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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	Mohan a manager does not distribute the work amongst his	
	subordinates either according to capability. Which principle of	0.1
1.0	management is ignored here?	01
1.2	roles involve people and other duties that are ceremonial	0.1
1.0	and symbolic in nature	01
1.3	The process of setting goals and choosing the means by which these	0.1
1 4	goals will be achieved is known as	01
1.4	An established set of decisions to deal with specific activities which	0.1
1 -	recur frequently within the organisation is known as	01
1.5	The principle of Chain of command is found in type of	0.1
1.6	organization.	01
1.6	management principle states that each individual should	01
1.7	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	At what level of all organisation does a corporate manager operater.  A person's need for power and authority falls under which category of	01
1.9	need in <i>ERG</i> theory of motivation?	01
1.10	leadership style is characterized by contingent reward and	01
1.10	management by exception.	01
1.11	is a set of forces that energize, direct and sustain	01
1.11	behaviour.	01
1.12	proposes that if a higher-level need fails to be filled then a	01
1.12	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	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?	08
	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 Fayol and Taylor 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.	08
3	a	Pan Masala and Sons is a manufacturer of tobacco products. It	
3	а	decided to increase profits by at least 20% in the next quarter. It has many options:	
		A. To increase the working hours of labourers without additional payment.	
		B. To employ children from the local community.	
		C. To sell its products outside the schools and colleges. It opted the (B) and (C) options to achieve the target.	
		i) Identify the function of management described in the above Para.	
		ii) State the steps of the process involved in the function of management identified in (i) quoting the lines from the above Para.	
		iii) State any two values neglected by the organization	08
	b	Explain briefly the steps of Strategic Management Process with an example.	08
		OR	

4 a	"Shan Spices Ltd." are the manufacturer of different food specific spices like Rajmaa Masala, Cholley Masala, Aaloo Parantha Masala etc. Mr. Raghav, the owner of the company has created different departments for purchase, production, marketing, finance and human resource. There are thirty employees working in the organization. Planning is of paramount importance to the company as Mr. Raghav believes that effective planning leads to achievement of organizational objectives. So in order to make employees focus on objectives, he issued instructions that during working hours only official matters will be discussed. He made certain rules and code of conduct for the employees to follow, according to which employees are not allowed to visit and talk to the employees of other departments except for official work. He emphasized on work performance which resulted in smooth functioning of the organization.  i) Identify and state the type of organization mentioned in the above Para.  ii) State one feature of the concept identified in part (a) as mentioned in the above Para.  iii) What was the purpose behind the formulation of rules for the employees that restricted their personal communication with the employees of other departments?  iv) State two values violated by Mr. Raghav Identify whether the following examples are Organic or Mechanistic in Structure and explain briefly the salient features of it.  i) Consulting Firm  ii) Department of Motor Vehicles.	08
	iii) Universities iv) Facebook Corporation.	08
5 a	Atuliya has started his own consultancy firm under the name 'Happy Go Lucky' after working for five years in a company as a wedding planner. Considering the fact that he is into a labour intensive business and motivation is a complex process, Atulia wants to offer such rewards and benefits that will help to fulfill the various needs of the employees and will inspire them to give their best to the organisation.  In the context of the above case:  i) Why is motivation considered to be a complex process?  ii) Name the various types of needs that exist in a hierarchy within every human being. Also, suggest any two suitable incentives for each of these that Atulia may offer to his employees.  Human beings cannot be motivated only through monetary incentives. Non-monetary incentives are also necessary to motivate them. Explain any four such non-monetary incentives.	08

6	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.  i) Identify the leadership style of Umang Gupta and draw a diagram depicting the style.  ii) State any two values highlighted by the behaviour of Umang Gupta.  iii) List some of the primary characteristics of leadership identified in (i)	08
	b	Describe briefly the various Types of Situational Leadership Styles as	08
		identified by Blanchard and Hersey. Explain with an example.	UO
7	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.	08
8	0	Describe briefly the four different types of <i>GDP</i> and show how the <i>GDP</i>	
0	a b	is Calculated Based on Income Explain briefly how the $AS - AD$ model incorporates growth,	08
		unemployment, and inflation in economy	08