eliminating unnecessary sizes, varieties and dimensions of a product. Its aim is to reduce the cost of labour, machines and tools. It reduces investment in inventory and helps in optimum utilisation of resources. It helps in improving the quality of products. It facilitates better control of activities.