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**RV COLLEGE OF ENGINEERING®**

(An Autonomous Institution affiliated to VTU)

VI Semester B. EGrade Improvement Examinations Nov-2021

**FOUNDATIONS OF MANAGEMENT AND ECONOMICS***Time: 03 Hours**Maximum Marks: 100**Instructions to candidates:*

Answer any FIVE full questions out of TEN. Each carries 20 marks.

1	1.1	List the functions of management.	01
	1.2	What is the meaning of the term 'Quantitative approach'?	01
	1.3	Name the types of goals and plans.	01
	1.4	Write the meaning of the corporate strategy.	01
	1.5	What is the meaning of the term work specification?	02
	1.6	Meaning of the chain and command is _____.	01
	1.7	List the early theories of motivation.	01
	1.8	Write the steps of Maslow's theory.	01
	1.9	Name the behavioral theories.	01
	1.10	Explain the term Herzberg's two factor theory.	01
	1.11	What is the meaning of managerial grid?	01
	1.12	Measuring of contingency theory of leadership is _____.	01
	1.13	Importance of economics is _____.	01
	1.14	Equilibrium in markets for goods and services _____.	01
	1.15	Price elasticity means _____.	01
	1.16	Differentiate between micro and macroeconomics.	01
	1.17	Define supply and demand.	01
	1.18	Illustrate the neo-classical synthesis.	01
	1.19	Define growth theory.	01
2	a	Explain the management functions, roles and skills.	08
	b	Differentiate between scientific management and administrative theory.	06
	c	With one case study, explain contemporary approach.	06
3	a	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.	
	i)	Explain briefly the Hawthorne studies that were explained by Rajiv to his father.	
	ii)	Do you think Rajiv's father understood and interpreted the Hawthorne studies correctly? – Comment	
	iii)	If you were Rajiv, how would you explain to your father the new perspective that is needed for a business to be successful?	10

	b	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. i) Identify and explain the principles of Taylor and Fayol referred to in the above statements. ii) Excluding the principles identified in (i) explain briefly the other principles of Fayol to the contribution of management.	10
4	a b	With a case study, explain the types of goals and plans. Explain corporate and competitive strategies.	10 10
5	a b	Explain the overview of designing organizational structure. Explain the following terms. i. Chain of command ii. Span of control iii. Formalization iv. Mechanistics and organic structure.	10 10
6	a b	With a flowchart, explain the hierarchy of needs of theory. With one case study, explain Herzberg's two factor theory.	10 10
7	a b	Explain the following terms. i. Blake and Mouton's managerial grid ii. Contingency theories of leadership. Differentiate between transactional and transformational leadership.	10 10
8	a b	Explain the importance of economics, micro-economics and macro-economics. With a case study, explain the changes in income and prices affecting consumption choices.	10 10
9	a b	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. i) There have recently been some important cost-saving inventions in the technology for making paint. ii) Paint is lasting longer, so that property owners need not repaint as often. iii) Because of severe hailstorms, many people need to repaint now. iv) The hailstorms damaged several factories that make paint, forcing them to close down for several months. Describe briefly the circular flow economy model diagram with neat sketch.	10 10
10	a b c	With a flowchart or block diagram, explain the components of GDP (Gross Domestic Product). Differentiate the Classical model, Keynesian Cross model. Explain with an example, the exchange rate determination.	08 06 06