

Application-based Questions

Q.1. State one violating effect of the principle of management—namely the ‘Division of Work’.

Ans. Benefits of specialisation will not be available.

Q.2. State one positive effect of the principle of management—namely the ‘Authority and Responsibility’.

Ans. Helpful in achieving the target.

Q.3. State one violating effect of the principle of management—namely the ‘Discipline’.

Ans. Height of disorder.

Q.4. State one positive effect of the principle of management—namely the ‘Unity of Command’.

Ans. The efficiency of the subordinates increases.

Q.5. State one violating effect of the principle of management—namely the ‘Unity of Direction’.

Ans. Decrease in the efficiency of the organisation.

Q.6. State one positive effect of the principle of management—namely the ‘Remuneration to employees’.

Ans. Decline in the labour turnover rate.

Q.7. State one positive effect of the principle of management—namely the ‘Esprit De Corps’.

Ans. Motivation to work with team-spirit.

[3 marks]

Q.1. *The production manager of ABC Ltd. instructs a salesman to go slow in selling the product, whereas the marketing manager is insisting on fast selling to reach the target.*

Which principle of management is being violated in this case? State any two consequences of the violation of this principle.

Ans. The principle of ‘Unity of Command’ is violated in this case. The following are the violating effects of it:

- i. It creates a confused situation for the subordinates.
- ii. It reduces the efficiency of the subordinates.

Q.2. *Hina and Harish are typists in a company having the same educational qualification. Hina is getting ₹ 3,000 per month and Harish ₹ 4,000 per month as salary for the same working hours.*

Which principle of management is violated in this case? Name and explain the principle.

Ans. The principle of 'Equity' is violated. This principle tells that the managers should treat their subordinates in a just and kind manner so that they develop a feeling of dedication and attachment for their work. For example, a labourer completes 10 units of goods in a day. Another labourer who happens to be a relative of the supervisor completes 8 units but both get equal remuneration. This violates the principles of equality. The second labourer should get less remuneration than the first one.

Q.3. *The Production Manager of Bharat Ltd. instructs a salesman to go slow in selling the product, whereas the Marketing Manager is insisting on fast selling to achieve the target.*

Which principle of management is being violated in the case? State any one of the consequences of violation of this principle.

Ans. The principle of 'Unity of Command' is violating. As per this principle, an individual employee should receive orders from only one superior at a time and that employee should be answerable only to that superior. The violation of this principle reduces the efficiency of the subordinates.

Q.4. *Mohan, the manager of a business undertaking is very lax with his fellow employees and subordinates. He does not give them parameters or rules for reporting to work and completion of assignments.*

Which principle of management is being overlooked and why? Give one violating effect.

Ans. The principle of 'Discipline' is violated as the manager's behaviour is not disciplined at all. It creates an atmosphere of doubt and suspicion.

Q.5. *Mohan, a manager, very often speaks with people at all levels, passing on instructions regarding his department and also the other departments. Which principle of management is being overlooked and why? Give one violating effect.*

Ans. The principle of 'Scalar Chain' is violated as during communication the various steps of Scalar Chain are overlooked. It creates disorderly flow of information.

Q.6. *Mohan, a manager, expects his subordinates to work for the happiness and pleasure of being in the organisation.*

Which principle of management is being overlooked and why? Give one violating effect.

Ans. The principle of 'Remuneration to Employees' is violated as the manager's expectation has no use without providing fair remuneration to the employees. It increases the labour turnover rate.

Q.7. *The subordinates in a company receive orders regarding their work from different operative heads for the same task.*

Which principle of management is being overlooked and why? Give one violating effect.

Ans. The principle being overlooked is 'Unity of Command' as at the same time there are many superiors giving orders to the same employee. It reduces the efficiency of the subordinates.

Q.8. *In a particular company, no importance had been attached to the suggestions given by the subordinates. In 2014, the company appointed Mr Lotus as its Chief Executive Officer. He was an M.B.A. degree-holder from I.I.M. Ahmedabad with an experience of a decade. On assuming the charge of his office, he started a sort of campaign asking for suggestions from every big or small employee of the company. In a very short time, there were about 10,000 suggestions. After studying them intensively, about 1500 suggestions were implemented in different fields. This campaign fetched the company an additional profit of 50 crore rupees.*

Q. What principle of management will have been working behind Mr Lotus' thinking?

Ans. Principle of initiative.

Q. What will be the effect of implementing these suggestions on the employees?

Ans. Their attachment with the company will increase and they will offer new and useful ideas.

[4/5 marks]

Q.1. Which principle of management envisages that each group of activities having the same objectives must have one head and one plan? Explain the principle with a suitable example.

Ans. This statement is related to the principle of unity of direction. Unity of direction means that there should be one head for one plan for a group of activities having the

same objective. In other words, there should be one plan of action for a group of activities having the same objective and there should be one manager to control them.

For example, an automobile company is manufacturing two products, namely scooters and cars, hence having two divisions. As each product has its own market and problems, so each division must have its own targets. Now each division must plan its target as per its environmental conditions to get better results. Hence, for two separate set of activities there will be two separate departments having separate departmental heads. Hence, for two different types of activities there will be two separate departments headed by separate departmental heads.

Q.2. Develop an imaginary plan of differential piece rates to be introduced for the workers, engaged in sewing shirts.

Ans. (i) Differential Wage System: Taylor has advised the adoption of differential wage systems in order to motivate the employees. According to this system wages are paid on the basis of work done and not on the basis of time spent in doing the work. In this system, two different wage rates are used: one is the high wage rate and the other is the low wage rate. Those workers who are able to produce the standard number of units within a fixed duration are paid as per the high wage rate, and those workers who are not able to produce the standard number of units within the same time are paid as per the lower wage rate.

(ii) Imaginary Plan: The following is the plan of differential piece rates to be introduced for the workers engaged in sewing shirts:

Standard Production	: 4 Shirts Per Day
Working hours per day	: 8 Hours
Wage rate for standard and more than standard output	: ₹ 40 per shirt
Wage rate for less than standard production	: ₹ 35 per shirt

Q.3. *Principles of Taylor and Fayol are mutually complementary. One believed that management should not close its ears to constructive suggestions made by the employees, while the other suggested that a good company should have an employee suggestion system, whereby suggestions which result in substantial time or cost reduction should be rewarded.*

Identify and explain the principles of Taylor and Fayol referred in the above para.

[CBSE 2014]

Ans. (i) The principle of Taylor referred to is—Cooperation, not individualism

It states that there should be complete cooperation between Labour and Management. Competition should be replaced by cooperation.

(ii) The principle of Fayol referred to is—Initiative

According to this principle, employees in the organisation must be given an opportunity in making and executing plan.

Q.4. Principles of Taylor and Fayol are mutually complementary. One believed that the management should share the gains with the workers, while the other suggested that employees compensation should depend on the earning capacity of the company and should give them a reasonable standard of living.

Identify and explain the principles of Fayol and Taylor referred to in the above para.

[CBSE 2014]

Ans. (i) The principle of Fayol referred to in this para is REMUNERATION:

As per this principle, the employees should be paid fair remuneration, which should give them at least a reasonable standard of living.

(ii) The principle of Taylor referred to in this para is HARMONY NOT DISCORD:

As per this principle, such an atmosphere should be created in the organisation that labour and management consider each other indispensable. Taylor has referred to such a situation as a 'Mental Revolution'.

Q.5. Ms Libra is working as CEO in the Bagan Tea Company. Her company manufactures tea with ten brand names (e.g., Hari Patti, Lal Patti, Swad, Mehak, Khushboo, Morning Tea, etc.). Every brand has five flavours. Tea of every taste is packed in the packing of 10 grams, 20 grams, 30 grams, 40 grams, 50 grams, 60 grams, 70 grams, 80 grams, 90 grams, 100 grams, 150 grams, 200 grams, 250 grams, 300 grams, 350 grams, 400 grams, 450 grams, 500 grams, 600 grams, 700 grams, 800 grams, 900 grams, 1 kg, 2 kg, 3 kg, 4 kg and 5 kg. In this way the company sells tea of one brand in 135 (1×5×27) packets and all the brands put together are sold in 135 × 10 = 1,350 packets.

Q. What, in your opinion, is the mistake being committed by Ms Libra?

Ans. The paragraph given above, after a deep study, shows that Ms Libra has more than necessary brand names, flavours and packings of her products. There is no justification for selling tea in so many brand names, flavours and packings. This is the very mistake made by Ms Libra.

Q. With what technique of scientific management can she improve upon her mistake?

Ans. Ms Libra can rectify her error by adopting the simplification technique of scientific management. For example, this product differentiation can be reduced considerably; namely by keeping four brands in total and having in each brand only one flavour and in each flavour packings of 10 gms, 50 gms, 100 gms, 200 gms, 500 gms, one kg., two kgms and 5 kgms. Thus, the total number of packets can be reduced from 1,350 to 32 (4×1×8).

Q. What benefit shall she get with the help of the technique suggested by you?

Ans. Doing so will yield the following benefits of simplification:

- i. Economy in machines
- ii. Economy in stock maintenance
- iii. Economy in labour expenditure

[6 marks]

Q.1. What is the principle of 'scalar chain'? Explain briefly the utility of 'gang plank' with the help of a diagram.

Ans.

- i. **Meaning of Scalar Chain:** It refers to a formal line of authority which moves from highest to the lowest ranks in a straight line.
- ii. **Fayol's Opinion:** This chain must be followed in a strict manner. It means each communication must move from top to bottom and vice-versa in a straight line. The important condition here is that no step (post) should be overlooked during communication.
- iii. **Fayol's Ladder:** Fayol has explained this principle with the help of a ladder or double chain as shown in the diagram.
For example, in a company the employee 'F' wants to have contact with the employee 'P'. According to the principle of scalar chain 'F' shall have to reach 'A' through the medium of E, D, C, B and then having contact with L, M, N, O shall reach 'P'. Thus 'F' shall have to take the help of all the nine steps (posts) to have business contact with 'P'.
- iv. **Utility:** Due to more clear system of authority and communication, problems can be solved faster.
- v. **Gang Plank:** It is the exception of the principle of scalar chain. This concept was developed to establish a direct contact with the employee of equal rank in case of emergency to avoid delay in communication. For example, as shown in the diagram employee 'F' can have direct contact with employee 'P'. But for doing so employees 'F' and 'P' shall have to seek the prior permission of their immediate bosses 'E' and 'O'. The details of their talk also shall have to be given to them.

