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RV COLLEGE OF ENGINEERING®
(An Autonomous Institution affiliated to VTU)
V Semester B. E. Examinations Jan/Feb 2021

INTRODUCTION TO MANAGEMENT & ECONOMICS

Time: 03 Hours

Maximum Marks: 100

Instructions to candidates:

1. Answer all questions from Part A. Part A questions should be answered in first three pages of the answer book only.
2. Answer FIVE full questions from Part B. In Part B question number 2, 7 and 8 are compulsory. Answer any one full question from 3 and 4 & one full question from 5 and 6

PART-A

1	1.1	Mohan a manager does not distribute the work amongst his subordinates either according to capability. Which principle of management is ignored here?	01
	1.2	_____ roles involve people and other duties that are ceremonial and symbolic in nature	01
	1.3	The process of setting goals and choosing the means by which these goals will be achieved is known as _____.	01
	1.4	An established set of decisions to deal with specific activities which recur frequently within the organisation is known as _____.	01
	1.5	The principle of Chain of command is found in _____ type of organization.	01
	1.6	_____ management principle states that each individual should report to only one boss in order to avoid conflict and/ or confusion	01
	1.7	If a general manager asks the sales manager to recruit some salesman on his behalf, it is an instance of _____	01
	1.8	At what level of an organisation does a corporate manager operate?	01
	1.9	A person's need for power and authority falls under which category of need in <i>ERG</i> theory of motivation?	01
	1.10	_____ leadership style is characterized by contingent reward and management by exception.	01
	1.11	_____ is a set of forces that energize, direct and sustain behaviour.	01
	1.12	_____ proposes that if a higher-level need fails to be filled then a person may regress and seek to further fill lower-level needs instead.	01
	1.13	A decrease in demand causes the equilibrium price to _____	01
	1.14	The law of demand states that the quantity of a good demanded varies _____ with its price.	01
	1.15	The income elasticity of demand is the percentage change in the quantity demanded divided by the percentage change in _____.	01
	1.16	The market for automobiles is an example of _____ oligopoly	01
	1.17	The <i>LM</i> curve will shift down when the _____ demand declines	01
	1.18	The total amount of income from economic activities across the country in a year is called _____.	01

1.19	Gross national product will exceed gross domestic product if net factor payments from abroad are _____.	01
1.20	Bob spends cash on rice, tuition fee, and flour etc. In this scenario which index is used to estimate the average of the entire expenses?	01

PART-B

2	a	<p>Rajiv family's small business which employs 25 semi- skilled workers. During the first week on the job, his dad called him in and said, 'Rajiv, I had a chance to observe you working with the men and women for the past two days and although I hate to, I feel I must say something. You are just too nice to people. I know that this human behavior stuff has been taught to you at the institute, but it just does not work here. I remember when we discussed the Hawthorne studies when I was in the institute, everybody there got excited, but believe me, there is more to managing people than just being nice to them Answer the following question.</p> <p>i) Explain briefly the Hawthorne studies that were explained by Rajiv to his father.</p> <p>ii) Do you think Rajiv's father understood and interpreted the Hawthorne studies correctly? – Comment</p> <p>iii) If you were Rajiv, how would you explain to your father the new perspective that is needed for a business to be successful?</p>	08
	b	<p>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 employee's compensation should depend on the earning capacity of the company and should give them a reasonable standard of living.</p> <p>i) Identify and explain the principles of Fayol and Taylor referred to in the above statements.</p> <p>ii) Excluding the principles identified in (i) explain briefly the other principles of Fayol to the contribution of management.</p>	08
3	a	<p>Pan Masala and Sons is a manufacturer of tobacco products. It decided to increase profits by at least 20% in the next quarter. It has many options:</p> <p>A. To increase the working hours of labourers without additional payment.</p> <p>B. To employ children from the local community.</p> <p>C. To sell its products outside the schools and colleges.</p> <p>It opted the (B) and (C) options to achieve the target.</p> <p>i) Identify the function of management described in the above Para.</p> <p>ii) State the steps of the process involved in the function of management identified in (i) quoting the lines from the above Para.</p> <p>iii) State any two values neglected by the organization</p>	08
	b	<p>Explain briefly the steps of Strategic Management Process with an example.</p>	08
OR			

6	<p>a Umang Gupta is the Managing Director of Denver Ltd. The company had established a good name for itself and had been doing well. It was known for timely completion of orders. The Production Manager, Ms. Kanta was efficiently handling the processing of order and had a team of fourteen motivated employees working under her. Everything was going on well. Unfortunately she met with an accident. Umang knew that in the absence of Ms. Kanta, the company may not be able to meet the deadlines. He also knew that not meeting the deadlines may lead to customer dissatisfaction with the risk of loss of business and goodwill. So, he had a meeting with his employees in which accurate the speedy processing of orders was planned. Everybody agreed to work as team because the behaviour of Umang Gupta was positive towards the employees of the organisation. Hence everyone put in extra time and efforts and the targets were met on time. Not only this, Umang visited Ms. Kanta and advised her to take sufficient rest.</p> <p>i) Identify the leadership style of Umang Gupta and draw a diagram depicting the style.</p> <p>ii) State any two values highlighted by the behaviour of Umang Gupta.</p> <p>iii) List some of the primary characteristics of leadership identified in (i)</p> <p>b Describe briefly the various Types of Situational Leadership Styles as identified by Blanchard and Hersey. Explain with an example.</p>	<p>08</p> <p>08</p>
7	<p>a In an analysis of the market for paint, an economist discovers the facts listed below. State whether each of these changes will affect supply or demand, and in what direction.</p> <p>i) There have recently been some important cost-saving inventions in the technology for making paint.</p> <p>ii) Paint is lasting longer, so that property owners need not repaint as often.</p> <p>iii) Because of severe hailstorms, many people need to repaint now.</p> <p>iv) The hailstorms damaged several factories that make paint, forcing them to close down for several months.</p> <p>b Describe briefly the circular flow economy model diagram with neat sketch.</p>	<p>08</p> <p>08</p>
8	<p>a Describe briefly the four different types of <i>GDP</i> and show how the <i>GDP</i> is Calculated Based on Income</p> <p>b Explain briefly how the <i>AS – AD</i> model incorporates growth, unemployment, and inflation in economy</p>	<p>08</p> <p>08</p>