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Academic year 2024-2025 (ODD Sem)

DEPARTMENT OF
INDUSTRIAL ENGINEERING & MANAGEMENT

Date	27-01-2025	Maximum Marks	10 + 50
Course Code	HS251TA	Duration	30 + 90 Min
Sem	V	CIE – I Scheme & Solution	
Principles of Management and Economics			

Note:
1. Answer all the Questions.

Sl. No.	Questions	M	BT	CO
	Part – A			
1	Adam's Equity Theory	01	1	3
2	The value an individual places on the rewards.	01	1	3
3	Transactional leadership focuses on rewards and punishments, while transformational leadership focuses on vision and inspiration.	01	1	3
4	Team management	01	1	2
5	Lazy and averse to work	01	1	3
6	Equilibrium in the goods market.	01	1	5
7	The Complete Keynesian Model.	01	1	5
8	Aggregate expenditure determines output in the short run.	01	1	5
9	It influences aggregate expenditure and output levels.	01	1	4
10	The total output firms are willing to produce at different price levels.	01	1	5
	Part –B			
1	Herzberg's Two-Factor Theory categorizes job factors into two groups: **Hygiene Factors:** These are factors that are necessary to prevent job dissatisfaction but do not significantly contribute to higher job satisfaction or motivation. They include: **Salary and Benefits:** Employees may feel undervalued if their compensation is not competitive, leading to dissatisfaction. To address this, the company should offer competitive salaries and benefits that align with industry standards. **Work Conditions**: Poor working conditions, such as uncomfortable office spaces, lack of proper tools, or unsafe environments, can lead to dissatisfaction. Ensuring a safe, comfortable, and well-equipped workplace will mitigate dissatisfaction. **Job Security:** A lack of job security is a common cause of stress and dissatisfaction. Offering stable contracts and transparent communication about job stability can ease employee concerns. **Company Policies:** Ambiguous or unfavorable company policies can create confusion and frustration. The management should ensure clear, fair policies that are applied consistently. **Application of Hygiene Factors in the Case Study:**	10	4	3

	The company should review its salary structure and benefits package to ensure they are competitive in the market. Improving physical work conditions (e.g., better office equipment, ergonomically designed workstations, etc.) and enhancing job security through clear communication about business stability can prevent dissatisfaction. Clear and fair company policies would also reduce employees' feelings of being undervalued. **Motivators:** These factors are directly related to job satisfaction and can inspire employees to excel and remain engaged. They include: **Achievement:** Providing employees with opportunities to accomplish meaningful and challenging tasks helps to improve their sense of accomplishment and job satisfaction. **Recognition:** Employees seek recognition for their hard work and achievements. Publicly acknowledging accomplishments, offering awards, or providing constructive feedback can help increase motivation. **Growth and Advancement:** Offering opportunities for professional development and career growth can significantly impact employee morale and retention. Employees who feel they can advance within the company are more likely to stay committed. **Work Itself:** Providing employees with work that is interesting, challenging, and allows them to use their skills effectively can lead to greater job satisfaction. Responsibility: Allowing employees to take on more responsibility and make decisions fosters a sense of ownership and engagement. **Application of Motivators in the Case Study:** To address the issue of employees feeling undervalued, the company should focus on recognition and growth opportunities. Implementing a performance recognition program and offering career advancement training or leadership programs can improve engagement. Providing employees with more meaningful work that challenges them and offers opportunities for personal growth can also motivate them. This could include giving employees the chance to work on cross-functional projects, taking ownership of tasks, or having more autonomy in their roles. The company can also introduce mentoring programs, leadership training, and continuous learning opportunities to enhance professional growth.			
2	Vroom's Expectancy Theory suggests that motivation is influenced by three key factors: **Expectancy**, **Instrumentality**, and **Valence**. These factors determine how employees perceive the relationship between their efforts, performance, and rewards, and thus influence their motivation. 1. **Expectancy**: This refers to the belief that increased effort will lead to improved performance. Employees are motivated when they believe their efforts will result in the desired outcomes. In the case of the project manager, the issue is that employees do not understand how their efforts contribute to the overall goals, leading to a drop in performance. **Recommendation**: To enhance **Expectancy**, the project manager should clarify how individual efforts align with the broader organizational goals. This can be done through regular communication, setting clear expectations, and providing training and resources that help employees feel confident in their ability to	10	3	3

	achieve the required performance levels. When employees understand that their hard work will lead to successful results, they are more likely to exert effort. 2. **Instrumentality**: This refers to the belief that good performance will lead to rewards or outcomes. If employees believe that their efforts will be recognized and rewarded, they are more likely to be motivated to perform well. **Recommendation**: The project manager should establish a clear link between performance and rewards. This can be done by introducing performance-based incentives, recognition programs, or feedback systems that show employees how their contributions are valued. By ensuring that rewards are based on performance, the project manager can motivate employees to perform at their best. 3. **Valence**: This refers to the value or importance that an individual places on the rewards or outcomes they expect to receive. Different employees value different types of rewards, so understanding what motivates each individual is crucial. **Recommendation**: The project manager should assess what rewards are most valued by employees, whether financial rewards, career advancement, recognition, or job satisfaction. By offering rewards that align with employees' preferences, the project manager can increase **Valence**, making the expected outcomes more desirable and motivating employees to perform at higher levels. **Conclusion**: To enhance motivation, the project manager should: • Improve **Expectancy** by clearly communicating how individual efforts contribute to organizational goals and ensuring employees have the resources and confidence to succeed. • Strengthen **Instrumentality** by creating a clear connection between performance and rewards, ensuring employees see that their hard work will lead to tangible outcomes. • Maximize **Valence** by offering rewards that are meaningful and desirable to employees, thus increasing the overall motivation to perform well. By addressing all three components of Vroom's Expectancy Theory, the project manager can significantly enhance employee motivation and improve performance.			
3	Hersey and Blanchard's Situational Leadership Model suggests different leadership styles based on the maturity level of team members: 1. **Low Maturity (M1)**: For team members with low skill or motivation, the leader should use a **Directing** style (high direction, low support). This involves providing clear instructions and close supervision. 2. **Moderate Maturity (M2)**: For team members who have some skills but need encouragement and guidance, the leader should use a **Coaching** style (high direction, high support). This includes providing direction while also supporting and motivating them. 3. **High Maturity (M3)**: For team members with the necessary skills but who need less direction, the leader should use a **Supporting** style (low direction, high support). Here, the leader focuses on providing encouragement and involvement, allowing the team member to take more responsibility.	10	3	3

	4. **Very High Maturity (M4)**: For highly skilled and motivated team members, the leader should use a **Delegating** style (low direction, low support). This involves giving them autonomy and trusting them to make decisions. By adjusting leadership styles based on the maturity of each team member, the leader can effectively manage diverse skill levels and enhance overall team performance.			
4	The Keynesian Cross Model represents the equilibrium level of national income in an economy where aggregate demand (AD) is determined by consumption, investment, and government spending. The basic idea is that output (income) is determined by the total expenditure in the economy, which includes consumption (C), investment (I), and government spending (G). In the Keynesian Cross, the equilibrium level of national income occurs when total expenditure (AD) equals the total output (Y). This is where the 45-degree line (which represents points where income equals expenditure) intersects the aggregate demand curve. At this point, the economy is in equilibrium. **Government Spending and Investment:** An increase in government spending (G) or investment (I) shifts the AD curve upward, leading to a higher equilibrium national income. Since investment and government spending are autonomous components of demand, they directly affect the level of output. This is the basis for Keynesian fiscal policy, where increasing G or I can boost output during periods of economic downturn.	10	2	4
5	The **IS-LM model** represents the equilibrium in both the goods market (IS curve) and the money market (LM curve). The model shows the relationship between the interest rate (i) and national income (Y) in determining equilibrium in both markets. • **IS Curve (Goods Market):** The IS curve shows combinations of interest rates and national income where the goods market is in equilibrium (i.e., where investment equals saving). A higher interest rate leads to lower investment, shifting the IS curve left. Conversely, a lower interest rate increases investment and shifts the IS curve right. • **LM Curve (Money Market):** The LM curve shows combinations of interest rates and income levels where the money market is in equilibrium (i.e., where money supply equals money demand). An increase in income leads to higher demand for money, pushing up interest rates and shifting the LM curve upward. Conversely, a decrease in income reduces money demand, shifting the LM curve downward. **Effect of Policies:** • **Fiscal Policy:** An increase in government spending or a tax cut shifts the IS curve to the right, increasing income and output. This leads to higher interest rates in the short run. • **Monetary Policy:** An increase in the money supply shifts the LM curve to the right,	10	2	5

		lowering interest rates and stimulating investment, which boosts output and income.			

BT-Blooms Taxonomy, CO-Course Outcomes, M-Marks

Marks Distribution	**Particulars**		**CO1**	**CO2**	**CO3**	**CO4**	**CO5**	**L1**	**L2**	**L3**	**L4**	**L5**	**L6**
	Quiz	**Max Marks**	-	01	04	01	04	10	-	-	-	-	-
	Test		-	-	30	10	10	-	20	20	10	-	-