

*** What is management?**

Ans: The word management is derived from the word manaeggiare which means to train up the horses or to handle. Management involves getting things done through and with people. The functions of management are planning, organizing, supervising, directing, controlling and coordinating. As regard functions, Management is the sum total of planning, organizing, staffing, coordinating, directing and controlling.

Management is what a manager does. A manager is to lead, guide and direct the organization to train the desired objectives. According to father of modern management Henry Fayol, "Management is to manage, is to forecast and plan, to organize, to command, to co-ordinate and to control."

So it can be said that, management is the art or technique of doing things by others.

*** Discuss the functions or continuous process of management?**

Ans: Management involves in many functions. They are-

1. Forecasting
2. Planning
3. Organizing
4. Staffing
5. Direction
6. Co-ordination
7. Motivation
8. Controlling

They are discussed below:

Forecasting: Forecasting involves estimation and then considering alternative courses of action. Where forecasting ends, planning begins. It achieves planning. It is preliminary to planning.

Planning: Planning is a very important function of management. Planning is deciding in advance what is to be done; i.e. a plan is a projected course of action. It involves selecting among alternatives.

Organizing: Organizing means grouping of activities into some administrative units necessary to carry out the plan and defining the relationship among the executives in such units.

Staffing: Staffing involves manning and keeping manned, the positions provided for by the organization structure. It includes employment of man power, promotion, transfer etc.

Direction: Direction is issuing instructions as to what is to be done. Direction is concerned with the way an executive issues instruction to his subordinates and otherwise indicates what should be done. According to Newman, "It helps to execute planning. It involves guiding and supervising"

Co-ordination: It involves synchronization and unification of actions of a group of people. It removes indiscipline and maladjustment of activities in the organization. It brings harmony and balancing.

Motivation: Motivation is the process to stimulating workers and employees so that they work spontaneously and effectively. "Motivation is the act of stimulating someone or oneself to take a desired course of action." The employees or workers can be motivated financially and non-financially.

Controlling: According to Henry Fayol, "In an undertaking control consists in verifying whether everything occurs in conformity with the plan adopted." There should be planning, setting of standard, comparison of actual results with standards, reporting if there are any deviations and taking corrective actions.

This are called the continuous process of management.

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Authority: The term authority is used in various ways by management experts. Generally authority is "legal or rightful power, a right to command or to act." In management, authority means the power to command others to act or not to act. It is the right to give orders and the power to exact obedience.

Terry and Franchlin say,

"Authority is the legal right to command action by others and to enforce compliance."

It is the power of decision making. Where superior subordinates relationship exists, authority responsibility relation is there.

*** What is EOQ (Economic Order Quantity)?**

Ans: EOQ is an ancient or old technique of inventory control. F.W. Haris invented first the EOQ modem in 1915. Since then, it has been largely used. EOQ is the quantity of goods which incurs minimum inventory cost. According to H.N. Broom,

"The order size associated with such minimize cost is called an Economic Order Quantity."

According to Laufer,

"The economic lot size is that quantity of an item which can be ordered to replenish the inventory at the minimum total cost."

EOQ is used in procuring goods. It determines the order quantity of goods which encourage minimum cost.

Determination of EOQ mathematically: We can determine EOQ mathematically in the following way:

$$\text{EOQ or } Q = \sqrt{\frac{2 \times AO}{IC}}$$

Where,

A = Annual demand

O = Ordering or Procuring cost

IC = Inventory carrying cost or Holding cost

Percentage of items

Lead time:- The time taken from receipt of an order and receipts into finished goods.

Re-ordering point (ROP):- ROP is the level of inventory when a fresh order should be made with suppliers to bring the inventory up to the ROP.