

**SRI VIDYA COLLEGE OF ENGINEERING & TECHNOLOGY**  
**DEPARTMENT OF ELECTRONICS & COMMUNICATION ENGINEERING**  
**MG6851 - PRINCIPLES OF MANAGEMENT**

**UNIT – I : INTRODUCTION TO MANAGEMENT AND ORGANIZATIONS**

**PART – A (2 Marks)**

**1. What is Management?**

Management is the process of giving direction and controlling the various activities of the people to achieve the objectives of an organization.

**2. Define – Management.**

According to koontz & Weihrich “management is the process of designing and maintaining of an environment in which individuals working together in group efficiently accomplished selected aims”.

**3. Write some characteristics of Management.**

- Management is a continuous process.
- Managers use the resources of the organization both physical as well as human to achieve the goals.
- Management aims at achieving the organization goals by ensuring effective use of resources.

**4. What are the roles of management in organization?**

- Managements help in determination of the objectives of an organization.
- Economics and social development takes place through management.

**5. Write any two points in favor for management as a science.**

- Management principles should be verifiable.
- Reliable basis for predicting future.

**6. Write any two points in favor for management as an art.**

- Management is creative.
- Management includes the use of practical knowledge and personal skill.

**7. What is Time study?**

The movements which takes minimum time is the best one.

**8. What is motion study?**

Taylor suggested that eliminating wasteful movements and performing only necessary movements.

**9. Write Fayol's fourteen principles of management.**

- |   |                    |
|---|--------------------|
| 1 Division of work                        | 8 Centralization   |
| 2 Authority and Responsibility            | 9 Scalar chain     |
| 3 Discipline                              | 10 Order           |
| 4 Unity of command                        | 11 Equality        |
| 5 Unity of direction                      | 12 Stability       |
| 6 Individual interest to general interest | 13 Initiative      |
| 7 Remuneration                            | 14 Esprit de-corps |

**10. What is authority?**

It is the power given to a person to get work from his subordinates.

**11. What is responsibility?**

It is the amount of work expected of a man by his superior.

**12. Comment: Management is both – A science and an art.**

Management is a science because it contains general principles. It is also an art because it requires certain personal skills to achieve desired result.

13. What is centralization?

The organization is centralized when the power is concentrated with one person.

14. What is decentralization?

The power is fully distributed to the subordinates of the organization.

15. What is scalar chain?

The instruction and orders should be sent from the top management to the lower management.

16. What are management levels?

- Top-level management.
- Middle level management
- Lower level management

17. Write some important functions of top management.

- To formulate goals and policies of the company.
- To formulate budgets
- To appoint top executives

18. Write any two functions of middle level management.

- To train, motivate and develop supervisory level.
- To monitor and control the operations performance.

19. What are essential skills needs for the manager?

- Technical skill.
- Human skill
- Conceptual skill

20. Write the function of management.

- Planning
- Organizing
- Staffing
- Coordinating
- Controlling

21. What is social responsibility?

Society is the part of the management to initiate actions either to protect social interest of the society.

22. List out the groups' responsibilities of management.

- Shareholders
- Employees
- Customers
- Creditors
- Suppliers

23. What is ethics?

All individuals in business or non-business activities are concerned with some standardized form of behavior are known as ethics.

24. What is ethics in management?

- Business ethics deals with morality of the business environment.
- Business ethics relate to the behavior of a businessman in a situation.

25. What is partnership?

A partnership is an association of two or more persons to carry on business and to share its profit and losses in an agreed ratio.

## **UNIT – I : INTRODUCTION TO MANAGEMENT & ORGANIZATIONS**

### **Part-B-16Marks**

#### **1. Explain the different Business organization (16)**

##### **Business Organization**

An Organization is a group of people working together to achieve a common goal.

Organization is grouping of activities and putting under different departments according to their functions.

The Organization brings men and material resources together for fulfilling the goals of enterprises.

##### **Types of Organization**

1. *Sole proprietorship / Individual*
2. *Partnership*
3. *Joint stock Company - Private Ltd Company & Public Ltd Company*
4. *Co operative Enterprises*
5. *Public Enterprises / State ownership*

**1.Sole proprietorship** - the individual entrepreneur supplies the entire capital, employs labor and machines. Individual uses his own skill in the management of affairs and is solely responsible for the good or bad result of its operation and working

##### **Merits**

- |                              |                             |
|------------------------------|-----------------------------|
| 1. Simplest form of business | 2. Least legal complication |
| 3. Quick decision            | 4. Maximum Profit           |
| 5. Personal Care             | 6. Quality product          |
| 7. Minimum wastage           | 8. Flexible business        |

**2.Partnership** - 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 the agreed proportion. The formation and management of partnership organization is governed by the Indian Partnership Act, 1932.

##### **Merits**

1. Has larger financial resources
2. greater personal contacts of the partners gives more customer base and benefits
3. Persons of different skills and abilities can work for betterment of Organization
4. Less expenditure per partner is involved in forming partnership Organization
5. Loss will be divided among the partners

**3.Joint Stock Company** - Capital is contributed by a large number of people in the form of shares of different values.

**4.Private Ltd Company** - can be established with two to fifty members. The maximum number of membership is limited to 50. When this type of Organization expands beyond certain limit, it can restrict its liability by registering the firm as a limited company. The company is registered under Indian Company act 1956.

**5.Public Ltd Company** - the minimum number of members required are 7 and there is no upper limit. Such companies offer shares to general public. Public Ltd companies are supervised and controlled by the Government to protect the interest of Share holder public. The company is governed by an elected body called board of directors.

## Merits

- The shareholders bear no risk as the liability is limited
- Large scale business can be undertaken
- Not affected by the retirement of any share holder hence the existence of Organization is permanent in nature.
- Works on democratic principles, which results in economy and efficiency.

**6. Co-operative Enterprises** - Co-operation is a form of Organization where persons irrespective of caste, creed and religion, voluntarily associate together as human beings. It is based on the democratic principles and functions for the welfare of the public at large. It protects the interest of consumer as well as that of small producers.

### Features

- Voluntary Organization
- Open Membership
- Common purpose I Interest
- Democratic Management
- Not profit oriented

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## 2. Is Management Profession-discuss? (8)

The essential attribute of a profession

1. A well-defined and organized body of knowledge
2. Learning and Experience
3. Entry restricted by qualification
4. Recognized national body
5. Ethical code of conduct
6. Dominance of service motive

**Mgt cannot be a fully fledged profession due to the following shortcomings**

- Skills not fully developed
- No uniform method of entry
- Objective is monetary rather than service
- Ethical code is not strict
- Associations are not statutory bodies

### Levels of Management

#### **1.Top Level Management**

- To analyze, evaluate and deal with the environmental forces
- To establish overall long term goals & broad policies of the company including the master budget
- To appoint departmental and other key executives
- To represent the company to the outside world
- To coordinate the activities and efforts of different department

#### **2.Middle Level Management**

- To interpret and explain the policies framed by top management
- To compile and issue detailed instruction regarding operations
- To cooperate among themselves so as to integrate various parts of the division or a department
- To motivate supervisory personnel to work for Organization goals
  - To develop and train supervisory and operative personnel.

#### **3.Supervisory / Operating / Lower Level Mgt-**

- To plan day to day production within the goals lay down by higher authority
- To assign jobs to workers & to make arrangement their training & development
- To supervise and control workers and to maintain personal contact with them.

### **Roles of a manager (Mint berg)**

- 1. Interpersonal Role - Interacting with people inside and outside the Organization**
  - **Figurehead** - as a symbolic head of an organization, performs routine duties
  - **Leader** - Hiring, Training, motivating and guiding subordinates
    - **Liaison**- Interacting with outside the organization to obtain favors & information
- 2. Informational Role - Serving as a focal point for exchange of Information**
  - **Monitor** - Seeks & receive information concerning internal and external
  - **Disseminator** - Transmits information to subordinates, peers and superiors
    - **Spokesperson**-Transmits information on Organization plans, policies & actions
- 3. Decisional Role- Makes important decision**
  - **Entrepreneur** - Initiating changes or improvements
  - **Disturbance handler**- Taking charge and corrective action
    - **Resource allocator**
      - Distributing Organization's resources like money, time, equipment and labor
    - **Negotiator**
      - Representing the Organization in bargaining and negotiations with outsiders and insiders.

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### **3. Discuss the contribution of Henry Fayol Management. (16)**

Father of Management - Henry Fayol (1841- 1925) Henry Fayol contributed

#### **14 Principles to Management which is widely applied in the entire Organization**

1. Division of Work
2. Authority and Responsibility
3. Discipline
4. Unity of Command
5. Unity of Direction
6. Subordination of individual interest to general interest
7. Remuneration of personnel
8. Centralization
9. Scalar Chain
10. Order
11. Equity
12. Stability of Tenure of Personnel
13. Initiative
14. Esprit-de-corps.

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### **4. Discuss the contribution of F.W. Taylor to management. (8)**

Taylor defined management as,

*"The art of knowing exactly what you want men to do and seeing that they do it in the best and cheapest way."*

The objective of management → *Both the employer and the employees.*

His ideas are available book. '*Principles of scientific management*' published in 1911.

**Taylor's principles of scientific management are as follows;**

Development of a true science for each element of a man's job to replace the **old rule of thumb method.**

- Scientific selection, training and development of workers for every job

- An almost equal division of work and responsibility between management and workmen.
- Close co-operation between management and
- Maximum output in place of restricted output

### ***Techniques of scientific Management***

Taylor developed several techniques these techniques provide the mechanism for implementing his principles. Some of these techniques are given below:

#### ***1. Separation of planning and doing:***

Taylor suggests the separation of planning and doing.

- Taylor says that supervisor should be done the planning.
- The workers only concentrate on doing the work.

#### ***2. Functional foremanship:***

- Taylor developed a theory called functional foremanship based on specialization of function.
- In this system eight foreman were involved to direct and control the activities of the workers.

#### ***3. Job analysis***

- Time Study
- Motion Study
- Fatigue study
- Standardization

#### ***4. Scientific selection and training:***

Taylor suggested that workers should be selected on scientifically.

***A worker should be physically and technically most suitable.***

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### **5. Is Management Art or Science. Comment. (8)**

#### ***Management as an Art***

- It is a practical way of doing specific things
- Art is a personalized process and every artist has his own style. Art is essentially creative and the success of an artist is measured by the results he achieves
- Art is a practice based & perfection, it requires continuous practice over a long period
- The main elements of an art are -
  - a. Personal Skills
  - b. Practical know-how
  - c. Result orientation
  - d. Creativity
  - e. Constant practice aimed at perfection

#### ***Management is basically an art because of the following reasons -***

- A manager applies his knowledge and skills to coordinate the people
- Mgt seeks to achieve concrete practical result
- Mgt is creative. It brings out new situation and converts into output
- Effective Mgt lead to realization of Organizational and other goals. Mastery in Mgt requires a sufficiently long period of experience in, managing.

#### ***Management as Science***

##### ***The essential elements of Science***

- It is a systematized body of Knowledge
- Contains underlying principles and theories developed through continuous observation, experimentation and research.
- Universal applicability

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## **6. Explain the nature and scope of Management. (8)**

### **Management Definition**

Management is the art of *getting things done through others*. Harold Koontz Def as "Management is the process of designing and maintaining an environment in which individuals, working together in groups efficiently to accomplish selected aims"

Managers carry out their managerial function

- Applies to any kind of Organization
- Applies to managers at all organizational levels
- Aim is to create a surplus
- Concerned with productivity, implies effectiveness and efficiency
- Mgt of 4 M's in the Organization - Men, Machine, Materials & money

### **Characteristics of Management**

#### ***Management is Universal***

1. Mgt is Purposeful
2. Mgt is integrative Function
3. Mgt is a Social process
4. Mgt is a Multi disciplinary
5. Mgt is a continuous process
6. Mgt is intangible

#### ***Management as a Profession***

The essential attribute of a profession

1. A well-defined and organized body of knowledge
2. Learning and Experience
3. Entry restricted by qualification
4. Recognized national body
5. Ethical code of conduct
6. Dominance of service motive

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## **7. Explain Functions of Management. (8)**

1. Managers carry out their managerial function
2. Applies to any kind of Organization
3. Applies to managers at all organizational levels
4. Aim is to create a surplus
5. Concerned with productivity, implies effectiveness and efficiency
6. Mgt of 4 M's in the Organization - Men, Machine, Materials & money

### ***Importance of Management***

Management is the dynamic life -giving element in every business. Without it the resources of production remain resources and never become production. Sound

Management provides the following benefits.

1. Achievement of group goals
2. Optimum utilization of resources
3. Fulfillment of social obligations
4. Economic growth
5. Stability
6. Human Development
7. Meets the challenge of change

<b>Functions</b>	<b>Classification of managerial Functions</b>
<b>Planning</b>	Forecasting, Decision making, Strategy formulation, Policy making, Programming, Scheduling, Budgeting, Problem-solving, Innovation, Investigation, Research.
<b>Organizing</b>	Grouping of Functions, Delegation, Decentralization, Task allocation
<b>Staffing</b>	Manpower planning, Job analysis, Recruitment, Selection, Training, placement, Compensation, Promotion, Appraisal, etc
<b>Directing</b>	Supervision, Motivation, Communication, Leadership etc.
<b>Controlling</b>	Fixation of standard, Recording, Measurement, Reporting & Corrective Action.

### **Need for Management**

1. To increase efficiency
  2. To crystallize the nature of Mgt job
  3. To improve research in Mgt
  4. To attain social goals.
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