**INDUSTRIAL MANAGEMENT UNIT- I (5 MARKS QUESTIONS)-**

**Q.(1)Differentiate between Intermittent and Continuous Production Process?**

**Ans.**

**Intermittent production process-**

1. **Same product is not produced continuously.**
2. **Items produced for order.**
3. **Production process flexible.**
4. **Equipment used for limited time.**
5. **Wide range of products can be produced.**
6. **Smaller scale of production.**
7. **Planning and control operations complicated and tedious.**
8. **More detailed and too many instructions are required for operations.**
9. **Capital investment may be low.**
10. **Per unit cost of production is high.**
11. **Less security of jobs.**
12. **Functional type of organization.**
13. **Requires staff of high technical skill and ability.**
14. **Control not in line of production.**
15. **Storage is required at each operation.**
16. **Change in location easy.**
17. **Product and the process not standardized.**
18. **Accuracy low.**

**Continuous production process –**

1. **Same product produced continuously.**
2. **Items produced for stock.**
3. **Process not flexible.**
4. **Regular use of equipment.**
5. **Only particular type of product is produced.**
6. **Large scale production.**
7. **Planning and control operations simple and easy.**
8. **Single set of instructions is sufficient for operations.**
9. **Capital investment is high.**
10. **Per unit cost of production is low.**
11. **More security of jobs.**
12. **Divisional type of organization.**
13. **Requires more managerial capability and better co-ordination.**
14. **Control in line of production.**
15. **Storage required only at limited locations.**
16. **Change in location difficult.**
17. **Product and process standardized.**
18. **Accuracy high.**

**Q. (5) Define productivity Index in detail?**

**Ans. Definitions**

* **The productivity index is defined as the flow rate per unit pressure drop and serves as an indication of the production potential of a well.**
* **The average productivity index of a department or of a plant would be the total standard times or standard hours produced by all employees divided by the actual hours worked multiplied by 100.**

Total Productivity Index = (Sales + Inventory + Plant/ Labour + Material + Services + Investment+dep.)

**Productivity Index on Base year**-

**It is the ratio of output produced and the resources used in the measured period, divided by the similar ratio from a base period.**

**(Aggregate output /** **Aggregate Input)** **measured period**

**Productivity index =**  **-----------------------------------------------------------**

**(Aggregate output/ Aggregate Input) base period**

# Q.(3) Discuss Advantages and Disadvantages of Cooperative Society in detail?

### Ans.

### Advantages:

**1. Easy Formation:**

**Compared to the formation of a company, formation of a cooperative society is easy. Any ten adult persons can voluntarily form themselves into an association and get it registered with the Registrar of Co-operatives. Formation of a cooperative society also does not involve long and complicated legal formalities.**

#### 2. Limited Liability:

**Like company form of ownership, the liability of members is limited to the extent of their capital in the cooperative societies.**

#### 3. Perpetual Existence:

**A cooperative society has a separate legal entity. Hence, the death, insolvency, retirement, lunacy, etc., of the members do not affect the perpetual existence of a cooperative society.**

#### 4. Social Service:

**The basic philosophy of cooperatives is self-help and mutual help. Thus, cooperatives foster fellow feeling among their members and inculcate moral values in them for a better living.**

#### 5. Open Membership:

**The membership of cooperative societies is open to all irrespective of caste, colour, creed and economic status. There is no limit on maximum members.**

#### 6. Tax Advantage:

**Unlike other three forms of business ownership, a co­operative society is exempted from income-tax and surcharge on its earnings up to a certain limit. Besides, it is also exempted from stamp duty and registration fee.**

#### 7. State Assistance:

**Government has adopted cooperatives as an effective instrument of socio-economic change. Hence, the Government offers a number of grants, loans and financial assistance to the cooperative societies – to make their working more effective.**

#### 8. Democratic Management:

**The management of cooperative society is entrusted to the managing committee duly elected by the members on the basis of ‘one-member one -vote’ irrespective of the number of shares held by them. The proxy is not allowed in cooperative societies. Thus, the management in cooperatives is democratic.**

### Disadvantages:

**In spite of its numerous advantages, the cooperative also has some disadvantages which must be seriously considered before opting for this form of business ownership.**

**The important among the disadvantages are:**

#### 1. Lack of Secrecy:

**A cooperative society has to submit its annual reports and accounts with the Registrar of Cooperative Societies. Hence, it becomes quite difficult for it to maintain secrecy of its business affairs.**

#### 2. Lack of Business Acumen:

**The member of cooperative societies generally lack business acumen. When such members become the members of the Board of Directors, the affairs of the society are expectedly not conducted efficiently. These also cannot employ the professional managers because it is neither compatible with their avowed ends nor the limited resources allow for the same.**

#### 3. Lack of Interest:

**The paid office-bearers of cooperative societies do not take interest in the functioning of societies due to the absence of profit motive. Business success requires sustained efforts over a period of time which, however, does not exist in many cooperatives. As a result, the cooperatives become inactive and come to a grinding halt.**

#### 4. Corruption:

**In a way, lack of profit motive breeds fraud and corruption in management. This is reflected in misappropriations of funds by the officials for their personal gains.**

#### 5. Lack of Mutual Interest:

**The success of a cooperative society depends upon its members’ utmost trust to each other. However, all members are not found imbued with a spirit of co-operation. Absence of such spirit breeds mutual rivalries among the members. Influential members tend to dominate in the society’s affairs.**

**Q(4) Discuss development of scientific management ere in detail.**

## Ans. Historical Perspective

**One of the earliest of these theorists was Frederick Winslow Taylor. He started the Scientific Management movement, and he and his associates were the first people to study the work process scientifically. They studied how work was performed, and they looked at how this affected worker productivity. Taylor's philosophy focused on the belief that making people work as hard as they could was not as efficient as optimizing the way the work was done.**

**In 1909, Taylor published "The Principles of Scientific Management." In this, he proposed that by optimizing and simplifying jobs, productivity would increase.**

## Four Principles of Scientific Management

**Taylor's four principles are as follows:**

1. **Replace working by "rule of thumb," or simple habit and common sense, and instead use the scientific method to study work and determine the most efficient way to perform specific tasks.**
2. **Rather than simply assign workers to just any job, match workers to their jobs based on capability and motivation, and train them to work at maximum efficiency.**
3. **Monitor worker performance, and provide instructions and supervision to ensure that they're using the most efficient ways of working.**
4. **Allocate the work between managers and workers so that the managers spend their time planning and training, allowing the workers to perform their tasks efficiently.**

## Critiques of Taylorism-

* **Taylor's Scientific Management Theory promotes the idea that there is "one right way" to do something. As such, it is at odds with current approaches such as**[**MBO**](https://www.mindtools.com/pages/article/newTMM_94.htm) **(Management By Objectives)**
* [**Continuous Improvement**](https://www.mindtools.com/pages/article/newSTR_97.htm)**initiatives,**[**BPR**](https://www.mindtools.com/pages/article/newSTR_74.htm)**(Business Process Reengineering), and other tools like them. These promote individual responsibility, and seek to push decision making through all levels of the organization.**

### Q(5)Differentiate Between Production And Productivity?

**Ans**

**Production**

**Production is the process of combining units of inputs (natural, man-made and human resources) to create output (goods and services) capable of satisfying human needs and wants.**

**Productivity is the increase of output from each unit in the production process.  There are several ways of achieving productivity. These include the training of workers and the introduction of machinery and equipment into the production process.**

**Productivity**

**Productivity increases output. High productivity results in lower cost per unit of output resulting in higher levels of profit for a business. For example, a factory worker can produce 10 items in an hour and he subsequently produces 20 units in the same hour after some training. His productivity has doubled and the business will benefit from a fall in unit cost as more units are being produces at the same costs of production.**

**Higher profits for the firm will mean more funds available for its expansion, new business ventures and community support. It may also wish to pass on the benefits of lower costs to consumers in the form of lower prices.**

# Q.(6) Discuss Importance of Industrial Relation for Employees and Employers?

#### Ans.

#### 1. Foster Industrial Peace:

**Under the mechanism of IR, both employees and managers discuss the matter and consult each other before initiating any actions. Doubts, if any, in the minds of either party are removed. Thus, unilateral actions that prop confusion and misunderstanding disappear from the scene. In this way, IR helps create a peaceful environment in the organization. Peace, in turn, breeds prosperity.**

#### 2. Promote Industrial Democracy:

**Industrial democracy means the government mandated worker participation at various levels of the organization with regard to decisions that affect workers. It is mainly the joint consultations that pave the way for industrial democracy and cement relationship between workers and management. This benefits the both. The motivated workers give their best and maximum to the organization, on the one hand, and share their share of the fruits of organizational progress jointly with management, on the other.**

#### 3. Benefit to Workers:

**IR benefits workers in several ways. For example, it protects workers against unethical practices on the part of management to exploit workers by putting them under inhuman working conditions and niggardly wages. It also provides a procedure to resolve workers’ grievances relating to work.**

#### 4. Benefit to Management:

**IR protects the rights of managers too. As and when workers create the problem of indiscipline, IR provides mangers with a system to handle with employee indiscipline in the organization.**

#### 5. Improve Productivity:

**Experiences indicate that good industrial relations serve as the key for increased productivity in industrial organizations.**