

PART- I&II

Business Studies

Class XII



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Chapter 1

Nature and Significance of Management

Chapter 1 Nature and Significance of Management

VERY SHORT ANSWER TYPE QUESTIONS (1 MARK)

1. “Planning, Organizing, Staffing, Directing and controlling” is the sequence of functions in a process. Name it.

Ans. Management

2. Name that intangible force which creates productive relationships among resources of an organization.

Ans. Management

3. What is the main objective of any organization?

Ans. Main objective of any organization is optimum utilization of resources

4. Production manager tries to produce goods with minimum costs. Name the concept which is being focused by management?

Ans. Efficiency

5. What do you mean by effectiveness?

Ans. It means completing the task or achieving the goals within stipulated time period.

6. “Management is a group activity”. Give reasons for statement.

Ans. An organization is a collection of diverse individuals with needs and purposes but they work towards fulfilling the common organizational goals.

7. In order to be successful, an organization must change its according to the needs of the environment. Which characteristic of management is highlighted in the statement?

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Ans. Management is a dynamic function.

8. Give one designation each of top and middle level management?

Ans. Top – CEO, Middle – Divisional Manager

9. Your Grand Father has retired as the director of a manufacturing company.

At what level of management was he working.

Ans. Top management.

10. Why is management called inexact science?

Ans. Management relates to human behavior, whose cause and effect is not certain, that's why it is called an inexact science.

SHORT ANSWER TYPE QUESTIONS (3 OR 4 MARKS)

1. Explain the meaning of management. What do you mean by managers?

Ans. Management is a process of getting things done with the aim of achieving desired

common goals effectively and efficiently. Persons engaged in performing the functions of the management are known as managers. In other words, those managing the organizational resources for releasing its goals are known as managers.

2. 'Management is a process' Explain?

Ans. Management includes various steps such as planning, organizing, staffing, directing and controlling. This process begins with those at the top of the organization and continues in varying degrees at almost every level of the organization. These inter-related steps help to achieve organizational goals in an effective manner. That is why management is known as a process of employing and organizing resources to accomplish predetermined objectives.

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3. 'Management is multi-dimensional'. Explain?

Ans. Management is a complex activity and involves following three main dimensions –

i) Management of works

In each and every organization, certain type of work is to be performed. In school, overall development of a child is to be done; in hospitals, patients are treated etc. Management converts these works into goals and devises the means to achieve them.

ii) Management of People.

Management is concerned with “getting things done through people”, which is a very difficult task. All the employees have different personalities, needs backgrounds and methods of work. Thus, it becomes management’s job to make them work as a group by giving common direction to their efforts.

iii) Management of operations.

In order to survive, each organization has to provide certain goods or services. This involves production process thus, management of operations is inter linked with both the above dimensions viz., management of work and the management of people.

4. What are the personal objectives of the management?

Ans. Personal objectives refer to the objectives which are related to the employees of an organization. They are as follows:

- i) Financial needs like competitive salaries, incentives and other monetary benefits.
- ii) Social needs like recognition in the organization.
- iii) Higher level need which includes personal growth and development.

5. Enumerate the importance of management.

Ans. Following points are the importance of management.

- i) Management helps in achieving group goals.
- ii) Management increase efficiency
- iii) Management creates a dynamic organization.
- iv) Management helps in achieving personal objectives.
- v) Management helps in development of society.

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6. What do you mean by level of management?

Ans. Levels of management means the hierarchy of organization representing the relationships among managers and subordinates on the basis of their relative authority, status and responsibility. There are three levels in the hierarchy of an organization viz.

(i) Top management (ii) Middle management and (iii) Supervisory or operational management.

7. Define co-ordination. Enumerate the features of co-ordination?

Ans. Coordination is an orderly arrangement of group efforts to maintain harmony among individuals' efforts towards the accomplishment of common goals of an organization.

Features of co-ordination

- i) It integrates group efforts.
- ii) It unifies the action.
- iii) It is a continuous process.
- iv) It is an all-pervasive function
- v) It is the responsibility of all managers.
- vi) It is a deliberate function.

LONG ANSWER TYPE QUESTIONS (5 OR 6 MARKS)

1. Explain any five features of management?

Ans. Following are the features of management:

(i) Management is a group activity

Management consists of a number of persons who work as a group. Their efforts are directed towards the common goals. Members initiate, communicate, coordinate and join their hands for the achievement of organizational objectives.

(ii) Management is a goal-oriented process

Management aims at common goals through a process of series of continuous functions via planning, organizing, directing, staffing and controlling. These composite functions of management are separately performed by all managers all the time simultaneously to realize

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organizational goals

(iii) Management is all pervasive

Whether it is a commercial organization or noncommercial organization, big or small all require management to handle their operations effectively and efficiently.

(iv) Management is a continuous process

Management is a continuous process consisting of a series of functions viz., planning, organizing, directing and controlling. All the managers perform these functions regularly.

(v) Management is a dynamic function

The environment in which a business exists keeps on changing. Thus in order to be successful, management must change its goals, plans and politics according to the needs of its environment.

2. Explain the organizational objectives of management.

Ans. The organizational objectives of management refer to the main objectives required to fulfill the economic goals of the business organization. The main objective of management is to utilize the human and material resources in such a

manner that it should give maximum advantage to the organization. Every management group strives to accomplish these objectives for its organization. These objectives of every organization are survival, profit and growth.

(a) Survival: The basic objective of every business is to survive for a longer period in the market. The management must ensure survival of the organization by earning enough revenue to cover its costs.

(b) Profit: Only survival is not sufficient for business. Profit earning is essential for

meeting the expenses and for the successful operation of the bus' Thus management must ensure earning of sufficient profit.

(c) Growth: The next important objective of the management is to ensure future growth and development of the business.

3. Explain the 'social objectives' of management.

Ans. Each organization is a part of society and thus it has certain social obligations to fulfill.

Some of them are as follows:

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- (i) To supply quality goods and services
- (ii) Providing basic amenities to the employees like schools and creches for their children, medical facilities etc.
- (iii) To generate employment opportunities especially for the backward classes.
- (iv) To provide environment friendly methods of production.
- (v) To provide financial support to society by donating for noble causes.
- (vi) To organize educational, health and vocational training programmes.
- (vii) To participate in social service projects of Government and Non – Governmental Organizations (NGOs).

4. Do you mean by 'Personal Objectives' of management? Enumerate personal objectives of management.

Ans. Personal Objectives refer to the objectives which are related to the individual

needs of the employees of an organization. All organizations are made up of people with different values, experiences and objectives. People join an organization to satisfy their different needs. These are as follows:

- i) Financial needs like competitive salaries, incentives and other monetary benefits.
- ii) Social needs like recognition in the organization.
- iii) Higher level need which includes personal growth and development.

5. Explain five functions of top-management.

Ans. Top management performs the following functions.

- i) Develops long-term objectives:** Top-level managers develop the long – term objectives like expansion of business, manpower planning etc.
- ii) Framing of policies:** They lay down guidelines for departmental head i.e., policies relating to production, marketing, personnel, finance public relation etc.
- iii) Organizing :** Top management organizes the business into various sections and departments to achieve the desired organizational objectives.
- iv) Key appointments:** Top-level authorities appoint the departmental heads and some other key persons to develop the organizational structure for profitable growth of the enterprises.
- v) Controlling:** Top-level managers periodically review the work of executives at different levels to ensure that their performance is as per predetermined plans.

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QUESTIONS WITH DIFFERENT DIFFICULTY LEVELS

1. Give any one social objective of management. (1)

Ans. Either one of the following:

- i) Desired quality of products at reasonable price.
- ii) Using environment friendly methods of production
- iii) Generation of employment opportunities.

2. Name any two designations given to first line managers. (1)

Ans. Foremen and supervisors.

3. Which force binds all other functions of management? (1)

Ans. Coordination

4. What do you mean by Management Hierarchy? – (1)

Ans. The chain of authority – responsibility relationships from top to bottom is called as management hierarchy.

5. How is management all pervasive? – (3 or 4)

Ans. Activities involved in management are applicable to every type of organisation whether economic, social or economic, social or political. For example, a cricket team needs to be managed as much as a club or a hospital. The activities of managers in India are similar to their activities in say U.K. or USA. Thus it can be said that management is all pervasive.

6. ‘Management provides judgement and vision’. Explain? -(3 or 4)

Ans. Management keeps adjusting to the complex and ever-changing external environment. It helps in decision making. As it visualizes the future and the right course of action for same, sound decisions become possible. Thus, its foresight provides judgment and vision.

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7. Why is management considered as a discipline? (3 or 4)

Ans. Discipline refers to a subject, the study of which can be organized and taught. Management is considered as a discipline because it is being continuously researched and studied. Also, it emphasis on knowledge, diversification, theory and practice, just like any other discipline.

8. Mr. Kunal is working as the Finance Manager of XYZ Ltd. At what level of management is he working? State any two functions being performed by him? (3 or 4)

Ans. He is working as a middle level manager.

His functions are as follows.

- i) Deciding various sources from which required funds can be raised.
- ii) Negotiating with banks, brokers, under-writers etc. for raising finance.

9. ‘Coordination is a continuous activity’. Explain? (3 or 4)

Ans. Coordination is a continuous activity carried out by all managers at all times. It

starts at the planning stage and continues with the other functions of management. It is a never-ending process. It integrates all the activities and ensures the orderly arrangement of individual and group efforts to ensure unity of action in the realization of common objectives.

10. What is mean by Co-ordination? Explain how does coordination ‘integrates group efforts’ and ‘ensures unity of action’. (cbse 2012)

Ans. Meaning of Coordination and Explanation of relevant features.

11. Identify the nature of management when it is practiced as personal application of existing knowledge to achieve desired results. (cbse 2012)

Ans. Management as an art.

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Exercises

Short Answer Type Questions

1. Define management.

Ans: Management is defined as a process of getting things done with the aim of achieving goals effectively and efficiently.

or

It is a process of designing and maintaining an environment in which individuals working in groups, can achieve selected objectives efficiently and effectively.

2. Name any two important characteristics of management.

Ans: Pervasive and Multidimensional.

3. Ritu is the manager of the Northern division of a large corporate house. At what level does she work in the organisation? What are her basic functions?

Ans: Ritu is working at the middle level. Her basic functions are (number of functions should be given according to the marks allotted for the question).

(i) Interpreting the policies formed by the top level management and acting as a link between top level management and operative management.

(ii) Assigning necessary duties to the employees.

4. Why is management considered a multi-faceted concept?

Ans: Management is considered as a multi-faceted concept because it is a complex activity that has three main dimensions. These are

(i) **Management of Work** All organisations perform some work e.g., producing or selling. A work is defined as the goals to be achieved.

(ii) **Management of People** The main asset of an organisation is the human resources. This resource has to be managed in such a manner that it helps to achieve the goals of the organisations.

(iii) **Management of Operations** All organisations either produce a product or

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provide a service. This requires a production process which means using an operation to convert the inputs into the output, it is interlinked with both management of work and management of output.

5. Discuss the basic features of management as a profession.

Ans: Basic features of management as a profession management as a profession has the following features which are as follows

- (i) **Well-defined Body of Knowledge** All professionals are based on a well-defined body of knowledge that can be acquired through instruction.
- (ii) **Professional Association** There are several associations of practicing managers in India, like the AIMA (All India Management Association) that has laid the code of conduct to regulate the activities of their members.
- (iii) **Service Motive** All business organisations aim to provide good quality product or service at a reasonable price thus serving the society.

Thus, we can say management does not meet the exact criteria of a profession but it has some features as a profession.

Long Answer Questions

1. Management is considered to be both an art and science. Explain.

Ans: Art is the skillful and personal applications of existing knowledge to achieve desired goal.

Management is considered an art due to the following reasons

- (i) **Existence of Theoretical Knowledge** :All art subjects are based on theoretical knowledge e.g., written material is available on dancing, time arts, music etc same way there is lot of literature available on management and its branches – finance, marketing, human resource etc.
- (ii) **Personalised Application** :The use of this basic knowledge differs from one individual to the other. Two painters, two dancers or two singers all use their knowledge in their own way. Same way two managers who have acquired the same knowledge may use it in their own different ways to get the work done.
- (iii) **Based on Practice and Creativity** : All art is practical. It involves creative practice. The more we practice it better we become at it. It also requires

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creativity.

Same way a manager applies his acquired knowledge in a unique manner. More practice makes him a better manager and he also develops his own style of management.

Management is an In-exact Science

(i) Systematised Body of Knowledge :Science is a systematised body of knowledge. Its principles are based on cause and effect relationship, e.g., water evaporates on being heated. Same way management is a body stigmatised Knowledge. All managerial principles have cause and effect relationship.

(ii) Principles Based on Experimentation :Scientific principles are first developed through observation and then tested through repeated experimentation. Same way management principles are also propounded after observation and repeated experimentation.

(iii) Universal Validity :All scientific principles have universal validity. They give same result wherever applied.

Principles of management do not have Universal validity. They have to be adjusted and applied according to the need of the situation.

Thus, management is an in-exact science.

2. Do you think management has the characteristics of a full fledged profession?

Ans: No, management does not possess all the characteristics of a full fledged profession. The reasons go as follows

(i) Well-defined Body of Knowledge All professions are based on a well-defined body of knowledge that can be acquired teaching – learning process. This feature of a profession is possessed by management as well. There is vast knowledge available on management in the form of definitions, concepts, theories, principles etc.

(ii) Restricted Entry All professions have a restriction or the entry of its practitioners. They have to acquire a specific degree to be professional e.g., LLB for a lawyer MBBS for a doctor etc. But a manager can be an MBA qualified or not.

(iii) Professional Association All professions are affiliated to a professional association which regulates entry, grants certificate of practice and formulates a code of conduct e.g., ail lawyers have to be a member of Bar Council to practice law. It is not compulsory for all managers to be a member of AIMA.’

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(iv) Ethical Code of Conduct All professions are bound by a ethical code of conduct which guides the behaviour of its members. But as it is not compulsory for all managers to be members of AIMA, they all may not be aware of the prescribed code of conduct of AIMA.

(v) Service Motive All basic motive to serve their client's interest, e.g., - lawyers to get justice for their clients, doctors to treat the patients etc. All managers also work in a manner where by they show their effectiveness and efficiency in the form of good quality goods provided to the customer at a reasonable price.

Thus, management possesses some characteristics of a profession but not all.

3. Co-ordination is the essence of management. Do you agree? Give reasons.

Ans: Co-ordination plays a vital role as it binds all the other functions of management. It is the common thread of all activities such as purchase, production, sales etc that runs through. Some of the basic features are as follows

(i) Integrates Group Efforts Co-ordination brings unity to all. It gives a common focus to group efforts.

(ii) Ensures Unity of Actions It acts as a binding force between departments and ensures that all action is aimed at achieving the goals of the organisation.

(iii) It is a Continuous Process Co-ordination is not a one time function but a continuous process. It begins at the planning stage and continues till controlling.

(iv) It is an All Pervasive Function Co-ordination is required at all levels of management due to the interdependent nature of activities of various departments. It integrates the efforts of different departments and different levels.

(v) It is the Responsibility of All Managers All managers need to co-ordinate something or the other. A manager of production department needs to co-ordinate the work within his department and also with the other departments at the same time.

(vi) It is a Deliberate Function Whatever the managers are doing in an organisation they are doing it knowingly. Co-ordination is one of the most important functions of all managers. Thus co-ordination is also done deliberately. Whatever the managers do, they do it deliberately to achieved the

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predetermined goals and objectives.

Thus, we can say co-ordination is the essence of management after analysing these points.

4. “A successful enterprise has to achieve its goals effectively and efficiently” Explain.

Ans: “A successful enterprise has to achieve its goals effectively and efficiently”. Thus, management has to see that task are completed and goals are achieved with the minimum resources.

Management is thus getting things done with the aim of achieving goals effectively and efficiently. Being effective or doing work effectively basically means finishing the given task. It is concerned with end result, it is achieved or not. Efficiency means doing the work correctly and with minimum cost. If by using less resources more benefits are derived then efficiency has increased. It is thus essential for any organisation to focus on efficiency as well as effectiveness. It is not only important to complete the work correctly but equally important to complete it with minimum cost. In the same manner, it is not only important to reduce cost but equally important to complete the work correctly.

5. Management is a series of continuous inter-related functions. Comment.

Ans: Management is a series of continuous inter-related functions. Each one of them performed to guide and direct the efforts of others.

(i) Planning Planning is the primary function which runs through all other functions. It is the process of thinking before doing. It bridges the gap between where we are and where we want to go.

(ii) Organising It is the process of defining the formal relationship among people and resources to accomplish the desired goals. It involves

(a) Identification and division of work

(b) Departmentalisation

(c) Assigning of duties

(d) Establishing reporting relationships

(iii) Staffing Organisational goals can be achieved only through human efforts. It is the duty of management to make the best possible use of this resource. Thus, placing the right person on the right job is very important. Staffing helps management to motivate, select and place the right person on the

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right job.

(iv) Directing Directing involves leading, influencing and motivating employees to perform the tasks assigned to them. This requires establishing an atmosphere that encourages employees to do their best. Directing comprises of four elements; supervision, motivation, leadership and communication.

(v) Controlling Controlling is the management function of monitoring organisational performance towards the attainment of organisational goals. The task of controlling involves

- (a) Establishing standards of performance
- (b) Measuring current performance'
- (c) Comparing this with established standards
- (d) Taking corrective action

Multiple Choice Questions

1. Identify the feature of coordination being highlighted in the given statement:
“Coordination is not a one-time function, it begins at the planning stage and continues till controlling.”

- (a) Coordination ensures unity of action.
- (b) Coordination is an all-pervasive function.
- (c) Coordination is a continuous process.
- (d) Coordination is a deliberate function.

Answer: (c) Coordination is a continuous process.

2. Identify the process that provides the requisite amount, quality, timing, and sequence of efforts, which ensures that planned objectives are achieved with a minimum of conflict.

- (a) Management
- (b) Planning
- (c) Coordination
- (d) Controlling

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Answer: (c) Coordination

3. Coordination is considered to be the essence of management because _____.

- (a) It is a common thread that runs through all the activities within the organisation.
- (b) It is implicit and inherent in all functions of the organisation.
- (c) It is a force that binds all the functions of management.
- (d) All of the above.

Answer: (d) All of the above.

4. It is a force that binds all the functions of management.

- (a) Cooperation
- (b) Coordination
- (c) Planning
- (d) Management hierarchy

Answer: (b) Coordination

5. This function of management related to placing the right person at the right job is_____.

- (a) Organising
- (b) Staffing
- (c) Planning
- (d) Controlling

Answer: (b) Staffing

6. Supervision, communication, motivation, and leadership are the key elements of this function of management.

- (a) Directing

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- (b) Controlling
- (c) Planning
- (d) Organising

Answer: (a) Directing

7. This function of management relating to laying down the foundation for carrying out the other functions of management successfully is _____.

- (a) Organising
- (b) Staffing
- (c) Planning
- (d) Controlling

Answer: (c) Planning

8. The function of management related to the grouping of activities to be carried out into departments and creating a management hierarchy is _____.

- (a) Planning
- (b) Organising
- (c) Controlling
- (d) Directing

Answer: (b) Organising

9. Organising as a function of management involves deciding _____.

- (a) What activities and resources are required.
- (b) Who will do a particular task.
- (c) Where will it be done.
- (d) All of the above.

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Answer: (d) All of the above.

10. This level of management serves as a link between top-level managers and first-line managers.

- (a) Supervisory level management.
- (b) Operational management.
- (c) Middle-level management.
- (d) None of the above.

Answer: (c) Middle-level management.

11. The main task of this level of management is to determine the overall organisational objectives and strategies for their realisation.

- (a) Operational management.
- (b) Middle-level management.
- (c) First-line management.
- (d) Top-level management.

Answer: (d) Top-level management.

12. Which of the following statements is not true for lower-level management?

- (a) Analyse the business environment and its implications for the survival of the business.
- (b) Ensure the quality of the output.
- (c) They strive to reduce the wastage of resources.
- (d) They ensure that safety standards are maintained within the organisation.

Answer: (a) Analyse the business environment and its implications for the survival of the business.

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13. Which of the following statements does not pertain to middle-level management?

- (a) They are responsible for all the activities of the operational managers.
- (b) They are responsible for the welfare and survival of the organisation.
- (c) The interpreter of the policies is made by top-level managers.
- (d) Cooperate with other departments for the smooth running of the organisation.

Answer: (b) They are responsible for the welfare and survival of the organisation.

14. Which of the following is a function of top-level management?

- (a) Ensuring quality of output
- (b) Assigning necessary duties and responsibilities to their departments
- (c) Taking responsibility for all the activities of the business and its impact on the society
- (d) Ensuring that the safety standards are maintained within the organisation.

Answer: (d) Ensuring that the safety standards are maintained within the organisation.

15. Which of the following is not a designation related to lower-level management?

- (a) Plant Superintendent
- (b) Supervisors
- (c) Section Officers
- (d) Marketing Manager

Answer: (d) Marketing Manager

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Summary

Management is an art of getting things done with and through others.

Management can be defined as, the process of getting things done with the aim of achieving organizational goals effectively and efficiently.

Efficiency and Effectiveness

Efficiency (completing the work at low cost) means doing the task correctly at minimum cost through optimum utilization of resources while effectiveness (Completing the work on time) is concerned with end result means completing the task correctly within stipulated time. Although efficiency and effectiveness are different yet they are inter related. It is important for management to maintain a balance between the two.

1. Rohini prepared a well-documented and factual report on Co's performance but she could not present it in Board meeting as she could not complete it on time.

2. Best roadways promised to deliver goods in time and charged extra money from Mr. Singh. But the goods were not delivered on time.

Characteristics of Management

1. Goal oriented Process It is a goal oriented process, which is to achieve already specified and desired objectives by proper utilization of available resources.

2. Pervasive: Management is universal in nature. It is used in all types of organizations whether economic, social or political irrespective of its size, nature and location and at each and every level.

3. Multidimensional: It is multidimensional as it involves management of work, people and operations.

4. Continuous: It consists of a series of function and its functions are being performed by all managers simultaneously. The process of management continues till an organization exists for attaining its objectives.



5. Group Activity: It is a group activity since it involves managing and coordinating activities of different people as a team to attain the desired

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objectives of the organization.

6. Dynamic function : It is a dynamic function since it has to adapt according to need, time and situation of the changing business environment. For example, McDonalds made major changes in its 'Menu' to survive in the Indian market.

7. Intangible Force: It is intangible force as it can't be seen but its effects can be felt in the form of results like whether the objectives are met and whether people are motivated or not and there is orderliness and coordination in the work environment.

Objectives of Management

(1) Organizational objectives:

Organizational Objectives can be divided into **Survival** (Earning enough revenues to cover cost); **Profit** (To cover cost and risk); and **Growth** (To improve its future prospects).

(A) Survival – Management by taking positive decisions with regard to different business activities ensures survival of business for long term.

(B) Profit – It plays an important role in facing business risks and successful running of business activities.

(C) Growth – Management must ensure growth which can be measured by increase in sales, number of employees, number of products, additional investment, etc.

(2) Social Objectives:

Social objectives is to provide some benefits to society like applying environmental friendly practices in the production process and giving employment to disadvantaged sections of society, etc. Example: TISCO, ITC, and Asian Paints.

(3) Personal Objectives:

Personal Objectives is to focus on diverse personal objectives of people working in the organization which need to be reconciled with organizational objectives.

Importance of Management

(1) Achieving Group Goals: Management creates team work and coordination in the group. Managers give common direction to individual efforts in achieving the overall goals of the organization.

(2) Increases Efficiency: Management increases efficiency by using resources in the best possible manner to reduce cost and increase productivity.

(3) Creates Dynamic organization: Management helps the employees overcome their resistance to change and adapt as per changing situation to

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ensure its survival and growth.

(4) Achieving personal objectives: Management helps the individuals achieve their personal goals while working towards organizational objectives.

(5) Development of Society: Management helps in the development of society by producing good quality products, creating employment opportunities and adopting new technologies.

Management as an Art

Art refers to skillful and personal application of existing knowledge to achieve desired results. It can be acquired through study, observation and experience.

The features of art as follows:

(1) Existence of theoretical knowledge: In every art, Systematic and organized study material should be available compulsorily to acquire theoretical knowledge.

(2) Personalized application: The use of basic knowledge differs from person to person and thus, art is a very personalized concept.

(3) Based on practice and creativity: Art involves in consistent and creative practice of existing theoretical knowledge.

In management also a huge volume of literature and books are available on different aspects of management. Every manager has his own unique style of managing things and people. He uses his creativity in applying management techniques and his skills improve with regular application. Since all the features of art are present in management. so it can called an art.

Management as a Science

Science is a systematized body of knowledge that is based on general truths which can be tested anywhere, anytime. The features of Science are as follows:

(1) Systematized body of knowledge: Science has a systematized body of knowledge based on principles and experiments.

(2) Principles based on experiments and observation: Scientific principles are developed through experiments and observation.

(3) Universal validity: Scientific principles have universal validity and application.

Management has systematic body of knowledge and its principles are developed over a period of time based on repeated experiments & observations which are universally applicable but they have to be modified according to given situation. As the principles of management are not as exact as the principles of pure science, so it may be called-an inexact science. The prominence of human factor in the management makes it a Social Science.

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Management as Profession

Profession means an occupation for which specialized knowledge and skills are required and entry is restricted. The main features of profession are as follows:

(1) Well-defined body of Knowledge: All the professions are based on well defined body of knowledge.

(2) Restricted Entry: The entry in every profession is restricted through examination or through some minimum educational qualification.

(3) Professional Associations: All professions are affiliated to a professional association which regulates entry and frames code of conduct relating to the profession.

(4) Ethical Code of Conduct: All professions are bound by a code of conduct which guides the behavior of its members.

(5) Service Motive: The main aim of a profession is to serve its clients.

Management does not fulfill all the features of a profession and thus it is not a full-fledged profession like doctor, lawyer, etc., but very soon it will be recognized as full-fledged profession.

Levels of Management: Top, Middle and Operational Levels

“Levels of management” means different categories of managers, the lowest to the highest on the basis of their relative responsibilities, authority and status.



Top Level

Consists of Chairperson, Chief Executive Officer, Chief Operating Officer or equivalent and their team.

Chief task is to integrate and to coordinate the various activities of the business, framing policies, formulating organizational goals & strategies.

Middle Level

Consists of Divisional or Departmental heads, Plant Superintendents and Operation Managers etc.

Main tasks are to interpret the policies of the top management to ensure the

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availability of resources to implement policies, to coordinate all activities, ensure availability of necessary personnel & assign duties and responsibilities to them.

Lower Level/Supervisory Level

Consists of Foremen and supervisor etc. Main task is to ensure actual implementation of the policies as per directions, bring workers' grievances before the management & maintain discipline among the workers.

Functions of Management

1.Planning: Thinking in advance what to do, when to do, and who is going to do it. It bridges the gap between where we are and where we want to reach.

2.Organising: organization means deciding the framework of working how many units and sub-units are needed,how many posts are needed, how to distribute the authority and responsibilities.

3. Staffing: It refers to recruitment, selection, training, development and appointment of the employees. 4.Directing: It refers to guiding, instructing, inspiring and motivating the employees.

5.Controlling are the main functions of management.Controlling is monitoring the organizational performance towards the attainment of the organizational goals.

Coordination (The Essence of Management):

Coordination is the force which synchronizes all the functions of management and activities of different departments. Lack of coordination results in overlapping, duplication, delays and chaos. It is concerned with all the three levels of management as if all the levels of management are looked at together, they become a group and as in the case of every group, they also require coordination among themselves. So, it is not a separate function of management, rather it is the essence of management.



1. Coordination integrates group efforts: It integrates diverse business activities into purposeful group activity ensuring that all people work in one direction to achieve organizational goals.

2. Coordination ensures unity of action: It directs the activities of different

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departments and employees towards achievement of common goals and brings unity in individual efforts.

3. Coordination is a continuous process: It is not a specific activity matter it is required at all levels, in all departments till the organization continues its operations.

4. Coordination is all pervasive function: It is universal in nature. It synchronizes the activities of all levels and departments as they are interdependent to maintain organizational balance.

5. Coordination is the responsibility of all managers: It is equally important at all the three-top, middle and lower levels of management. Thus it is the responsibility of all managers that they make efforts to establish coordination.

6. Coordination is a deliberate function: Coordination is never established by itself rather it is a conscious effort on the part of every manager. Cooperation is voluntary effort of employees to help one another. Effective coordination cannot be achieved without cooperation of group members.