



DEPARTMENT OF
INDUSTRIAL ENGINEERING & MANAGEMENT

Date : 28.04.2025	CIE – I	Max. Marks : 10 + 50
Semester : VI	UG	Duration : 30 + 90 Min
Course Title: Principles of Management and Economics	Course Code : HS261TA	

Note:

1. Answer all the Questions.

Sl. No	Questions	M	BT	CO
Part – A				
1	Mention any two skills required by an effective manager.	2	L1	01
	Conceptual skill, Technical skill and Human Skill			
2	List any two principles of scientific management as proposed by F W Taylor.	2	L2	01
	<ul style="list-style-type: none">• Time and motion study• Differential wage payment• Drastic reorganization of functional foremanship• Scientific selection and training of employees• Cooperation between Management and Workers			
3	Highlight the importance of Hawthorne Studies.	2	L2	01
	The Hawthorne Studies highlighted the significance of social and psychological factors in the workplace, showing that employee productivity improves when workers feel valued and involved. These studies marked the beginning of the Human Relations Movement in management.			
4	Differentiate between micro and macroeconomics.	2	L2	04
	Microeconomics studies individual economic units like consumers, firms, and specific markets, focusing on demand, supply, and price determination. Macroeconomics , on the other hand, examines the economy as a whole, dealing with aggregate indicators such as GDP, inflation, unemployment, and national income.			
5	What are the two main sectors in a simple circular flow model?	2	L1	05
	Households and Firms.			
Part – B				
1	A retail chain wants to optimize its store operations for better customer service and efficiency. How can the principles of Scientific Management and Administrative Theory help in this scenario?	10	L2	01
	Scientific Management (Taylor): <ul style="list-style-type: none">• Conduct time and motion studies to streamline customer service tasks.• Train employees based on scientific selection to ensure efficiency.• Use incentive-based systems to boost performance. Administrative Theory (Fayol): <ul style="list-style-type: none">• Apply Fayol's 14 principles like Division of Work, Discipline, Order, and Equity to maintain order and smooth functioning.• Improve Unity of Command to avoid confusion among staff. Encourage Initiative to promote employee innovation.			



2	"You are part of the organizing committee for a Techno-Cultural Fest at your institution. Apply the five primary functions of management—Planning, Organizing, Staffing, Directing, and Controlling—to successfully manage the event. Explain how each function can be implemented to ensure the fest runs smoothly and meets its objectives."	10	L3	01
	<ul style="list-style-type: none"> • Planning: Define the objectives (e.g., number of participants, audience engagement), develop strategies, and create a schedule. Prepare contingency plans for risks (weather, technical issues, etc.). • Organizing: Allocate resources (space, equipment, budget) and assign tasks to different teams (e.g., technical, cultural, guest coordination). Ensure smooth coordination among teams. • Staffing: Recruit volunteers and coordinators, train them for specific roles, and motivate the team with recognition and development opportunities. • Directing: Provide leadership by guiding teams, making quick decisions for any issues, and resolving conflicts to maintain a smooth workflow. • Controlling: Monitor the progress of teams, ensure quality standards are met, and gather feedback after the event to improve future events. 			
3	"A large multinational company is facing challenges in managing its various departments and adapting to changes in the external market environment. Apply Systems Theory and Contingency Theory to suggest how the company can improve its overall management and operations. Explain how these theories would help in managing the complexity and adapting to the changing conditions."	10	L3	01
	<p>Systems Theory:</p> <ul style="list-style-type: none"> • Holistic Approach: View the company as a system where all departments are interdependent. Changes in one area affect others. • Coordination: Ensure communication and collaboration between departments to optimize performance. • Feedback and Adaptation: Regular feedback loops and the ability to adapt to environmental changes are crucial for long-term success. <p>Contingency Theory:</p> <ul style="list-style-type: none"> • Situational Adaptation: Management practices should be tailored based on internal and external factors like market conditions, company size, and technology. • Leadership Styles: Choose leadership styles that match the situation (e.g., directive in crises, participative in stable conditions). <p>Flexibility: Adapt structures and decision-making processes according to the changing needs of the company.</p>			
4	"Consider an economy that is experiencing high inflation and high unemployment simultaneously (stagflation). Using the Circular Flow Model of Economics, explain how inflation and unemployment are interconnected in this economy. How can government policies in the form of fiscal and monetary interventions help address these issues?"	10	L2	04
	<p>Circular Flow Model Explanation:</p> <p>The Circular Flow Model shows the continuous movement of goods, services, and money between households and businesses. Households provide labor to businesses in exchange for wages, and businesses provide goods and services to households. During stagflation, businesses face higher production costs (inflation), which reduce their capacity to hire workers, leading to unemployment. At the same time, rising prices (inflation) reduce household purchasing power.</p>			



	<p>Government Policies:</p> <ul style="list-style-type: none"> • Fiscal Policy: The government can increase public spending to stimulate demand and reduce unemployment or reduce taxes to increase disposable income. However, excessive government spending could worsen inflation. <p>Monetary Policy: The central bank can adjust interest rates to control inflation. By increasing interest rates, it can reduce the money supply, combating inflation, but this could further increase unemployment. Balancing both goals requires careful management of fiscal and monetary policies.</p>			
5	"A country is transitioning from a command economy to a market economy. Using an overview of Economic Systems, discuss the potential advantages and disadvantages of this shift. How will microeconomics and macroeconomics play roles in this transition?"	10	L2	05
	<p>Overview of Economic Systems:</p> <ul style="list-style-type: none"> ○ Command Economy: In a command economy, the government controls the allocation of resources, sets prices, and determines production levels. ○ Market Economy: In a market economy, decisions are made by individuals and businesses based on supply and demand forces, with minimal government intervention. <p>Advantages of Transitioning to a Market Economy:</p> <ul style="list-style-type: none"> ○ Efficiency: Resources are allocated more efficiently through the forces of supply and demand. This typically leads to higher productivity and economic growth. ○ Innovation: A market economy encourages competition, which drives innovation and better quality goods and services. <p>Disadvantages:</p> <ul style="list-style-type: none"> ○ Inequality: Market economies can lead to income inequality, where wealth is concentrated in the hands of a few. ○ Instability: The economy might experience more volatility due to business cycles (booms and recessions), leading to periods of unemployment or inflation. <p>Role of Microeconomics: Microeconomics will focus on individual markets, examining how businesses and consumers interact, the determination of prices, and the allocation of resources at the level of individual industries and firms.</p> <p>Role of Macroeconomics: Macroeconomics will focus on the overall economic performance, such as GDP growth, unemployment rates, inflation, and fiscal and monetary policy decisions. It will be essential in managing the transition and stabilizing the economy during the shift.</p>			