**PRINCIPLE OF MANAGEMNET ECONOMICS**

**Meaning of Management: -**

Latin word ‘MANUS’ which means hands. Management means handling some activity.

**HENRY FAYOL- “To manage is to forecast, to plan, to organize, to command, to co-ordinate, and to control.”**

**FEATURES-** “GOAL ORIENTED, GROUP-ACIVITY, UNIVERSAL, CONTINOUS, INTANGIBLE”

**OBJECTIVES: -** “PROFIT, RESULTS WITH MINIMUM BENEFITS, CO-ORDINATE, INTERACT WITH OUTSIDERS, SOCIAL RESPONSIBILITY”

**LEVELS: -**

**1. TOP LEVEL-** Decision takers, plans and policies, appointing middle level

**2. MIDDLE LEVEL-** Coordinate with top-level managers, to appoint lower-level staff, understanding policies.

**3. BOTTOM LEVEL-** work on instructions, quality check, service of product time to time

**PRINICIPLES: -“**Division of work, Authority and responsibility, discipline, unity of command, unity of discipline, personal interests to organizational interest, remuneration, centralization, scalar chain, order, equity, scalability, span of co-operation, initiative **”**

**Social Responsibility: - “**Economic Responsibility, Legal Responsibility, Ethical Responsibility, Environmental Responsibility, Philanthropic Responsibility**”**

**Benefits of Social Responsibility: -** “Enhanced Reputation, Employee Satisfaction, Customer Loyalty, Long-Term Profitability, Compliance with Regulations to avoid legal troubles and penalties.

With effect from April 1, 2014, CSR is a mandatory requirement for certain companies under section 135 of the Companies Act, 2013”

CSR provisions apply to companies meeting any of the following criteria in the preceding

financial year:

* Net worth: More than INR 5 billion.
* Turnover: More than INR 10 billion.
* Net profit: More than INR 50 million.

Such companies must spend a minimum of 2 percent of their net profit over the last three years on CSR activities.

**ACTIVITIES IN CSR:**

1)Poverty, health, and malnutrition:

2) Education and employment:

3) Gender equality and support for vulnerable groups:

4) Environmental sustainability:

5) National heritage and culture:

6) Support for armed forces and their families:

7) Promotion of sports:

8) Contributions to government funds:

9) Support for research and development:

10) Support for educational institutions:

11) Rural development projects:

12) Slum area development:

13) Disaster management

**PENALTIES IN CSR:**

* Company penalties: Up to INR 10 million or twice the unspent CSR amount

required to be transferred, whichever is less.

* Officer penalties: Up to INR 200,000 or one-tenth of the unspent CSR amount

required to be transferred, whichever is less.