

CBSE Test Paper - 02
Chapter - 1 Nature and Significance of Management

1. Marketing and Personnel Managers are part of _____ (1)
 - a. None of these
 - b. Middle Level Management
 - c. Top Level Management
 - d. Operational Level Management
2. Providing facilities of Schools, creches and hospitals is the ____ objective of management. (1)
 - a. Social Objective
 - b. Organisational Objective
 - c. Personal Objective
 - d. None of these
3. Policy formulation is the function of: (1)
 - a. Top level managers
 - b. All of the above
 - c. Middle level managers
 - d. Operational managers
4. The following is not an objective of management: (1)
 - a. Earning profits
 - b. Policy making
 - c. Growth of the organisation
 - d. Providing employment
5. One of the objectives of management is to consistently create economic value for various constitutes of the society. Give two examples of this objective. (1)
6. Your grandfather has retired from an organisation in which he is responsible for

implementing the plans developed by the top management. At which level of management was he working? State one more function performed at this level. **(1)**

7. Your grandfather has retired as the Director of a manufacturing company. At which level of management was working? Different type of function are performed at this level. State any one function. **(1)**
8. Name the process of working with and through others to effectively achieve organisational objectives by efficiently using its limited resources in the changing environment. **(1)**
9. Devesh works as Head (Finance) in a electronics company. Although over the years, with the experience he has been able to build upon his managerial skills in terms of creativity, imagination, and initiative, still he feels that the knowledge of certain underlying theories and principles of management is a must for any aspiring manager. This is primarily due to the fact that these principles are evolved through observations and tested through experimentation and help the managers in making scientific decisions. Thus, a manager requires both the knowledge and certain skills to apply the related knowledge in the light of given situations to be successful in his work.

In the context of the above case;

- a. Identify and explain the two aspects of nature of management which Devesh thinks makes a manager successful.
 - b. Also, explain the specific feature of one of the aspects of nature of management as identified in part (a) of the question which distinguishes it from other physical sciences like biology, physics, and chemistry etc. **(3)**
10. Explain the meaning of management. What do you mean by managers? **(3)**
11. Mr. Nitin Singhania's father has a good business of iron and steel. He wants to go to the 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 the USA? Give any three reasons in support of your answer. **(4)**
12. Kartik joins a garment factory as a plant supervisor in Lucknow. He observes that the

output of some workers is very low as compared to the standards set for their performance. On analyzing the reasons for the same, he finds out that a lot of time of the workers is wasted in getting the requisite materials issued from the store. Whereas on asking, the storekeeper complains that there is no harmony in the working of the production department as a whole. Every day the workers approach him at the last minute to procure different kinds of threads, laces, mirrors, buttons etc. If it is not available in the store when he has to place an order with the purchasing officer. As a result, a lot of time for the workers is wasted. So, in order to integrate the various production activities, henceforth, Kartik ensures that the storekeeper is informed well three days in advance about the requisite material. Consequently, the storekeeper is able to keep the materials ready for the workers every morning in accordance with their requirements.

In the context of the above case:

- a. Identify and explain the quality of management that Kartik has introduced in the working of the production department as a corrective measure to control the output of the workers.
- b. State briefly any two points highlighting the importance of quality of management identified in part (a) **(4)**

13. What are the objectives of management? Explain briefly. **(5)**

14. Explain the organisational objectives of management. **(5)**

15. State any four characteristics of profession. **(6)**

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Answer

1. b. Middle Level Management

Explanation:

Marketing and Personnel Managers are part of Middle level Management because Middle Level Management consists departmental and divisional heads or managers. Marketing, Personnel, Finance, Production etc. are different departments in an organisation. On the other hand Top Level Management consists Senior most executives such as - Chairman, Chief Executive Officers etc. and Operational Management consists Supervisor and Foreman.

2. a. Social Objective

Explanation:

Providing facilities of Schools, creches and hospitals is the social objective of management. As far as organisational objective is concerned, it includes economic objectives of an organisation such as - Survival, Profit and Growth. On the other hand personal objective includes financial (salaries and perks) and non financial incentives (peer recognition and higher level needs) to an employee.

3. a. Top level managers

Explanation:

Top level managers formulate the plan and policy for overall organisation. Middle level managers is responsible for implementing and controlling plans, policies and strategies developed by top management. Operational/Supervisory management directly oversee the efforts of the workforce.

4. d. Providing employment

Explanation:

There are three objective mainly
i. organisational

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- ii. personel
 - iii. social

5. Two social objectives of management are as follows

- i. Using environment-friendly methods of production as used jute bag in place of plastic bags to save the environment .
- ii. Giving employment opportunities to the disadvantaged sections of the society to raise their standard of living.

6. Middle Level of Management.

Function: Cooperate with other departments for smooth functioning of the organisation.

7. Top Management. Function: They formulate overall organisational goals and strategies for their achievement.

8. Management (this definition is given by Kreitner).

9. i. The two aspects of the nature of management which Devesh thinks makes managers successful are management as a science and management as an art. Management is a science because it has systematised body of knowledge, which can be used to train the perspective and present managers. Management is art because it deals with the application of personal skills, which can be improved through constant practice. It also leads to the emergence of different styles of management.
- ii. The specific feature of management as science which distinguishes it from other physical sciences like biology, physics, and chemistry etc. is Universal validity. Scientific principles have universal validity and can be applied in all situations and at all times. This feature of science is also not cent percent applicable to management. Management principles are not exact as the principles of science. Their application and use are not universal. They have to be modified according to a given situation.

10. Management is a process of getting things done from others with the aim of achieving the desired common goals effectively and efficiently. All the persons engaged in

performing the functions of the management are known as managers. In other words, those managing the organizational resources for releasing its goals are known as managers. In other words, we can say that manage the men power with techniques and then see it that they perform work in a best and cheapest way.

11. As per the emerging trends, Mr Singhanian should first earn his degree before joining and managing his family business with his father. Hence, he should go to USA for his MBA, because management is now developing as a profession because of the following reasons:

- i. It has a well defined body of knowledge consisting of principles and concepts.
- ii. Though there are no restrictions on entry into the profession. Even if Nitin wants to join his family business the qualification would help him to manage his business efficiently and effectively.
- iii. The aim of all managers is to fulfill the service motive towards society.

12. a. Coordination is the quality of management that Kartik has introduced in the working of the production department as a corrective measure to control the output of the workers.

Coordination is the process which helps to integrate the efforts of different individuals with diverse needs to secure a unity of action in the pursuit of common goals.

- b. The two points highlighting the importance of coordination are stated below:
- i. Growth in the size
 - ii. Functional differentiation

13. i. Organisational/Economic objectives: Objectives which are needed to achieve the economic or organizational goals of the organisation is known as organizational objectives.

(b) The main objective of any organisation should be to utilise human and material resources to the maximum possible advantage, i.e., to fulfill the economic objectives of a business. These are survival, profit and growth.

- Survival: In order to survive an organisation must earn enough revenues to cover costs. It is the basic objective of any organisation.
- Profit: Mere survival is not enough for business. Profit provides a vital incentive for the continued successful operation of the enterprise. Profit is essential

covering costs and risks of the business.

- Growth: A business needs to add to its prospects in the long run, for this it is important for the business to grow. Growth of a business can be measured in terms of sales volume increase in the number of employees, the number of products or the increase in capital investment, etc.

ii. Social objectives:

- a. Objectives which are desired to be achieved for the benefit of the society is known as social objectives.
- b. As a part of society, every organisation whether it is business or non-business, has a social obligation to fulfill.
- c. For example, using environmental friendly methods of production, giving employment opportunities to the disadvantaged sections of society and providing basic amenities like schools and creches to employees.

iii. Personal/Individual objectives:

- a. Objectives which are related to individual needs of the employees of an organisation is known as personal objectives.
- b. Organisations are made up of people who have different personalities, backgrounds, experiences and objectives. They all become part of the organisation to satisfy their diverse needs.
- c. These needs can be financial needs such as competitive salaries and perks, social needs such as peer recognition and higher level needs such as personal growth and development.

14. The organisational objectives of management refer to the main objectives required to fulfill the economic goals of the business organisation. The main objective of management is to utilize the human and material resources in such a manner that it should give maximum advantage to the organization. Many organisations have the same infrastructure, but they are different only in human resource, i.e the main assets of an organisation to stand in competition. Every management group strives to

accomplish these objectives for its organisation. These objectives of every organisation are survival, profit and growth.

- a. **Survival:** The basic objective of every business is to survive for a longer period in the market. The management must ensure the survival of the organisation by earning enough revenue to cover its costs. It means that organisation have to earn its fixed cost to survive in the market.
- b. **Profit:** Only survival is not sufficient for business. Profit earning is essential for meeting the expenses and for the successful operation of the business. Thus management must ensure earning of sufficient profit with optimum utilization of all resources.
- c. **Growth:** The next important objective of the management is to ensure future growth and development of the business. As business earn a profit then it wants to grow in the market to extend its business.

15. The four characteristics of a profession are

- i. **The Systematized body of knowledge:** Management satisfies the requirement of a profession in the form of existence of knowledge as there are a lot of fields of management and a lot of literature are available in it.
- ii. **Restricted entry:** Entry into a profession is restricted through an examination or degree, as in medical, law profession, etc. People can get an entry in a profession only through a professional educational degree or through an examination
- iii. **Professional association:** All professionals are bound to be a part of a professional association which regulates entry, grants certificate of practice and enforces a code of conduct. e.g. All lawyers have to be member of Bar council to pursue their profession. These associations are established to provide entry into a profession. All professions are associated with these professional associations because only these organizations regulate entry to a profession. Legally it is not compulsory for all managers to get registered with the AIMA (All India Management Association).
- iv. **Code of conduct:** All professionals are subject to an ethical code of conduct, as laid down by the association and they are bound with that but AIMA is not able to make his code of conduct.