

1. Henry Fayol's Principle of Management:

* The other major contribution of Henri Fayol to the development of management. Fayol outlined a number of principles that he found useful in running his large organization.

* He added that these principles apply not only to business but also to political, religious, military and other organization. These principles are in widespread use today. The Fourteen general principles of management are given below:-

1. Division of work
2. Authority and Responsibility
3. Discipline
4. Unity of Command
5. Unity of direction
6. Remuneration
7. Centralization
8. Scalar Chain

1. Division of work:

Division of work or work specialization results in efficient use of resources and increase productivity. This is applicable to both managerial and technical functions.

2. Authority and Responsibility:

Authority means right to give order or command. Responsibility is the obligation to achieve objectives. Responsibility comes with authority.

3. Discipline:

Discipline is absolutely necessary for the smooth running of an organization. Discipline means following rules, regulations, policies and procedures by all employees of organization. There must be clear and fair agreement for observing rules and regulation also punishment for disobedience and indiscipline.

4. Unity of Command:

An employee should receive orders from one supervisor only to avoid possible confusion and conflict. i.e any worker should not be under control of more than one supervisor. It avoids mistakes and delays in getting work done.

5. Unity of direction:

All the activities must be aimed at one common Objective. The activities should be organized such that there should be one plan and one person in charge. This enables directions of effort towards attainment of one goal.

6. Remuneration:

Compensation and the methods of compensation should be fair to both the employee and the employer. Exploitation of employees of any kind must be avoided.

7. Centralization:

The Centralization of authority and power

to some extent is necessary where it is most feasible otherwise there should be decentralization of authority and power for smoothing functioning of the organization. A balance between both must be achieved. The objective is the optimum use of the capabilities of personnel.

8. Scalar Chain:

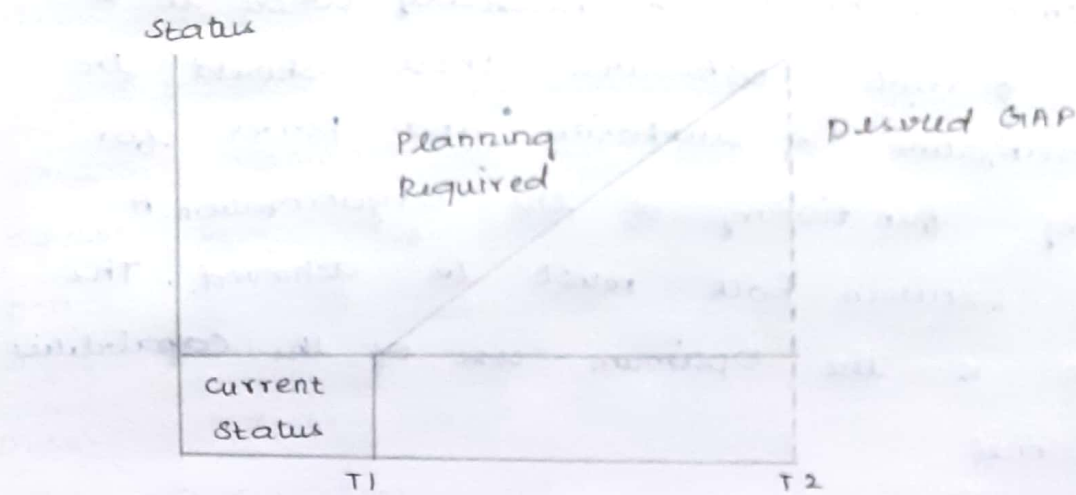
A scalar chain of authority extends from the highest to lowest rank of an organization and defines the communication path. However, horizontal communication is also encouraged as long as the manager in the chain are kept informed.

2. Nature of Planning:

Planning is a mental activity. Planning is not a simple process. It is an intellectual exercise and involves thinking and forethought on the part of the manager. Planning is goal oriented. Every plan specifies the goals to be attained in the future and steps necessary to reach them.

1. Planning is a rational approach:

Planning is a future course of action where one wants to reach. Depending upon your objective time period may vary in the planning process.



2. Planning is an open system:

As organization is open planning too is also an open system. Change in the environment may affect the planning process.

For example: Change in Technology, political, legal changes to cope up with these changes one has to make these changes in planning also.

3. Planning occurs at every level of organisation:

Thus, planning occurs throughout organization at every level. Managers perform planning function for eg, Product launched at the national level.

First Plans are prepared at the top level like prepared at the top level like when to launch a product, who will be the brand celebrity followed by organisation.

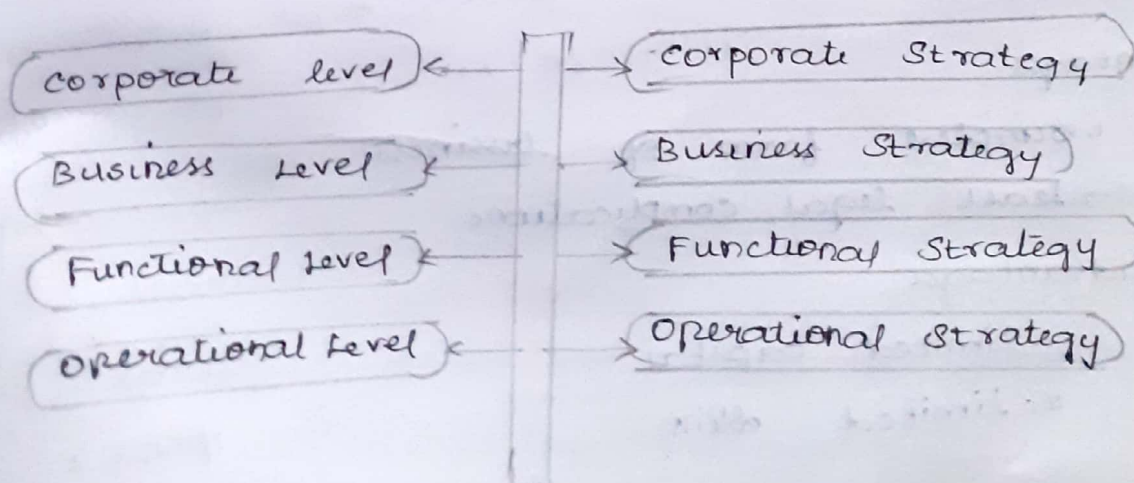
4. Planning as an intellectual process:

Planning is a mental work basically.

concerned with thinking before doing. It is an intellectual process and involves creative thinking and imagination. Whenever planning is done, all activities are orderly undertaken as per plans rather than on the basis of guesswork. Planning lays down a course of action to be followed on the basis of facts and considered estimates, keeping in view the objectives, goals, and purpose of an enterprise.

Advantage:

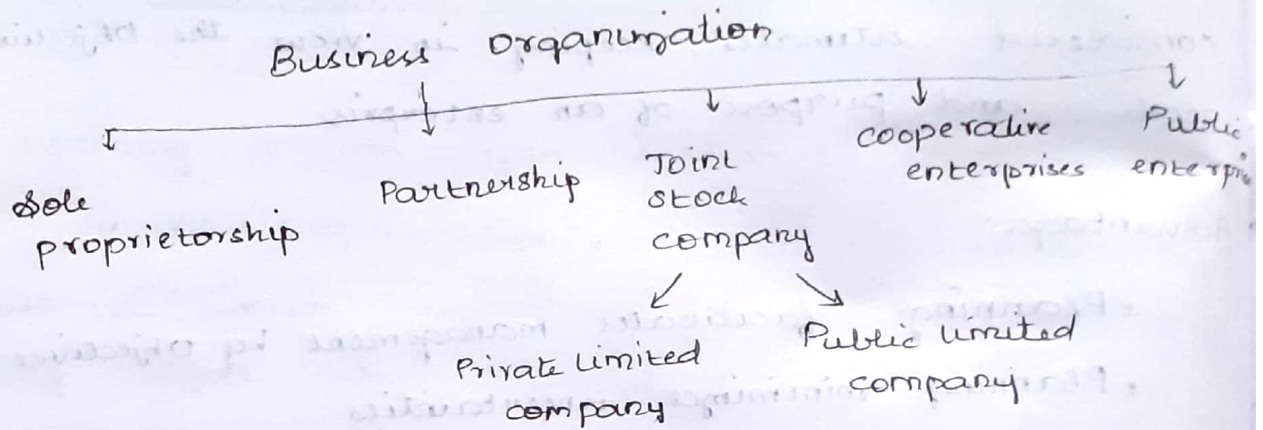
- * Planning facilitates management by objectives
- * Planning minimizes uncertainties
- * Planning facilitates co-ordination
- * Planning facilitates/improves employee's moral
- * It helps in achieving economic
- * Facilitates controlling
- * Provides competitive edge
- * Encourage innovation



PART - C

1. Types of Business Organization:

Ownership of business is represented by the right of an individual to acquire legal title to assets and enjoy the gains at profit.



Sole proprietorship:

Sole proprietorship is the simplest and oldest form of business. Individual uses his own skill in the management of its affairs and is solely responsible for the good or bad result of its operation.

Advantages:

1. Simplest form of business
2. least legal complications

Disadvantages:

1. Limited capital
2. Limited skill

Partnership:

In this form of business, two or more persons come together and start a business with their own funds. The parties agree to share the profits as well as bear the losses in agreed proportion.

Advantages:

1. The partnership organization have larger financial resource compared to sole proprietorship.
2. Loss will be divided among the partners.

Disadvantages:

The existence of partnership is for short duration due to selfish attitude of partners.

Joint Stock Company:

Joint Stock Company / organizations are proved to be superior than the sole proprietorship and partnership form of organization. In this form of organization, capital is contributed by a large number of persons in form of shares of different values.

Advantages:

1. Shareholders bear no risks as the liability is limited.
2. Large scale business can be undertaken.

Disadvantage:

Shareholders do not have much interest.

and voice in the management.

Large formalities are to be observed

Cooperative Enterprise:

Cooperation is a form of organization where persons irrespective of caste, creed and religion, voluntarily associate together as human beings.

Features:

1. Voluntary organization

2. Open membership

Advantages:

1. Easy to form cooperative society

2. Profits are equally shared.

Disadvantages:

This form of organization is not suitable for industries where a huge capital investment is required.

PART - II

1. Koontz's Management definition:

Management is an art of getting things done through and with people in formally organized groups.

2. Levels of Management:

- a. Top Management Level
- b. Middle Management Level
- c. Front-Line Management

3. Managerial Roles:

a. Interpersonal roles

- Figure head
- Leader
- Liaison

b. Informational roles

- Monitor
- Spokesperson
- Disseminator

c. Decisional roles

- Entrepreneur
- Resource allocator

4. Current trends in management:

- * Workforce diversity
- * Job design and organizational structure
- * Technological advance
- * Globalization

5. Planning Premises:

The done forecast or the assumption about the future which provide a base for planning is called Planning premise

7. Strategy:

* Strategies are large scale action plans for interacting with environment in order to achieve long term goals.

* Strategies concerns discretion in which human and resources are applied to achieve goals.

Policy:

* Policies are general statement which guides manager thinking in their decision making function.

* Policies are ensuring that decisions falls within certain boundaries.

8. Importance of Objectives as an Organisation:

Objectives help define goals, identify conflicting activities, guide elements of the decision-making process, and ensure accountability of personnel within an organisation.

9. Important Planning Tools:

* Budgets

* MBO