Semester – I

18MBAP101   **MANAGEMENT PRINCIPLES**   **3H – 3C**

Instruction Hours / week: L: 3 T: 1 P: 0   **Marks:** Internal: **40**   External: **60**   Total: **100**
                                                          End Semester Exam: 3 Hours

Course Objectives:

- To make the students familiar with basic concepts of management in an organizational context and application of these concepts to managerial problems

Course Outcomes (COs):

1. It helps the students to know how the managerial tasks of planning, organizing, and controlling can be executed in a variety of circumstances.
2. Determine the most effective action to take in specific situations.
3. Evaluate approaches to addressing issues of diversity.

Unit I

Management Overview: – Concept, Nature, Importance - Management Vs Administration. The Evolution of Management - Taylor and Scientific Management, Fayol's Administrative Management - Functions of management- The manager - Role of manager- Mintzberg's Roles - Social Responsibility of Managers and Ethics in Managing

Unit II

Planning: Meaning -The Nature – Objectives – Steps in Planning - Strategies, Policies - Procedures and methods - Management by Objectives - Decision making: Meaning – Need - Characteristics of good decision or effective decision – Decision Making Process

Unit III

Organizing: Concept, Organizational Structure, Departmentation, Span of Control, Delegation of Authority, Authority and Responsibility - Organizational designs.

Staffing: Importance - Need - Elements of staffing- Functions – Processing - Proper staffing- Advantage of Proper staffing- Manpower planning- Process of recruitment and selection- Placement and Orientation- Training and Development

Unit IV

Directing: Concept of Direction and Supervision. Functions and qualities of supervisor. Human Factors and Motivation – Theories : Traditional theories and Contemporary theories of Motivation - Leadership - Trait, Behaviour, and contingency approaches – Transactional and Transformational leadership

Unit V

Controlling: Need - The System and Process of Controlling – Budgetary and non budgetary Control Techniques

Suggested Readings:
Text Books:
1. Koontz and Weirich. (2010). *Essentials of Management*. (9th edition).New Delhi: Tata McGraw Hill.

References:
1. Rao, V.S.P., and Hari Krishna, V. (2009). *Management: Text and Case.* New Delhi: Excel Books.
2. Prasad, L.M. (2013). *Principles and Practice of Management*. New Delhi: Sultan Chand and Sons.
3. Robbins, S.P. (2006). *Fundamentals of Management*.(8th edition). New Delhi: Pearson Publications.
4. Gilbert. (2008). *Management Today Principles and Practice*. New Delhi: Tata McGraw Hill.

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UNIT – I

1. Define Management or what is Management?

"Management is the process of designing and maintaining an environment in which individuals, working together in group, efficiently accomplish selected aims". -Harold Koontz

"To manage is to forecast and to plan, to organize, to coordinate and to control". -Hendry Fayol

2. Management is an essential for any organization-Discuss.

Managers are charged with the responsibility of taking actions, so that they can make their best contribution to achieving the group objective management is essential to all organizations like small and large, profit and nonprofit organization etc,

For achieving the goals and for satisfying the customer needs. Management in the sense "how to manage", if an organization fails to manage itself means, it has been thrown from the market.

So, in order to retain and for earning high profits by beating their competitors management is necessary.

3. Mention the 5 M's of management.

Men   - Human resources in the organization.

Money   - Finance investing in the organization.

Materials - Raw materials

Methods   - System, Techniques adopting in the organization.

Machines - Equipments, tools, machines in the organization.

4. What are the different approaches to management?

1. Empirical or Case approach

2. Managerial roles approach

3. Contingency or situational approach

4. Mathematical or Management Science approach

5. Decision Theory approach

6. Reengineering approach

7. Systems approach

8. Socio -Technical Systems approach

9. Co-operative Social Systems approach

10. Group Behavior approach

11. Interpersonal approach

12. Mc Kinsey's approach

13. Total Quality Management approach

14. Management process or Operational approach.

5. Explain the term "Is management a science or an art"?

Management is a combination of both art as well as science because these two terms are complementary to each other management is a science because it has developed certain principles which are of universal application. But the results of management depend upon the personal skill of managers and in this sense management is an art. Thus management is both art and science. According to COSSA "science requires art, art requires science, each being complementary to each other". Thus, management is both art and science.

6. Distinction between Management as a Science and an Art.

S.No	Science	Art
1	Advances by knowledge	Advances by practice.
2	Proves	Feels
3	Predicts.	Guesses.
4	Defines	Describes
5	Measures	Opines
6	Impresses	Expresses

7. What is Administration?

Administration is the function in the industry concerned with the determination of the corporate policy, the coordination of finance, production and distribution, the settlement of the structure of the organization under the ultimate control of the executive.

8. Distinguish between Administration and Management.

S.No	Administration	Management
1	It refers to owners of the enterprise.	It refers to employees of the enterprise.
2	It is concerned with determining the major policies and objectives of the organization.	It is concerned with the doing or executing the function or policies laid down by administration.
3	Decision-making is influenced by government policies, public opinion, religious and social factors.	Decision - making is limited. Influenced by the values, opinions, and beliefs of managers.
4	Receive profits by way of dividends.	Getting remuneration in the form of salaries sometimes share in the profits.

9. Define Effectiveness and Efficiency.

Effectiveness is the achievement of objectives, Barnard has viewed that "Organization effectiveness is the degree to which operative goals have been attained while the concept of efficiency represents the costs and benefit rate incurred in the pursuit of these goals"

Efficiency is the achievement if the ends with least amount of resources. Thus, effectiveness is related to a goal which is externally focused and efficiency is also related goal which is internally focused. In other words, effectiveness means doing the right things and efficiency is related to doing things right.

10. Who will be an Effective Manager?

All the persons cannot be effective manager. An effective manager should posses all the managerial skills.

- Communication skills
- Leadership qualities
- Interpersonal relationship
- Responsibility
- Ability to cope up with difficulties
- Problem solving skill
- Hardworking & Co-operating
- Directing & Guide the Employees
- Help to maintain discipline among the workers
- Assign right man for a right job
- Arrange on the job training to the workers
- Proper planning of activities
- Able to solve the conflicts among the subordinates.

11. Explain the concept of Scientific Management.

The concept of scientific management was introduced by Frederick Winslow Taylor in USA in the beginning of 20th century. Scientific management was essentially with improving the operational efficiency at the floor level. Scientific management is concerned with knowing exactly what you want men to do and then see in that they do it in the best and cheapest way. Scientific management created awareness about increasing operational efficiency at the shop floor level by adopting some systematic scientific methods.

12. What are the important techniques of scientific management?

1. Method study – In order to familiarize the investigator with the tools, methods and operations that are in process.

2. Motion study – It may be defined as study of movements of both the operators and the machines with a view to identifying and eliminating unnecessary motions on the part of both.

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3. Time study – Time taken by men & machines for completing a task is analyzed & standard, time is arrived.

  4. Fatigue study – It is concerned in finding out that how long a period of rest should be & at what intervals rest should be given to workers.

13. Define Ethics.

Ethics is defined as "The discipline dealing with what is good and bad and with moral duty and obligation. -Webster's 9th New colligate Dictionary

Thus

Personal ethics =It has been referred to as "The rules by which an individual lives his or her personal life.

Accounting Ethics = It deals "the code that guides the professional conduct of accountants".

Business ethics= It concerned with truth and justice and has a variety of aspects such as the expectations of society, fair, competition, advertising, Cooperate behavior in the home country or abroad.

14. How will you institutionalize ethics in organizations?

Institutionalizing ethics means applying and integrating ethics applying and integrating ethical concepts with daily actions in the environment.

This can be achieved or accomplished in three ways.

1. By establishing an appropriate company policy or a code of ethics.

2. By teaching ethics in management development programs

3. By using a formally appointed ethics committee.

The most common way to institutionalize ethics is to establish a code of ethics much less common is common is the use of ethics boards committees.

15. Discuss social audit and its types.

The social audit has been defined as "A commitment of systematic assessment of and reporting on some meaningful, definable of the company's activities that social impact".

Types of Social Audit

One is required by the government and it involved seriously, For examples, Pollution control, Equal employment standards etc., The other kind of social audit, Concerns a great variety of voluntary social programs.

16. Why there is a need to study various management theories contributed by various contributors?

The importance of studying the various management theories are that contributes something to our knowledge of what manager do on real business existence. The characteristics and contributions as well as the limitations of various approaches help the manager in designing and maintaining an environment for efficiently accomplishing the selected aim of the organization.

It also helps the managers to carry out their functions like planning, Organizing, Staffing, Leading, and controlling very effectively.

17. List the three essential skills according to Katz that managers need to perform the duties.

> **1**. Technical Skills
>
> **2**. Human Skills
>
> **3**. Conceptual Skills

18. Why some of the management theories failed?

It is true that many theories failed to produce the desire result.

The reasons are

1 .Lack of proper understanding of Theory

2. No consideration given for system effects.

3. Lack of specific application of a theory.

4. Lack of universal application.

5. Wrong Theory.

19. List out the functions of manager.

1. Planning: Planning involves selecting missions and objectives and the actions to achieve them. It requires decision making that is , choosing future course of action from among alternatives.

2 Organizing: People working together in groups to achieve some goals must have roles to play. The role must be defined and structured in ordered to getting things done.

3. Staffing: Staffing involves filling and keeping the positions in the organization structure.

4. Leading: Leading is influencing people so that they will contribute to organization and group goals.

5. Controlling: It refers to measuring and correcting individual and organizational performance to ensure that events conform to plans.

20. What are the various levels of Management?

1 .Top level management

2. Middle level management

3. Low level management

21. What is scalar chain?

Each communication going up or down must flow through each position in the line of authority. i.e. there should be a scalar chain of authority and of communication ranging from the highest to the lowest. It can be short circuited only in special circumstances when its rigid following would be detrimental to the organization. For this propose Fayol has suggested "Gang Plank" which is used to prevent the scalar chain from bogging down action. Thus scalar chain means "a chain of superior" from the highest to the lowest positions in the organizations.

22. What is unity of command?

Unity of command means that a person should get orders from only one superior. The more completely and individual has a reporting to a single superior, the less is the problem of conflict in instruction and greater is the feeling of personal responsibility for results, Fayol considered unity if command as an important aspect in managing an organization. He says that should it be violated. Authority is undermined, discipline is in jeopardy, order distributed, and stability

threatened, thus there should be a clear cut definition of authority and responsibility then only the superior as well as the subordinates know about their roles.

23. Define Management Fad.

A management fad can be defined as a managerial interest or practice followed for a period of time with exaggerated zeal and craze. There is a number of management fads evolved in various situations. Some survive and others fall by the wayside. Management fad happened in various managerial functions like,

1. **Fads in planning**
2. **Fads in organization**
3. **Fads in staffing**
4. **Fads in leading**
5. **Fads in controlling**

24. What is Espirit de corps?

Espirit de corps means the spirit of loyalty and devotion which unites the members of a group or society. It also means regard for the honour of the enterprise to which one belongs. Thus a manager should encourage spirit de corps among his employees and he should emphasize the need for team work and the importance of communication in obtaining it.

25. What is centralization?

Everything which goes to increase the importance of subordinate's role is decentralization; everything which goes to reduce it centralization. Incase of de centralization, the authority is delegated to the subordinates on the basis of their roles and positions. Each person in the hierarchy is responsible to perform the task assigned to him, but in case of centralization, full authority is vested with a single superior and he will assign task to each individual or group. In small firms, centralization is the natural order because a single individual can manage all those things, but in large firms a series of intermediaries is required to perform different tasks.

26. List out Mckinsey's 7-s frame work in management analysis?

a) Strategy: Systematic action allocation of resources to achieve company aims; it is concerned with the fixation of the long term objectives of the firm.

b) Structure: It is concerned with defined organizational position and fixing authority responsibility relationships.

c) System: Establishment manufacturing process, information systems and budgeting and control process.

d) Style: The way management behaves and collectivity spends its time to achieve organizational goals.

e) Staff: The people in the enterprise and their socialization into the organizational culture.

f) Shared values: The values and beliefs shared by the members of an organization.

g) Skills: Skills refer to the distinctive capabilities of an enterprise.

27. What is a principle?

A principle can be defined as a fundamental statement of truth providing a guide to thought and action.

16 - Marks

1. Explain the various functions of management. (Or) explain the detail the management functions. (Or) explain the functions performed by a manager in an organization. (Nov/ Dec 2007)

The management functions are universal in that a manager has to perform all the following functions in the organization irrespective of the level or type of organization. The functions of management (or) manager provide a useful structure for organizing management knowledge. There are five functions of management they are as follows,

1. Planning
2. Organizing
3. Staffing
4. Leading and
5. Controlling
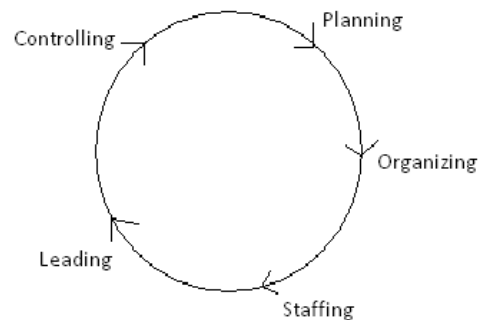
Planning: - Planning is the primary function of management. It refers to deciding (or) formulating Future course of action. Planning is defining an organizations goal and establishing an overall Strategy for achieving those goals. In the business world in order to achieve objectives the Organization should plan what is to be done, when is to be done, how is to be done and by whom is to done. Planning identifies priority and guides the manager. It provides clear directions to Organizational members. It is the blue print of actions.

Organizing: - Organizing involves identifying the work to be undertaken to accomplish the objectives, dividing it into parts and assigning these parts into specific departments and co – ordination the individual efforts to attain the organizational activities. It involves the assignment of responsibility and delegation of authority. According to Henry Fayol, organising is of two kinds;

❖ Organizing of human factors
❖ Organizing of material factors

Organizing of human factors: It covers the distribution of work to those who are best suitable Along with authority and responsibility.

Organizing of Material Factors: It covers utilization of raw materials, Plant machinery etc..,

Staffing: - It involves identifying the gap between man power required and available. It refers to placement of right person in the right job. It includes selection, Training, Placing, Promoting; Performance of supervising etc.., the success of any enterprise depends upon the successful performance of staffing functions.

Leading: - It involves Guiding of employees. Here, the guiding persons serve as a role model for employee's superiors have continuous responsibility of guiding and leading their subordinates for better work performance. They have to serve as role models and direct the activities of others.

Controlling: - Controlling is comparing desired results with actual results. It is identifying the deviation between the desired and actual results and if there is any deviations taking of corrective actions.

2. Describe the Nature (or) Characteristic features of management. (Nov/ Dec 2008)

The following are the characteristics features of management;

- ❖ **Management is both Art as well as science**
- ❖ **Management is a continuous process**
- ❖ **Management is a profession**
- ❖ **Management concept is Universally applicable**
- ❖ **Management is Dynamic Nature**
- ❖ **Management is needed in all level**
- ❖ **Management is Multidisciplinary**
- ❖ **Management aims at maximizing profit**
- ❖ **Management is both Art as well as science:** Management is an art in the sense of possessing managing skill by a management and it is science because of developing certain principles are laws which are applicable in a place where a group of activities (or) co – coordinator.

❖ **Management is a continuous process :**
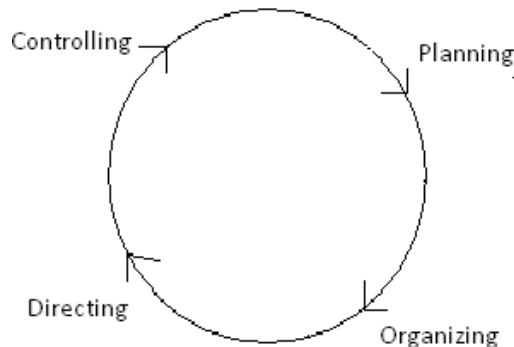
The process of management mainly consists of planning, Organizing, Directing and controlling the resources. The management functions cannot produce any result in the absence of any other functions of management.

❖ **Management is a Profession :** Management is a profession because it possess it qualities of profession. Lot of knowledge is important and transferred in this profession.

❖ **Management concept is Universally applicable:** The principles and practices of management are applicable not any particulars industry, but applicable to any type of industry.

❖ **Management is Dynamic Nature:** Management is not stable (or) static management is changed according to social change. In past develop in the world new techniques developed and adopted by the management.

❖ **Management is needed in all level :**The functions of management are common to all levels

of organization.

❖ **Management is Multidisciplinary:** Management draws knowledge and concepts from various discipline like Psychology, Sociology, Anthropology, Economy, Ecology law and statics. Management follows the ideas and concepts taken from these discipline and present new concepts which can be put into practice for managing the organization.

❖ **Management aims at maximizing profit:** The available resources properly utilize to get desire result. The result should be maximizing the profit.

3. Explain the scope of management. (Nov/ Dec 2009)

The scope of management has increasingly commanded worldwide interest and recognition. The following are the important scope of management in business,

        a) Production Management
        b) Marketing Management
        c) Finance Management
        d) Personnel (or) Human resource Managemen

a. Production Management:

    1. Designing the production, location and layout of plant and building.

    2. Operation of purchase and storage of materials.

    3. Planning and control of factory operation.

b. Marketing Management:

    1. Marketing research to determine the needs and expectation of consumers.

    2. Planning and developing suitable products.

    3. Setting appropriate prices.

    4. Selectivity the right channel of distribution.

    5. Salesman ship to communicable with others like promotional activities.

c. Financial Management:

    1. Estimating the volume of functions required for both long term and short term needs of business.

    2. Selecting appropriate source of funds.

    3. Rising the required funds at right time.

    4. Proper utilization and allocation of right funds.

    5. Administrations of earnings.

d. Personnel Management:

    1. Man power planning.

    2. Selection and Training of employees.

    3. Performance appraisal.

    4. Promotion and transfer and compensation.

    5. Employees welfare services.

    6. Personnel records and research.

4. Explain Henry Fayol's 14 principles to management (or) explain Henry fayols contribution to management (or) modern operational management (or) explain the general principles of management. (May2006, Nov/Dec 2007, Nov 2008)

Contribution of Henry Fayol to management is **Modern Operational Management**. It can be classified into the following aspects;
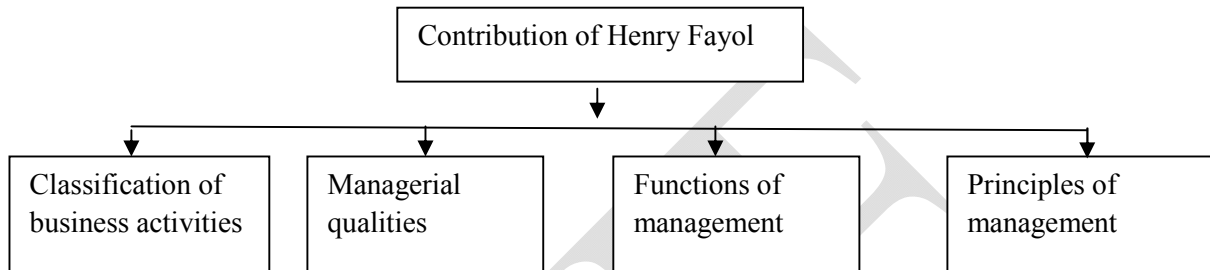
I. **Classification of business activities:**

   1) Technical activity

   2) Commercial activity

   3) Financial activity

   4) Security activity

   5) Accounting activity

   6) Managerial activity

II. **Managerial qualities:**

   1) Physical ability

   2) Mental ability

   3) Moral

   4) Educational qualification

   5) Technical ability

   6) Experience

III. **Functions (or) elements of management:**

   1) Planning

   2) Organizing

   3) Co-ordinating

   4) Commanding (or) directing

IV. **14 principles of management by Henry Fayol :** The following are the principles contributed by Henry Fayol to management;

1) **Division of work**

2) **Authority & 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**

1) Division of work: The work is divided in such a way that it promotes specialization. The reason is that division of work helps to specialize in an activity which increases o/p with perfection. It avoids the wastage of time. It can be applied at all levels of the organization.

2) Authority & Responsibility: The Authority can be classified into two types they are;

❖ Personal authority

❖ Official authority

Official authority is derived from manager's position & personal authority is derived from personal qualities such as intelligence, morality experience tec., Responsibility arises out of assignment of activity. Both responsibility and authority should go side by side.

3) Discipline: It is obedience, behavior and outward respect shown by employees. Good supervision at all levels, clarity of rules, system of reward and punishment help's to maintain discipline.

4) Unity of command: It means that the person should get orders and instructions from only one superior. In this problem of conflict in instructions can be reduced, and the greater is the feeling of personal responsibility for results. Each subordinate is responsible to only one superior.

5) Unity of Direction: It means that efforts of all members of the organization should be directed towards the achievement of common goals. According to this principle each group of activities with the same objectives must have one head and one plan. Unity of direction provides better co-ordination among various activities to be undertaken by an organization.

6) Subordination of individual interest to General interest: Interest of one employee or the group of employee should not exist (prevail) over the general interest.Individual interests should be integrated with organizations interests.

7) Remuneration of personnel: According to Fayol, employees should be given good & reliable remuneration. It should provide maximum possible satisfaction to employees. Fayol was also in favour of non financial incentives.

8) Centralization: Authority and responsibility must be centralized in any organization. Centralization is present in an organization, depending on the size of the company and quality of its manager. However the degree of centralization will be different for different organization.

9) Scalar chain: This refers to a "Chain of superiors" ranging from the highest to the lowest ranks. The line of authority must flow from top of the organization to bottom. Fayol suggested the use of "gang planks" between two people in the group working in different departments instead of communications from top to bottom.

10) Order: It requires a complete knowledge of human resources and availability of jobs. "RIGHT PERSON IN THE RIGHT JOB & RIGHT MATERIAL IN THE RIGHT PLACE". The workers and materials should be in the right place at right time.

11) Equity: Equity is a combination of kindness and justice towards employees. Managers must have friendly and fair relationship with their employees. This will help in soliciting loyalty and devotion from subordinates.

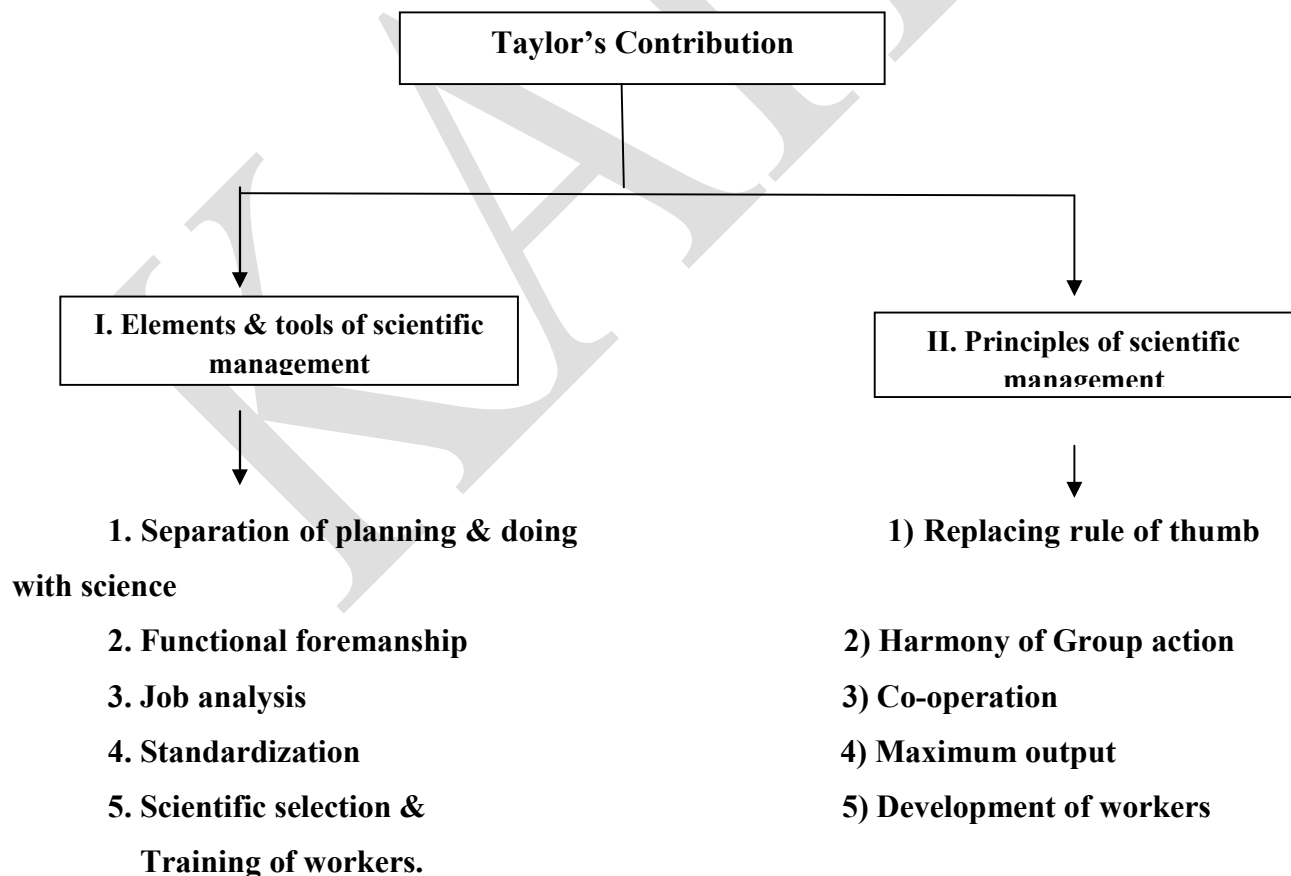**12) Stability of tenure of personnel:** In any organization, high labour turnover is undesirable. High turnover increases inefficiency. Tenure and long term commitment should be encouraged. Employees must be given time to settle into their jobs.

13) Initiative: Employees should be encouraged and they should be given freedom to function in the organization with creativity and innovation. Within the limits of authority and discipline, Managers should encourage their employees for taking initiative. Initiative is concerned with thinking out & execution of plan.

14) Esprit de corps: The Principle here is "Union is strength". Harmony is the greatest strength to an organization team works should be encouraged. The success of a business activity depends on the unity of work.

5) Explain F.W. Taylor's contribution to management (or) scientific management.(or) Mention the scientific principles of management and also specify the features of scientific Management. (Nov/ Dec 2007)

F.W.Taylor is considered to be the Father of scientific management. Taylor's famous book entitled "The Principles of Scientific Management" was published in the year 1911. The contribution or fundamental principles & elements under the scientific approach to management are as follows:

Taylor's Contribution

I. Elements & tools of scientific management

II. Principles of scientific management

1. Separation of planning & doing with science

2. Functional foremanship

3. Job analysis

4. Standardization

5. Scientific selection & Training of workers.

1) Replacing rule of thumb

2) Harmony of Group action

3) Co-operation

4) Maximum output

5) Development of workers

6. Financial incentives

7. Economy

8. Mental Revolution

I. Elements & tools of scientific management: The following are the elements & tools of scientific management:

1. Separation of planning and doing: Taylor emphasized the separation of planning aspect from actual doing of the work. Before Taylor's scientific management, a worker used to plan about hoe he had to work & what instruments were necessary for that and Supervisor's job was merely to see how the workers were performing. This was creating a lot of problems & Taylor emphasized that planning should be done by the supervisor and the workers should only concentrate on doing the work.

2. Functional foremanship: Taylor developed a theory called functional foremanship based on specialization of functions. In this system 8 persons are involved to direct the activities of workers. They are as follows,
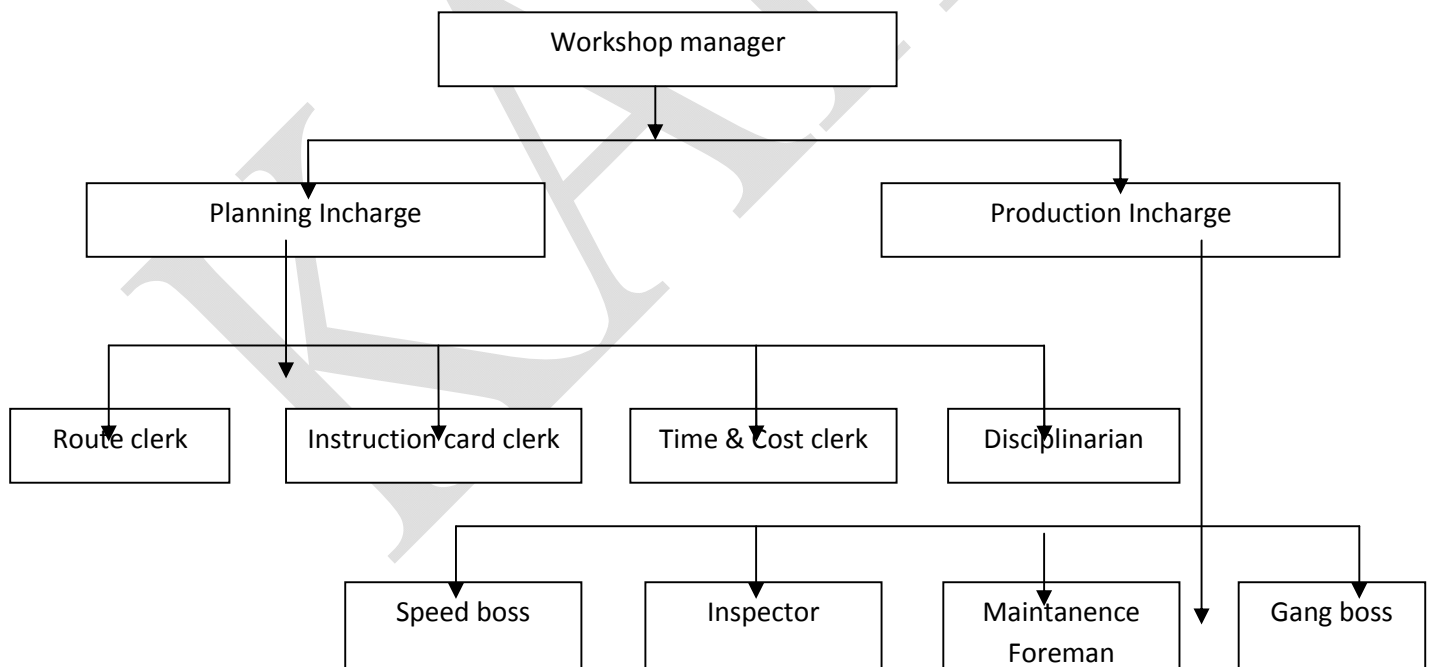
Route Clerk   – Lay down the sequence of work.

Instruction card clerk – Deciding the methodology of work.

Time & cost clerk – To keep regard with the time spend by different workers on different jobs.

Disciplinarian _ To deal with the causes of break of discipline, absenteeism etc.,

Inspector – To inspect the work of workers.

Speed boss _ To ensure the machine is running at optimum speed.

Maintenance foreman – To ensure regular cleaning, servicing, repair & maintenance of machines.

Gang boss – To assemble all the equipments to do a work and also to assemble all the workers.

3) Job analysis: It is finding the best way of doing a work. It can be determined by taking up the following studies;

Time study – It involves the determination of time a movement takes to complete. Calculating the time to do a work.

Motion study – It involves the study of movements in parts which are involved in doing a job & there by eliminating the wasteful movements & performing only necessary movements.

Fatigue study – This study shows the amount & frequency of rest time required in completing the work.

4) Standardization: Standardization should be maintain in respect of instruments, tools, period of work, amount of work, working conditions, cost of productions etc., These things should be fixed in advance on the basis of job analysis.

5) Scientific selection & training of workers: Taylor has suggested that workers should be selected on scientific basis taking into account education, work experience, aptitude, physical strength etc., A worker should be given job for which he is physically and technically most suitable. Apart from selection proper emphasis should be given on training of workers which makes them more efficient & effective.

6) Financial Incentives: It can motivate workers to put in their maximum efforts .If provisions exist to earn higher wages by putting in extra effort, workers will be motivated to earn more. Taylor himself applied the concept of differential **piece rate system** which was highly motivating.

7) Economy: Adequate consideration should be given to economy & profit. For this purpose, **techniques of cost estimates and control** should be adopted. The economy & profit can be achieved by making the resources more productive as well as by eliminating the wastages.

8) Mental Revolution: Scientific management depends on the mutual co-operation between management & workers for this co-operation there should be **mental change in both parties from conflict to co-operation**. This is most important feature of scientific management because in its absence no principle of scientific management can be applied.

II) Principles of Scientific management: The following are the Principles of Scientific management;

1) Replacing rule of thumb with science: Taylor has emphasized that in scientific management organized knowledge should be applied which will replace the rule of thumb. The use of scientific method **denotes precision in determining any aspect of work,** where as rule of thumb emphasizes on estimation.

2) Harmony of Group action: Group harmony suggests that there should be mutual give and taken situation & proper understanding so, that the group as a whole contributes to the maximum for achieving the results.

3) Co-operation: Scientific management is based on mutual confidence, co-operation and good will. Co-operation between management & workers can be developed through mutual understanding.

4) Maximum output: Scientific management involves continuous increase in production & productivity instead of restricted production either by management or by workers. Taylor emphasizes the management & workers to turn their attention towards increasing the size of surplus (profit).

5) Development of workers: It requires scientific selection and providing them training at the work place. Training should be provided to workers to keep them fully fit according to the requirement of scientific methods of working which may be different from these non-scientific methods.

These are the elements and principles of scientific management.

Criticism (or) Disadvantages (or) Drawbacks of scientific management:

- Taylor does not find anything new in management.
- Workers are forced to work hard to produce maximum output. This concept of management fails to consider the physical and mental well being of workers.
- The laid much emphasizes on production management.

- The workers do not have any chance to show their ability and find new improved base of performing the job effectively.
- Increase in production is possible in scientific management but the wages of workers are not increased.

6) Sketch a line diagram depicting the types of business organization on the basis of ownership. (Or) Explain various types (or) Forms of Business organization. (Apr/May2007, 2008&NOV2008, 2010)

Types (or) Forms of Business Organization Classification.
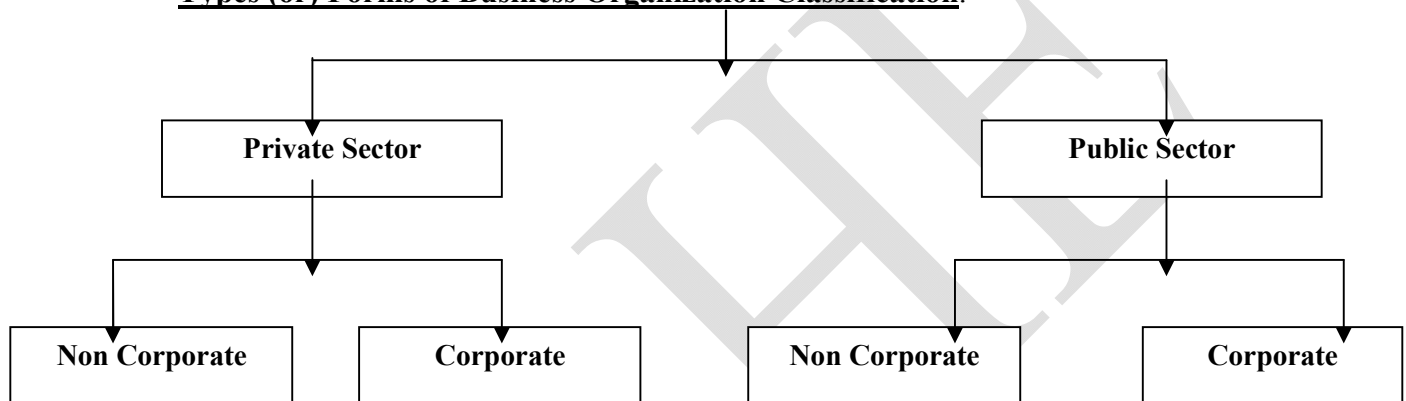
1. Sole proprietors ship	1. Joint Stock Company.	1. Departmental	1. Public Corporation
2. Joint Hindu family	2. Co-operatives	2. Boards	2. Govt. Co.,
3. Joint Ventures		3. Joint Sector	
4. Partnership.			

Private sector: Private sector is the business which is owned by any private people. Private sector is again classified into Non Corporate & Corporate.

Non Corporate: The following are the non corporate private sectors:

Sole Proprietor ship: It is also known as one man Business. One person is solely responsible for providing the capital, bearing the risk of the undertaking and management of business.

Joint Hindu family business: Business under taking belongs to a single Hindu family and they run it as a family business or undertaking is known as Joint Hindu family business. The management & control of the business will be in the hands of the senior most male member of the family.

Joint Ventures: When two or more persons joint to perform a certain business for a specified duration is called a joint venture. Capital contribution, management & risk bearing functions are jointly undertaken by all the members. Joint venture comes to an end after the expiry of duration period in the venture agreement.

Partner Ship:A partnership business is not as task bound (or) time bound as the joint venture. It is relatively more permanent. A partnership is defined as a form of business organization in which 2 or more persons up to maximum of 20 agree to work together & share the profit of any business.

Corporate: The following are the corporate private sectors:

Joint stock company: It is organized to carry on a business on a large scale because its capital requirement & risk obligations are too burden for any single or few individuals. A special feature of the joint stock company is division of capital into shares of small denominations. So, those investors can invest small or large amount as they can. Its life does not depends on the life of its member. A joint stock company is the most stable of all other forms of organization.

Co-operative Society: It is based on the ideal of co-operation. It is formed by persons to satisfy common needs through mutual co-operation and collective efforts.

Public Sector: In Public Sector state or central government will act as the entrepreneur.

Non Corporate: The following are the non corporate Public sectors;

Departmental Organization: Its management & control is as per the rules & regulation of the ministry or department concerned. Ex. Railways, Postal department etc.,

Board Organization: The management & control of this kind of public sector undertaking is in charge of an independent board. The members of which are nominated by the government the status of the board is independent of the ministry or department of the government which has brought it into being. But for financial & audit matters it is treated as any other department of the government. Ex. Electricity Board.

Corporate: The following are the corporate Public sectors;

Public Corporation: It is established under a special Act of the legislature. It enjoys separate legal existence and its working is not affected by the government rules and regulations. Ex. LIC, RBI, etc.,

Government Company: Here the government will contribute its entire share capital. Ex. Transport corporation.

Joint Sector Company: It is a government company but the difference is that its capital is jointly contributed by the government & private investors including the members of the general public. Ex. ONGC.

7. Explain Hawthorne experiment (or) Contributions of Elton Mayo (or) Explain behavioural approach or human relations approach. (Nov/ Dec 2008, *May/June 2009)*

Hawthorne Experiment was conducted in the Hawthorne plant of western electric company, USA, during 1924-32. Behavioural approach or Human relations approach was the direct outcome of Hawthorne Experiment. This experiment was conducted into the following 4 phases,

> ➢ **Illumination Experiment (1924 – 1927)**
> ➢ **Relay Assembly test room studies (1927 – 1928)**
> ➢ **Mass Interviewing program (1928 – 1930)**
> ➢ **Bank wiring observation room experiment (1931 – 1932)**

Illumination Experiment (1924 – 1927):

In this experiment two groups of workers were selected. One group was the **control group** in which lighting was constant & the other group was **experimental group** in which lighting was varied. When lighting was decreased production in the experimental group did not decrease. Production in the experimental group decreased only when lighting was reduced to moon light level in which workers could not see properly. It was conducted that illumination didn't have any effect on productivity but some other human factor at work was important in determining productivity but which aspect was affecting was not sure therefore another phase of experiment was undertaken.

Relay assembly test room studies (1927 – 1928):

In this experiment certain changes in working conditions were introduced to examine the impact on productivity. For this research 2 girls were selected then these girls were asked to choose 4 more girls as co workers. The work given to them was related to assembly of telephone relay. Certain changes was made to examine their impact on productivity. Changes were- change in incentives system of wage payment, introduction of rest period, shorter working hours, providing snacks & tea. The change was introduced in consultation with workers. They were given

opportunity to express their view points & concerns to supervisor. Finally, **Productivity increased when these changes were withdrawn also.** Therefore researchers concluded that these changes were not responsible for increased productivity & efficiency. But, **factors like attitude towards work, sense of belongingness & friendly supervision were responsible for increased productivity.** As there introduced absenteeism was decreased & Morale was increased supervision was required.

Mass interviewing program (1928 – 1930):

In this Mass Interviewing program about 20,000 interviews were conducted to determine the workers opinion & attitude towards the company supervision, promotion, wages & insurance plans. Initially direct question were asked to the employees, later on the pattern of interviewing was changed to non-direct type in when interviewer did not put any question rather listened to what workers had to say in regard to these matters. It was observed that an opportunity to talk freely about things which are important & related to workers had a positive impact on their work behavior. Individual workers behavior was influenced by group behavior.

Bank wiring observation room experiment (1931 – 1932):

This experiment was conducted to analyze the functioning of small groups & their impact on individual behavior. A group of 14 male workers was employed in the bank wiring room experiment. It was observed by researchers that workers decided the work target which was lower than company target because of the following reasons;

- o Fear of unemployment
- o Fear of raising the standards
- o Protection of slow workers.

The work involved were connecting wire to switches for certain equipment used in telephone exchange. Hourly wages for the individuals was based on the average output of each worker while bonus was to be determined on the basis of average group output.

8. Is the management science or art explain. (or) Explain the difference between management science of art. (*May/June*** 2006)**

Management science or art is based on logical consistency, systematic explanation, critical evaluation & experimental analysis. Learning of science involves the assimilation (grouping together) of principles while learning of art involves its continuous process.

Management as science: Management cannot be regarded as pure science. So, it is called as pseudo science (or) inexact science.

Reasons for saying management as pseudo science:

- Science may be viewed in terms of its structure its goals & its methods. In terms of structure is has no of disciplines like biology, physics etc., each of this science provide principles, laws & the ones dealing the aspect of knowledge but the management only approximates the knowledge.

- One of most important rules of science is the concepts has to be defined clearly in terms of procedures involved in their measurement. But management does not have rigid principle (or) procedures to explain about the certain things happening.

- In science, the observations must be controlled. So that, the causes can be detected correctly. But in the case of management it totally depends on prescription & totally lies on reasoning.

- All the scientific statements are testable & the test are capable of repetition with the same results but many of the management principles lack evidences & are not testable also it lacks universal applications.

Management as art: Art is just concerned with the understanding of how the particular work can be carried out. Management is an art in many circumstances which requires creativity to achieve the desired results.

Reasons for considering management as an art:

- The process of management involves the use of principles & skills like any other art such as music, painting etc.,

- The process of management is directed to achieve concrete results.

- Management is creative like any other art the success of management lies with the personality of the person a part from the character & quality of knowledge.

Management is both science & art:

To be a successful manager, a person requires knowledge of management principles & also the skill of how the knowledge can be utilized. Absence of either science or art will result in inefficiency.

SCIENCE	ART
It advances by knowledge	It advances by practice
It proves everything	It feels the change
It predicts the events	In art the events can be guessed
It defines anything clearly	It describes the situation
It measures	It opines
It impresses	It expresses

KARPAGAM ACADEMY OF HIGHER EDUCATION
MANAGEMENT PRINCIPLES - MCQ
UNIT I

Question	Option 1	Option 2	Option 3	Option 4	Answer
The father of Scientific Management is_____	F.W. Taylor	Henry Fayol	Charles Babbage	Luis Allen	F.W. Taylor
Management of ------------- getting things done	Art	Science	Economics	maths	Art
Management is -------	Pure Science	Applied Science	Art	Science and Art	Science and Art
Administrative function is ------------- management function	Top level	Middle level	Lower level	Contract	Top level
Henry fayol stated ----------- principles	14	15	20	24	14
Developing new products, techniques, designs , materials is --------------	Controlling	Innovation	Representation	Decision making	Innovation
Board of directors are ---------------	Top level executives	Middle level people	Lower level people	Managers	Top level executives
Father of Modern management ---------------	F.W .Taylor	Henry fayol	Charles Babbage	Elton mayo	Henry fayol
In the ----------management system each member of the organization effectively participates and involves himself _____ .	MBE	MBO	MBG	MBA	MBO
Appreciation comes under_____	Monetary motivation	non –monetary motivation	extensive motivation	Intensive motivation	Intensive motivation
Developing of major resources and selecting key personnel is the function of	Top management	Middle management	Lower management	Contract workers	Top management
Father of management by objective is ------------------	Peter F. Drucker	Lowis	Robert Williams	Adam Smith	Peter F. Drucker
--------------should be dynamic	Planning	Organizing	Decision making	Marketing	Planning
Which one of the following is a feature of good plan?	Future oriented	Highly ambitious targets	Formulated by all persons	Rigid targets.	Future oriented
The determination of future course of action to achieve a desired result	Planning	Directing	Motivating	Organising	Planning

First step of planning	Determination of objectives	Formulating action plan	Sequence of activities	Directing	Determination of objectives
Standing plans include	Policies and procedures	Objectives	Strategies	Basic plans	Policies and procedures
Management is a -------	Process	Discipline	A team of persons	Skill	Process
Planning is for	Top management	workers	contractors	competitors	Top management
Determination of a course of action to achieve a desired result is	Planning	Organizing	Decision making	Controlling	Planning
---------------- plans are usually made for a period of one year or less	Long Term planning	Short term planning	Strategic planning	All Planning	Short term planning
A Sound plan should be_____	Simple	Understandable	Flexible	Economical	Economical
-------------is a statement of expected results expressed in numerical terms.	Budget	Programme	Policy	Procedure	Budget
There is no organization if there is no --------------	Promotion	Participation	Medical facility	Objectives	Objectives
Systematic attempt to probe the future is ------------	Planning	Organizing	Forecasting	Controlling	Organizing
Forecasting is so essential to sound --------	Planning	Organizing	Controlling	Decision Making	Planning
Personal management is concerned with	Money	Men	Materials	Production	Men
Financial Management relates to the management of ------------	Money	Men	Material	Machines	Money
Behavioural approach of management is based on the concept of	Psychology	Sociology	Methodology	anthropology	Psychology
The part of management concerned with people at work and with their management is known as -----------	Recruitment	Staffing	Placement	Controlling	Controlling
Determination of specific goals of the organization is the task of-------	Management	Administration	Profession	Business	Administration
Administrative function are	Legislative	Creative	Autocratic	Democratic	Legislative

Question	A	B	C	D	Answer
----------- refers to the pushing down of authority and power of decision making to the lower levels of the organization.	Decentralization	Centralization	Controlling	Coordinating	Decentralization
Systematic and consistent reservation of authority at central point of the organization is known as	Centralization	Decentralization.	Staffing	Coordinating	Centralization
The process which is used to group activities into units for purpose of administration at all levels is known as	Departmentation	Centralization	Decentralization	Coordinating	Departmentation
Implementation of policy is concerned with	Management	Administration	Profession	Business	Profession
Managers work for	themselves	the owners	the public	Private	themselves
Management is _____ a manager does	What	When	Where	Who	What
The authority should be equal with	Delegation	Decentralisation	Centralisation	Responsibility	Responsibility
A clear line of flow of authority from the superior , it is a unity of direction	Scalar principle	Unity of command	Unity of direction	Span of management	Scalar principle
When a subordinate report to only one superior, it is --------	Unity of direction	Unity of command	Span of management	Scalar principle	Unity of command
The concentration of power of decision making at one point is known as	Centralisation	Decentralisation	Delegation	Span of management	Centralisation
Each subordinate is responsible to only one superior comes under ------------	Discipline	Unity of command	Unity of direction	Order	Unity of command
The line of authority flows vertically from the top management to the lowest subordinate through out the organization structure is known as	Line organization	Functional organization	Committee organization	Common Organization	Line organization
-----------is the process which enable a person to assign a work	Authority	Process	Delegation	Responsibility	Delegation
The number of subordinates reporting directly to a single manager who is accountable for their activities is known as	Span of management	Departmentation	Controlling	Coordinating	Span of management
------------- function comprises the activities of selection and placement of personnel.	Planning	Organizing	Staffing	Controlling	Staffing

Each subordinate is responsible to only one superior comes under -------------	Discipline	Unity of command	Unity of direction	Order.	Unity of command
Esprit de corps means ----------------	Team spirit	Initiative	Equity	Stability	Team spirit
Resource audit means analysis of -----------	Internal environment	External environment	Objectives	Red-tapism	Internal environment
------------- is a selection process	Planning	Decision making	Co-ordinating	Organizing	Decision making
Span of control is also called as -----------	Span of management	Span of supervision	Both	Span of life	Both
Right of decision and command is -------------	Authority	Responsibility	Delegation	Accountability	Delegation
Delegation may be ----------------	General	Specific	Formal	Informal	Formal
The number of workers working under a superior should be --------	Maximum	Minimum	Quality oriented	Quantity oriented	Quality oriented
Comparison of actual with standards comes under	Planning	Organizing	Controlling	Delegation	Controlling
Assigning a work to others and delegate them with adequate authority to do it is the process	Delegation	Decentralisation	Division of work	Direction	Delegation
Right to give orders and the power to exact obedience is	Authority	Accountability	Responsibility	Sincerity	Accountability
---------process cannot be delegated	Authority	Responsibility	Accountability	Sincerity	Responsibility
"Elimination of overlapping of duties " is one of the principles of ----------------	Decision making	Delegation	Authority	Responsibility	Responsibility

UNIT – II

1. Define Planning.

According to Koontz & O'Donnell, "Planning is deciding in advance what to do, how to do it, when to do it, and who is to do it. Planning bridges the gap from where we are to where we want to go. It makes it possible for things to occur which would not otherwise happen".

Planning is the selection and relating of facts and making and using of assumptions regarding the future in the visualization and formalization of proposed activities believed necessary to achieve desired result.

2. What is single use plan?

A single use plan is one, which is specific to a particular situation of a non-repetitive nature. It may not have use for different situations. It have a limited scope. It becomes obsolete once its purpose is over. Once the specific situation in question has been met, the plans may be given up.

3. What is meant by standing plans?

Standing use plans are those which are developed by the organization to serve as guidelines with respect to activities which will occur frequently over time. Standing plans are those, which are of a relatively long standing by nature. They are meant to serve as standing guidelines, criteria and constraints on managerial decision-making and action.

4. What is mission? Give some examples for the mission of the enterprise?

The mission statement is usually one paragraph, describes the functions of the organization. It provides a clear statement of purpose for employees, customers and suppliers.

Various organizations are adopting their own mission statement, some are:

- The mission of business is production and distribution of goods and services
- The mission of a police department is the protection of people's safety and welfare
- The mission of a state highway department is the design and construction of highways.
- The mission of university is teaching, research and so on.

5. What is meant by vision?

The vision statement is a short declaration of what an organization to be tomorrow. It is the ideal state that might never be reached; but on which work hard to achieve. Successful visions provide a brief guideline for decision making. For example

"To continuously enrich knowledge base of practitioners in mobility industry and institutions in the service of humanity" – Society of automotive engineers (SAE)

6. What is operational planning or short term planning or tactical planning?

Operational planning or short term planning or tactical planning usually covers one year of duration. These plans directly affect functional groups and day to day activities of production, marketing, finance etc., Operational planning is aimed at sustaining the organization in its production in its production and distribution of current products or services to the existing markets.

7. What do you mean by Strategic planning or Long term planning?

Strategic plans are major ones which define the long term course of action for an organization in the light of its environment. These include determination of organizational objectives for long-term period, major policies, and strategies. Long term planning involves more than one year period extending to twenty years or so.

8. What are the time frame plans?

Short range plan   Short range planning also known as operations or tactical planning, usually covers one year.

Medium range plan Medium range planning usually focusing on between two and five year's time, relatively specific and more detailed.

Long-range plan Long range planning also known as strategic planning, involves more than one-year period extending to twenty years.

9. Define objectives.

Objectives are the goals, aims or purpose that organizations wish to achieve over varying periods of time. It is ends toward which activity is aimed. They represent not only the end point of planning but also the end toward organizing; staffing, leading and controlling are aimed. While enterprise objectives are the basic plan of the firm, a department may also have objectives. Always the objectives should consistent and the framed goal or objective should be easily attainable.

10. Define management by objectives.

Koontz defined "MBO is a comprehensive managerial system that integrates many key managerial activities in a systematic manner and that is consciously directed toward the effective

and efficient achievement of organizational and individual objectives. MBO is a result-centered, non-specialist, operational managerial process for the effective utilization of material, physical, and human resources of the organization by integrating the individual with the organization and organization with the environment.

11. What are the benefits of MBO?

1. Improvement of managing - through results oriented planning.
2. Clarification of organizational roles - structures and delegation of authority according to the results expected of the people occupying the roles.
3. Encouragement of personal commitment – to their own and organizational goals.
4. Development of effective controls – measuring results, leading to corrective actions.

12. What are the problems and limitations of MBO?

- Time and cost
- Failure to MBO philosophy
- Problems in objective setting
- Emphasis on short term objectives
- Inflexibility
- Frustration

13. What is meant by policy?

Policies are also plans in that they are general statements or understandings that guide or channel thinking in decision making. It encourages discretion and initiative but within units. They are predetermined decision rules applicable for a range of managerial decisions and action. Policies define an area within which a decision is to be made and ensure that decision will be consistent with, and contribute to, an objective. Not all policies are often merely implied from the actions to managers.

14. Define procedures.

Procedure is defined as a set of sequential steps determined advance and standardized for initiating, carrying through and completing a certain routine and repetitive activity. Procedures are plans that establish a required method of handling future activities. They are chronological

sequences of required actions, they are guides to actions, rather than to thinking, and they detail the exact manner in which certain activities must accomplish.

15. Give short notes on Rules.

Rules are prescriptive directives to people in organizations and elsewhere to do or not to do things, to behave or not to behave in particular ways. They are in the nature of commandments, cautions, taboos and norms to discipline, to structure, standardize and restrain individual and group behavior and task performance. It applies to a specific situation and includes self – imposed principles of action.

16. What is external environment?

External environment means assessing the external sources like finding the threats and opportunities and the evolution focuses on economic, social, political, legal, demographic and geographic factors. In addition, the environment is scanned for technological developments for products and services on the market and for other factors necessary in determining the competitive situation of the enterprise.

External environment has to be done by all organizations the external factors include assessing the government policies, finding the competition analyzing the market share etc.

17. Define program.

A program is a precise plan which lays down the operations to be carried out to accomplish a given work. It includes all activities necessary to achieve the given objectives and prescribes how the enterprise resource should be used. Programs are a complex of goals, policies, procedures, rules, task assignments, steps to be taken, resources to be employed and other elements necessary to carry out a given course of action. Management has to consider all the situations before setting the programs.

18. Define project.

A project is a sequence of unique, complex, and connected activities having one goal or purpose and that must be completed by a specific term, within budget, and according to specifications. A budget may be expressed in financial terms; in terms of labour hours, unit of products, or machine hours; or in any other numerically measurable term. It may deal with operations, as the

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expense budget does; it may reflect capital expenditures budget does; or it show cash flow, as the cash budget does.

19. Define budget.

A budget is a statement of expected results expressed in numerical terms. It may be called as a "Numberized program". A budget may also expressed in financial terms, in terms of labour hours, units of product or machine hours or in any other numerically measurable term. It may deal with operations, as the expense budget does; it may reflect capital outlays as the capital expenditure budget does or it may show cash flow, as the cash budget does.

20. What is meant by strategies?

A strategy is the determination of the basic long term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary to carry out these goals. After examining the mission the company has to go for framing the strategies. The purpose of strategies, then, is to determine and communicate, through a system of major objectives and policies.

21. Give the three Generic strategies by Porter.

- Overall cost leadership strategy
- Differentiation Strategy
- Focused Strategy

22. Differentiate policies and strategies.

S.No	Policies	Strategies
1.	Standing plan	Single use plan
2.	Decision oriented	Action oriented
3.	Situation is known	Situation is unknown

23. Give TOWS Matrix.

Internal Factors External Factors	Internal Strength (S)	Internal Weakness (W)

External Opportunities (O)	SO Strategy : Maxi – Maxi	WO Strategy : Mini – Maxi
External Threats (T)	ST Strategy : Maxi – Mini	SO Strategy : Mini – Mini

24. What is planning premises?

Planning premises are defined as the anticipated environment in which plans are expected to operate. They include assumptions or forecasts of the future and known conditions that will affect the operations of plans.

Examples are prevailing policies and existing company plans that control the basic nature of supporting plans.

25. Why there is a need to forecast the sales?

The sales forecast is a prediction of expected sales, by product and price, for a number of months or year's. It is a kind of pro forma sales portion of the traditional income statement for the future. The sales forecast is the key to internal planning.

Business and capital outlays and policies of all kinds are made for the purpose of maximizing profits from expected sales. Most of the organizations are paying more attention to sales forecast because based on that only they can start their production so it is best for the company to predict their sales.

26. List out some of the forecasting techniques.

- Jury of executive opinion
- Delphi method
- Scenario building
- Time series analysis
- Econometric forecasting
- Technological forecasting

27. How on can forecast with the Delphi technique.

This technique developed by Olfar Helmer and his colleagues at the RAND Corporation. A typical process of the Delphi techniques is as follows:

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1. A panel of experts on a particular problem area is selected form both inside and outside the organization.

2. The experts are asked to make a forecast.

3. All the answers are compiled.

4. With that information further estimates of future are made.

5. This process may be repeated for several times.

6. The results are used as an acceptable forecast.

28. What is decision making?

Decision making is defined as the selection of a course of actions from among alternatives; it is the core of planning. Decision making is however only a step in planning, even when it is done quickly and with little thought or when it influences actions for only a few minutes.

29. Define Programmed decisions and Non – Programmed decisions.

Programmed decisions are those that are made in accordance with some policy, rule or procedure so that they do not have to be handled each time they occur. These decisions are generally repetitive, routine and are obviously the easiest for managers to make. Problems at lower levels of the organization are often routine and well structured, requiring less decision by managers and nonmanangers.

Example, Lathe operators have specifications and rules that tell them whether the part they made is acceptable, has to be discarded, or should be reworked.

Non – Programmed decision are used for unstructured, novel, and ill-defined situations of a nonrecurring nature. Most nonprogrammed decisions are made by upper-level managers; this is because upper - level managers have to deal with unstructured problems.

  Example; Introduction of Macintosh computer by Apple computer.

30. What is Limited or bounded rationality?

A manager must settle for limited rationality or bounded rationality. In other words, limitations of information time and limit certainty limit rationality even though a manager tries earnestly to be completely rational. Since managers cannot be completely rational in practice, they sometimes allow their dislike of risk-their desire to "play it safe" to interface with the desire to reach the best solution under circumstances.

31. What is Brainstorming?

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One of the best known techniques for facilitating creativity has been developed by

Alex F.Osborn, who has been called as "the father of brain storming". Brainstorming which emphasizes group thinking was widely accepted after the introduction.The purpose of this approach is to improve problem solving by finding new and usual solutions. In the brainstorming sessions a multiplication of ideas is sought and the rules are:

- No Ideas are ever criticized
- The more radical the ideas are the better
- The quantity of idea production is stressed
- The improvement of ideas by others is encouraged.

32. What is Decision Support System (DSS)?

Decision support system use computers to facilities the decision making process of semi structured tasks. These systems are designed not to replace managerial judgment but to support it and make the decision process more effective. Decision support systems help managers react quickly to changing needs. It is clear then the design of an effective system requires a through knowledge of managers make decisions. The availability of mini computers and micro computers as well as of communication networks makes it possible to access and utilize a great deal of information at low cost. Thus DSS gives managers an important tool for decision making under their control.

16 - Marks

1. Explain the nature of planning. (NOV/DEC 2007,2008 & APR 2008)

Planning: According to Koontz & O'Donnell, "Planning is deciding in advance what to do? how to do it? when to do it? and who is to do it? Planning bridges the gap from where we are to where we want to go.

The nature or characteristic features of Planning are as follows;

- ➢ **Planning is a Primary function**

- ➢ **Planning Contributes to achieve objectives**

- ➢ **Planning is an Intellectual activity**

- ➢ **Planning Results in higher efficiency**

➤ **Planning is a Continuous process**

➤ **Planning is Essential at all levels of management**

➤ **Planning Co – ordinates various business activities**

1. Planning is a primary function: Planning is the primary function of management and it precedes all functions, such as organizing, directing, controlling etc. There is no meaning of other activities without setting the goals to be achieved and line of action to be followed. In fact, all other functions of management largely depend on planning.

2. **Planning contributes to achieve objectives:** Planning process involves setting of objectives to be achieved and determining the techniques for achieving those objectives. The various techniques, such as policies, programme, and procedure are formulated. Objectives determine where we have to go? And planning makes a bridge over where we are? And where we want to go? Thus the planning and objectives are related.

3. **Planning is an intellectual process:** Planning is a mental activity. It is a process where a number of activities are to be taken to decide the future course of action. Various levels of managers have to consider various course of action. To achieve the desired goals the detailed process of every course of action should be done and then finally decide which course of action may suit them best. Thus, planning is an intellectual action.

4. **Planning Results in higher efficiency:** In general, all management functions including planning are directed to increase the efficiency of the firm. Corollary of planning is (i) planning is an intellectual activity that aims the best way of doing things, and (ii) planning provides the goals and objectives. Thus, planning is directed towards efficiency. If we Plan properly it result in higher efficiency and reduce the wastage.

5. **Planning is a continuous process:** Planning is a continuous managerial function involving complex process of perception, analysis, communication, decision and action. It is a never ending activity of a manager in an enterprise. A series of plans is to be followed one after the other. Thus, the planning process will continue and will never come to an end.

6. **Planning is essential at all levels of management:** Planning is undertaken at all levels of the organization because all levels of management are concerned with determination of

future course of action. However, its role increases successively at higher levels of management. Moreover, planning at different levels may be different in content that at the top management level, managers are concerned about the totality of the organization and tries to relate it with the environment while managers at lower levels may be involved in internal planning.

7. **Planning co-ordinates various activities:** The planning co-ordinates all the activities in the organization. Without planning the function of coordination is not possible.

2. **Explain need / purpose / importance of planning. (NOV/DEC 2007,2008 & APR 2008)**
Planning plays vital role in all the activities of the organization. The following are the purpose of planning,

   ➢ **To manage by objectives**

   ➢ **To Convert uncertainty into certainty**

   ➢ **Economy in operation**

   ➢ **To help in co – ordination**

   ➢ **To help in effective control**

   ➢ **Effective utilization of resources**

   ➢ **To avoid business failures**

1. **To manage by objectives:** Planning makes the organization focus on the objectives for early achievement.

2. **To Convert uncertainty into certainty:** There is continuous change in the environment and the organization has to work in accelerating change. This change is reflected in both tangible and intangible forms. Planning does not stop changes in the environment but gears the organization to take suitable actions so that it is successful in achieving its objectives.

3. **Economy in operation:** It means producing the results in minimum cost. So, proper planning brings economy in operation and also reduces the wastage.

4. **To help in co – ordination:** All managerial functions lead to co – ordination in the organization. But real co-ordination begins with the planning stage. Since, all departments work in accordance with the overall plan, the harmony and coordination to be achieved. Co – ordination is essence of management and planning is the base for it.

5. To help in effective control: Control involves the measurement of accomplishment of events against plans and correction of deviations to assure the achievement of objectives as set by the plans. Thus control is exercised in the content of planning action as standards against which actual results are to be compared are set up through planning. At the control stage, an attempt is made to monitor the performance on continuous basis so that immediate action is taken if anything goes wrong. Without planning, we do not know what to control.

6. Effective utilization of resources: Planning ensures organizational effectiveness in several ways. The concept of effectiveness is that the organization is able to achieve its objectives within the given resources. Thus for effectiveness, it is not only necessary that resources are put to the best of their efficiency but also that they are put in a way which ensures their maximum contribution to organizational objectives.

7. To avoid business failures: If the organizations activities are properly planned it can avoid 95% of business failures and it helps in achieving the objectives.

3. Explain the various steps involved in the process of planning. (Nov 2007, June 2007, Nov/Dec 2010& Apr/May 2011)

Planning is a process & it contains number of steps within it. It is not necessary that a particular planning process or steps are valid for all organizations and for all types of plans. A planning process is suitable for large scale organization which may not be suitable for small organizations.

The following are the common steps in the process of planning,

> **Being aware of opportunities**
>
> ↓
>
> **Setting objectives / Goals**
>
> ↓
>
> **Considering planning premises**

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                    ┌──────────────────────────┐
                    │   Comparing alternatives  │
                    └──────────────────────────┘
                                 │
                                 ▼
                    ┌──────────────────────────┐
                    │  Choosing an alternatives │
                    └──────────────────────────┘
                                 │
                                 ▼
                    ┌──────────────────────────┐
                    │ Formulating supporting plans │
                    └──────────────────────────┘
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                    ┌──────────────────────────┐
                    │ Numberizing plans by making │
                    │          budget          │
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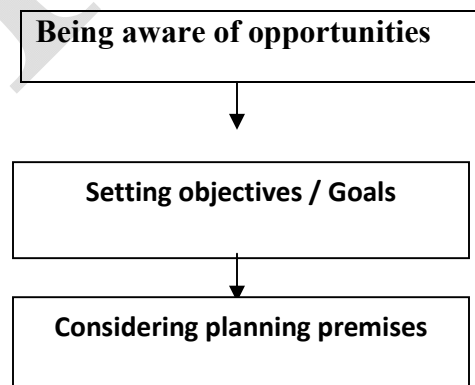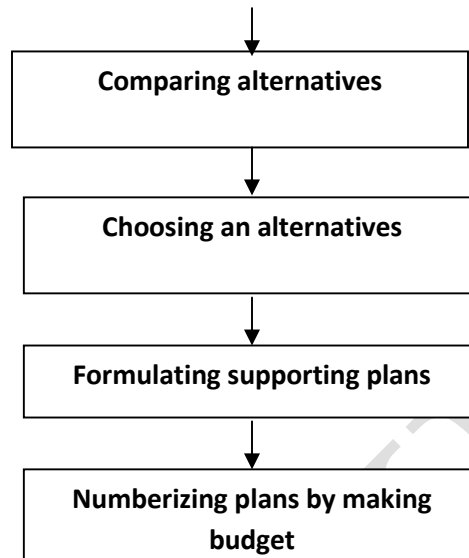
(i) Being aware of opportunities: All managers should take a primary look at possible future opportunities and see them completely where the organization stand in their strength and weakness and understand what problems have to be solved and what they except to gain?

(ii) Setting objectives: The second step in planning is to establish objectives for entire enterprise then for each department work unit. Planning the objectives may be done on short term & long term basis. Objectives specify the expected results and indicate the end products of what is to be done, where the primary emphasis is to be placed etc.

(iii) Developing planning premises: The third step is to establish planning premises such as forecast, policies and existing company plans. Forecasting is important in premising. Ex: what is the volume of sales? Prices? Wage rates? What technical development? Policies? Etc.,

(iv) Determining alternative courses: Next step is to search for and examine alternative courses of action. The most common problem is not finding alternatives but reducing the number of alternatives. So that the most suitable alternatives may be analyzed with mathematical techniques and the computer. Planner should limit the number of alternatives after thorough examination to discover the most truthful possibilities.

(v) Evaluating alternative courses: After seeking out alternative courses and examining their strong and weak points the next step is to evaluate the alternatives by analyzing them in light of (in the way of) premises and goals.

(vi) Selecting the alternatives: This is the real point of decision making here selecting appropriate course of action or alternate will take place.

(vii) Formulating supportive plans: When a decision is made, planning is complete which indicates the 7th step. Supportive plans are all most invariable requirement to support the basic plan.

(viii) Numberizing plans by making budgets: After decisions are made and plans are set the final step is to numberize them by converting them into budgets. The overall budgets of an enterprise represent the sum total of income and expenditure. Each department or programs of business have its own budget. Budget set important standards against planning where programs can be measured.

5. **Explain the process of MBO. Explain the steps (or) Elements in MBO process with its merits and demerits. (APR 2008,NOV/DEC 2008 & May/June 2009, Nov/Dec 2010)**

    Management By Objectives (MBO): Koontz defined "MBO is a comprehensive managerial system that integrates many key managerial activities in a systematic manner and that is consciously directed toward the effective and efficient achievement of organizational and individual objectives.

    The process of MBO consists of the following steps;

    - **Setting of organizational purpose and objective**

    - **Key result areas**

    - **Setting subordinates objectives**

    - **Matching resources with objectives**

    - **Performance appraisal**

    - **Recycling**

      - **Setting of organizational purpose and objective:** The basic step in MBO is the definition of organizational purpose and objectives. Questions such as "Why does the organization exist?" what business are we involved in? and what should be our business? MBO provide guidelines for the statement of purpose"

- **Key result areas:** Organizational objectives and planning premises together provide the basis for the identification of key result areas. Key result areas are derived from the expectations of various stock holders and indicate the priorities of organizational performance. It also indicates the present state of the organization. Examples of key result areas applicable to most of the business organizations are profitability. Market standing, innovation, productivity, worker performance, financial and physical resources, public responsibility etc.,

- **Setting subordinates objectives:** The organizational objectives are achieved through individuals. Therefore each individual manger must know in advance what he is expected to achieve. The process of objective setting begins with proposed recommendation for his subordinates objectives. Subordinates state his own objectives as perceived by him. Therefore the final objectives for the subordinates are set by the mutual negotiation between superiors and subordinates.

- **Matching resources with objectives:** When objectives are set carefully they also indicate resource requirement. Resources availability becomes an important aspect of objective setting because it is the proper application of resources which ensures objective achievement. Therefore there should be matching between objectives and resources. By relating these to objectives a superior manager is better able to see the need and economy of allocating resources.

- **Performance appraisal:** Appraisal aspect of MBO tries to measure whether the subordinates is achieving his objective (or) not. Appraisal is undertaken as an ongoing process with a view to find out deficiency in the working and also to remove it promptly (exactly). It is not taken to punish or reward the persons but to ensure that everything is going as planned and the organization is able to achieve its objectives.

- **Recycling:** Appraisal is used as an input for recycling objectives and other actions. The outcome of appraisal at one level is recycled to see if the objectives have been set properly at the concerned level and also at the next higher level.

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Objective setting

Action planning
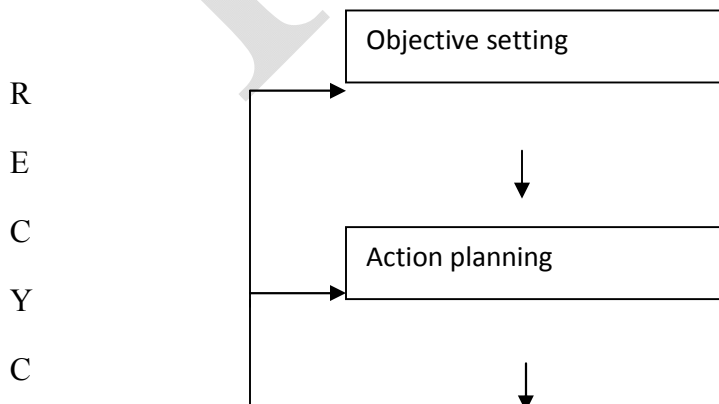
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E   → | Performance review |

Benefits (or) merits of MBO: The following are the merits of MBO;

1. **Better managing**

2. **Clarity in organizations action**

3. **Personal satisfaction**

4. **Basics for organizational change**

1. **Better managing:** MBO helps in better managing the organizational resource and activities. Resources and activities are put in such a way that they result into better performance. These performances are; clarity of objectives, role clarity, periodic feedback of performance participation by managers in the management process etc.

2. **Clarity in organizations action:** MBO tends to provide the key result areas where organizational efforts are needed. Since organizational objective are defined very clearly they help in relating the organization with its environment. Classifications of organizational roles structures and delegation of authority accounts to the results expected form the employees.

3. Personal satisfaction: MBO provides greatest opportunities for personal satisfaction. This is possible because of two reasons.

(i) participation in objective setting

(ii)   rational performance appraisal

When the individuals are involved in objective setting, they derive satisfaction because of the feeling that they are important to the organization.

4. Basics for organizational change: To cope up with the organizations external and internal changes organizations should change itself appropriately. Development of effective controls, measuring results leading to corrective action.

Limitations of MBO: The following are the limitations of MBO,

- **Failure to teach the MBO Philosophy**

- **Problems in objective setting**

- **Emphasis on short term objectives**

- **Frustration**

- **Time and cost**

- **Inflexibility**

Failure to teach the MBO Philosophy: It is one of the weakness of certain programmes. Mangers must explain to subordinates what is it, how it works, why it is being done, what part it will play in appraising performance. The process fails if it is not done properly.

Problems in objective setting: Failure to give guidelines to goal setters is often another problem. Managers know what the corporate goals are and how their own activities fit in with them. Managers also need planning premises and knowledge of major company policies.

Emphasis on short term objectives: MBO emphasis on short term goals and does not consider the long term objectives. By emphasizing short range objectives performance appraisal becomes easier, but there is always a danger in emphasizing short range objectives at the cost of long-term objectives.

Inflexibility: MBO is rigid a one. Objectives should not be changed under MBO. Thus, it introduces inflexibility in the organization. In the changing environment an objective cannot be valid forever. But in MBO once goals are set down, the superior may not like to change them due to fear of resistance from the subordinate.

5. Explain the techniques an strategic consideration (or) Explain TOWS matrix and BCG analysis (or) Explain SWOT analysis explain business portfolio matrix (or) Discuss some of the tools for developing organizational strategies. **(MAY2007 & NOV/DEC 2008)**

<u>**SWOT Analysis (or) TOWS Matrix:**</u>

<u>It is a modern tool to analyze the competitive situation of the organization.</u> It has been common to suggest that companies identify their strengths and weakness, as well as the opportunities and threats in the external environment. But what is often overlooked is that combining these factors may require distinct strategic choices. To systematize these choices, the TOWS matrix has been proposed. T stands for threats, O for opportunities, W for weaknesses and S for strengths. The TOWS model starts with the threats because in many situations a company undertakes strategic planning as a result of perceived crisis, problem or threat. The TOWS matrix also called SWOT matrix.

➢ The WT strategy aims to minimize both weakness and threats and may be called the "mini – mini" strategy. It may require that the company, for example form a joint venture, retrench or even liquidate.

➢ The WO strategy attempts to minimize the weakness and maximize the opportunities. Thus a firm with certain weakness in some areas may either develop these areas within the enterprise or acquire the needed competencies form the outside making it possible to take advantages of opportunities in the external environment.

➢ The ST strategy is based on the organizations strengths to deal with threats in the environment. The aim is to maximize the former while minimizing the latter. Thus a company may use its technological, financial, managerial or marketing strength to cope with the threats of new product introduced by its competitor.

➢ The most desirable situations is one in which a company can use its strengths to take advantage of opportunities the SO strategy. Indeed, it is the aim of enterprises to move form other positions in the matrix to this one. If they have weaknesses, they will strive to overcome them, making them strengths. If they face threats, they will cope with them so that they can focus on opportunities.

Internal Factors External Factors	Internal Strength (S)	Internal Weakness (W)
External Opportunities (O)	SO Strategy : Maxi – Maxi	WO Strategy : Mini – Maxi
External Threats (T)	ST Strategy : Maxi – Mini	SO Strategy : Mini – Mini

The business port folio matrix (or) BCG matrix:

The business portfolio matrix was developed by the Boston consulting group (BCG). Simplified version of the matrix shows the linkage between the growth rate of the business and the relative competitive position of the firm, identified by the market share. **It is a tool for allocating resources.**

➢ Business in the "question mark" quadrant, with a weak market share and a high growth rate, usually require cash investment. So that they become "stars", the business in the high growth, strongly competitive position.

➢   These kinds of business have opportunities for growth and profit. The "cash cows" with a strong competitive position and a low growth rate, are usually well established in the market, and such enterprises are in the position at marketing their product at low cost. Therefore the products of these enterprises provide the cash needed for their operation.

➢   The "dogs" are business with a low growth rate and a weak market share. These businesses are usually not profitable and generally should be disposed of.

➢   The "stars" are business with high growth rate and a strong market share. So these businesses are usually maintaining this position.

6. Explain the process of decision making (or) steps involved in a typical managerial decision making. (AU-CH NOV 2007, 2008 & APR 2008)

   Decision making: It is defined as the selection of a course of actions from among alternatives; it is the core of planning. The following are the steps involved in the process in decision   making process.

   ➢ **Specific objectives**

   ➢ **Search for alternatives**

   ➢ **Evaluation of alternatives**

   ➢ **Choice of alternatives**

   ➢ **Action**

Specific objectives:- The need for decision making arises in order to achieve of certain specific objectives. The starting point in any analysis of decision making involves the determination of whether a decision needs to be made.

Problem identification:- A problem can be identified much clearly if managers go through diagnosis and analysis of the problem.

Search for alternatives:- The decision maker must try to find out the various alternatives available in order to get the most satisfactory alternatives. This can be identified by their own experience, practices followed by others and using creative techniques.

Evaluation of alternatives:- Evaluation of alternatives is done by analysing the alternatives into various tangible and intangible factors. Tangible factors are quantitative and can be easily measured. Intangible factors are qualitative and cannot be easily measured.

Choice of alternatives:- Choice (or) Selection of alternatives implies deciding (or) selecting the most acceptable alternatives which fits with organizational objectives. Three approach in choosing alternatives are experience experimentation and research and analysis.

Action:- Once the alternatives is selected, it is put into action. The actual process of precision making ends with the choice of alternatives through which the objectives can be achieved. After selecting an alternative, it should be necessarily implemented to get the desired results.

Results: - When the decision is put into action it brings certain results. These results must be corresponding with the objectives. Thus results provide integration whether decision making and its implementation is proper.

7. Brief the distinction between Programmed decision & Non-Programmed decision. (MAY/JUNE 09)

Sl. no	Programmed decision	Non Programmed decision
1.	It deals with routine and repetitive problems	It deals with the new and unusual problems
2.	Full information is available but it has limited options	Limited information is available and has severe options
3.	Predetermined decision rules and procedures	Each problem is unique and it is creative solution

4.	Decision are made by lower level management	Decision are made by top level management
5.	Decisions are structured in nature	Decisions are unstructured in nature

Sl.no	Strategic decision	Tactical decision
1.	Authority may not be delegated to lower levels in the organization	Authority may be delegated to lower levels in the organization
2.	It is a non – programmed decision	It is a programmed decision
3.	This decision is major one which affects the whole parts of the organizations	It relates to day to day operation of the organization
4.	The decisions are dynamic and certain	The decisions are non – repetitive and taken very frequently
5.	It is long term in nature	It is short term in nature

8. Describe the various techniques for decision making. (or) Describe the various techniques for group decision making. (MAY2007 & APR 2008)

Techniques for improving decision making

Tools or Techniques for improving decision making

Qualitative techniques

(i) Brain storming

(ii) Nominal group technique

(iii) Delphi technique

(iv) Consensus mapping

Quantitative techniques

(i) Operations research

(ii) Decision tree

(iii) Linear programming

(iv) Game theory
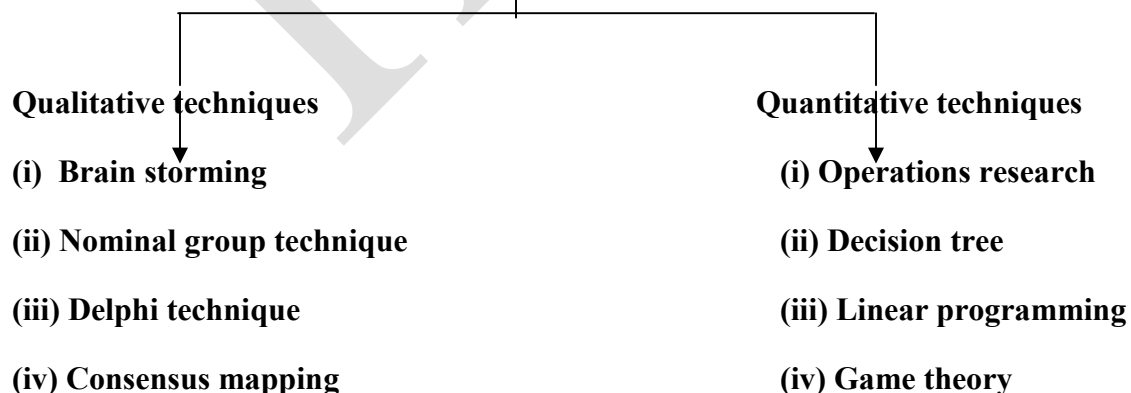
Qualitative techniques: The following are the qualitative techniques of decision making;

(i) Brain storming: Brain storming is a technique to stimulate idea generation for decision – making. Originally applied by Osborn in 1938 in an American company. This techniques is now widely used by many companies, educational insitutions, and organization for building ideas. Each members is asked to give idea s and quality may follow later. It is meant to be a free, frank and relaxed one to generate. The decision are made by superior without considering any limitations.

(ii) Nominal group technique: Nominal group technique (NGT) is a structured on meeting which restricts verbal communication among members during the decision – making process. The process in NGT goes follows:

- The group leader outlines the problem requiring decision.

- Each member writes down his ideas silently and independtly and presents his best single idea on the problem.

- When all the members write their ideas, these are presented for discussion and evaluation before the group members.

- The members are asked to rank the various ideas for decision making and the decision is arrived at on the basis of this ranking. If the group does not reach agreement, it repeats the ranking and voting procedure until the group reaches some agreement and makes a decision.

(iii) Delphi Technique : Delphi technique is quite useful where the problem does not lend itself to precise analytical techniques but can benefit form subjective judgment on a collection base and members who may be experts in the area of the problem may be called to collect their opinions.

(iv) Consensus mapping: Consensus mapping techniques of group decision – making tries to pool the ideas generated by several task subgroups to arrive at a decision. The techniques begins after a task group has developed, clarified and evaluated a list of ideas. Consensus mapping technique works best for consolidating results from several task forces (or) project groups and best suited for problems that are multidimensional.

Quantitative techniques: The following are the quantitative techniques of decision making;

Operations research: The quantitative study of an organization in action carried out in order to find ways in which its functions can be improved is called as Operations research. It is the application of specific methods, tools, techniques to operations of system with optimum solution

to the problem. It is a statistical tool & optimally used tool. It was developed to solve the complex problems. It helps in optimum allocation of resources.

(ii) Decision tree: Decision trees are a model for solving problems under uncertain & complex situations. It is a graphical method for identifying alternative actions, estimating probabilities etc., This graphical form visually helps the decision maker to view the alternatives and outcomes. It makes possible to the decision makers to see the major alternatives open to them & the subsequent decisions may depend on events of the future.

(iii) Linear programming: It is the technique used in optimum allocation of resources in the organization. It is a mathematical technique for the purpose of allocation of limited resources in an optimum manner. The 'linear' means that the relationships handled are those which are represented by straight lines. The word 'programming' means making decisions systematically. It is a decision making technique under given constraints based on the assumption that the relationships among the variables representing different phenomena show linearity.

(iv) Game theory: It is helpful in making decisions under competitive situations. The term 'Game' represents a conflict between two or more parties. Game theory is not concerned with finding an optimum or winning strategy for a particular conflict situation but it provides general rules concerning the logic that underlies strategic behavior in competitive situation. It provide answers for ,What may be considered a rational course of action for an individual confronted with a situation whose outcome depends not only on his own actions but also on the actions of others? The basic objective of all these games is to provide a basis for making decisions by considering the actions taken by the competitors.

9. Explain the various Techniques of Forecasting. (NOV 2007)

Forecasting: It is the process of estimating the relevant events of future, based on the analysis of their past & present behaviour. It defines the probability of happening of future events. **The following are the various techniques of forecasting:**

   a.   **Historical analogy method**

   b.   **Opinion poll**

   c.   **Survey method**

   d.   **Business barometers**

   e.   **Time series analysis**

f.   **Extrapolation**

g.   **Regression analysis**

h.   **Input – output analysis**

i.   **Econometric models**

Historical analogy method: Forecast in regard to a particular phenomenon is based on some analogy conditions elsewhere in past. This method is based on the stages of economic development. The situation of a country can be forecasted by making comparison with the advanced countries at a particular stage.

Opinion poll: It is conducted to assess the opinion of the knowledgeable persons and experts in the filed for example, an opinion poll of the sales representatives whole sellers (or) marketing experts may be helpful in formulating demand projections.

Survey method: Field survey can be conducted together information on the intentions of the concerned people. For example, the information may be collected through survey's about the expenditures of consumers on various items.

Business barometers: Index numbers are used to measure the state of economy between two or more periods. For example, a rise in the rate of investments now reflect higher employment and income after some times. Index numbers are the device to study the trends, seasonal fluctuations, cyclical movements etc.,

Time series analysis: Time series analysis involves decomposition of historical series into its various components like trend, seasonal variations, random variations etc., In Barometric technique the future is predicted from the indicating series which serve as Barometers of economic change. In Time series analysis, the future is taken as some sort of extension of the past.

Extrapolation: It is also based on Time series because, it relies on the behavior of a series in the past and projects the same trend in future. This method does not isolate the effects of various factors influencing a problem under study but takes into account the totality of their effects.

Regression analysis: Regression analysis is meant to disclose the relative movements of two or more interrelated series.

It is used to estimate the changes in one variable as a result of specific changes in other variables. For Example: There is a positive relationship between advertising expenditure and volume of sales.

Input – output analysis: Under this method forecast of output is based on given input. Similarly, Input requirement can be forecast on the basis of final output with a given input relationship. For Example: Coal requirement of a country can be predicted on the basis of its usage rate in various sectors.

Econometric models: In this method mathematical models are used to express relationship among variables. These models take the form of a set of simultaneous equations. The constants in these equations are arrived at by a study of time series & since the variables affecting a business are many. Large number of equations have to be formed to arrive at a particular econometric model.

KARPAGAM ACADEMY OF HIGHER EDUCATION
MANAGEMENT PRINCIPLES - MCQ
UNIT II

Questions	Option 1	Option 2	Option 3	Option 4	Answer
Diagnosing the problem comes under ------------	Planning process	Decision making process	Controlling process	Production process	Decision making process
Strategic decisions are otherwise known as ------------	Program decisions	Non- programmed decisions	Minor decisions	Personal decisions	Personal decisions
Routine decisions are otherwise known as --------------	Programmed decisions	Organizational decisions	Group decisions	Individual decisions	Individual decisions
Collection and concentration of men and materials is known as ------------	Organizing	Planning	Decision making	Controlling	Organizing
-------------is the selection based on certain criteria from 2 or more possible alternatives	Decision-making	Organizing	Planning	Forecasting	Decision-making
" Decision making is the selection based on certain criteria from two or more alternative". This definition was given by ---------------------	Goerge	Terry	Andrew	Manely	Goerge
----------------------is a dynamic process	Delegation	Decision making	Planning	None	Planning
Decision making process depends upon----------------------	Nature of problem	Nature of organisation	Both nature of problem and nature of organization	Nature of life	Both nature of problem and nature of organization
Decision which relates to day to day operations is -------------------------	Minor decision	Group decision	Operative decision.	Major decision	Operative decision.
Decision which does not incur any expense is known as ------------------------	Non-economic decisions	Group decision	Personal decision	Major decision	Non-economic decisions

Question	Option A	Option B	Option C	Option D	Answer
------------- is the process which enable a person to assign a work	Authority	Process	Delegation	Major decision	Authority
."Authority is the right to give orders and the power to exact obedience". This was given by ----------------------	F.W.Taylor	Henry Fayol	Louis Allen	Earnest Dale	Henry Fayol
Decision making is a prerequisite of an------ --------------------	Authority	Responsibility	Accountability	Power	Authority
Obligation to do something is ----------------- ------	Authority	Responsibility	Accountability	Delegation	Accountability
A broad guideline to decision making is called	Plan	Organisation	Procedure	Policy	Procedure
Selecting one from several alternatives is called	Forecasting	Decision Making	Planning	Process	Decision Making
Routine and strategic decisions are,	Repetitive	Non – repetitive	Unimportant decisions	Important decisions	Repetitive
Which one of the following permits quick decision?	Participating leadership	Autocratic leadership	Authoritative leadership	Charismatic	Autocratic leadership
Decision made by the management regarding what is to be done and what is not to be done in a given situation	Objectives	Policies	Procedures	Rules	Rules
The system of co-operative activities of two or more persons is -------	Planning	Organising	Controlling	Directing	Organising
The process of grouping activities into units for the purpose of administration is	Organising	Directing	Departmentation	Planning	Departmentation
A vital tool for providing information about organizational relationship is	Organisation chart	Area chart	Process chart	Line chart	Organisation chart
The number of subordinates which should be put under one superior is known as	Span of management	Authority	Responsibility	Delegation	Span of management
The legitimate right to give order and get orders obeyed is known as --------	Delegation	Authority	Responsibility	Centralisation	Delegation

The obligation to perform a work is referred to as	Authority	Responsibility	Delegation	Centralisation	Responsibility
A matter of entrusting a part of the work to others is known as -------	Delegation	Authority	Centralisation	Responsibility	Responsibility
Decision relates to the purchase of fixed assets with more value _____.	Programmed decision	Non- Programmed decision	Major decision	Minor decision	Major decision
Decision relates to the purchase of current assets _____.	Programmed decision	Non- Programmed decision	Major decision	Minor decision	Minor decision
Decision which relates to day to day operation of an organization _____.	Operative decisions	Organizational decision	Personal decision	Individual decision.	Operative decisions
The decision maker takes a decision and implements it for effective functioning of an organization _____.	Operative decisions	Organisational decision	Personal decision	Individual decision	Organisational decision
_____fixes the time within which the committee is expected to submit its report with concrete decision.	Top Management	Middle Management	Lower level Management	Group management	Top Management
The top management fixes the time within which the committee is expected to submit its report with concrete decision _____.	Group decision	Departmental decisions	Non-economic decision	Crisis decision.	Group decision
The decision makes is department head as department manager and he takes a decision to run the department _____.	Group decision	Departmental decisions	Non-economic decision	Crisis decision.	Departmental decisions
Decision which does not incur any expenses _____.	Group decision	Departmental decisions	Non-economic decision	Crisis decision.	Non-economic decision
A decision is taken after analyzing the present condition of a particular matter _____.	Research decision	Problem decision	Opportunities decision	Certainty decision.	Research decision

Decision is taken to solve the problem , it may expected one as unexpected one _____	Research decision	Problem decision	Opportunities decision	Certainty decision	Problem decision
Sources of recruitment are--------	Internal	External	Both internal and external	middle	Both internal and external
Scrutiny of applications received and preliminary interview are stages in --------------	Selection	Recruitment	Planning	interview	Selection
Performance test, intelligence test etc are the types of	Tests	Interviews	Training	Selection process	Selection process
Coaching, understudy, rotation are the	On-the-job training	Off- the –job training	Conferences	Role play	On-the-job training
Under ------------training, new workers are trained for specific jobs on special machines or equipments in a separate room located in a plant or work shop itself	Vestibule	Apprentice	Learners	teachers	Vestibule
The term -----------means the movement of an employee from the present job to a job which is better in terms of status or prestige, responsibilities etc.,	Demotion	Promotion	Transfer	Dismiss	Promotion
Promotion is made either on the basis of ---------------	Seniority	Merit	Both merit and seniority	biased	Both merit and seniority
The term transfer means ---------------------------of an employee from one job to another without special reference to change in responsibilities or remuneration	Placement	Shifting	Transfer	promotion	Shifting
Internal recruitment of employees need------------------	Promotion	Transfer	Both transfer and promotion	Motivation	Both transfer and promotion
Replacement, versatility, remedial are the types of ----------------------	Transfer	Promotion	Recruitment	Demotion	Promotion

Question	A	B	C	D	Answer
Transfer to a post resulting in a lower status reduced responsibilities are known as –	Promotion	Demotion	Remotion	Recruitment	Demotion
Communication promotes----------- understanding.	final	close	simple	mutual	mutual
A----------can use a number of techniques.	Supervisors	training	plan	subordinates	Supervisors
Problems in Co-ordination can be----------.	find	tackled	seen	found	tackled
A co operation is a-----------service.	flexible	seen	voluntary	Rigid	voluntary
A-------------is one of the functions of management.	persons	people	manager	Co-ordination	Co-ordination
Leaders can-----------.	direct	see	look	smell	direct
A dynamic leader can----------.	select	co ordinate	refer	prescribe	co ordinate
An organization has its own--------------.	goals	people	person	managers	goals
Controlling is the _____ function of Management	First	Last	second	third	last
The deviations are set right by the _____ function	Planning	Organizing	Directing	Controlling	Controlling
The _____ are set right by the controlling function	Directing	Planning Process	Deviations	safeguarding	Deviations
The term _____ covers all the activities of a business concern	Planning	Organizing	Staffing	Control	Control
The term control covers all the activities of a _____ concern	Business	Organising	Leadership	Group	Business

KARPAGAM ACADEMY OF HIGHER EDUCATION
MANAGEMENT PRINCIPLES - MCQ
UNIT III

Question	Option 1	Option 2	Option 3	Option 4	Answer
The function of management that determines the objectives of business and how best to achieve them is called	planning.	organizing	leading	controlling	planning
The function of management that involves monitoring performance, comparing results with planned objectives, and providing feedback and, if necessary, correction is called	planning.	organizing	leading	controlling	controlling
The titles Chairman, CEO and COO are examples of:	top management.	middle management.	first line management.	entrepreneur.	top management
The ability to think in abstract terms, to analyze and diagnose problems, and to make use of lateral thinking is called:	analytical skills.	conceptual skills.	decision-making skills.	communication skills.	conceptual skills
Organizational design is based on decisions about _____	Scientific management	Job specialization	Administrative management	centralization and decentralization	centralization and decentralization
Grouping activities on the basis of customer flow is _____.	functional departmentalization	product departmentalization	geographical departmentalization	process departmentalization	process departmentalization
Assigning designers, production workers, and salespeople to a common work group to develop a new product is known as a _____ team.	differentiated	product	cross-functional	weak	cross-functional
_____ is the formal arrangement of jobs within an organization	Departmentalization	Organizational design	Organizational structure	Work specialization	Organizational structure
The following is also known as Military organisation	Line organisation	Functional organisation	Line and staff organisation	Work specialization	Line organisation

In line organisation, the business activities are divided into following three types	Accounts, Production, Sales	Production, Quality, Sales	Production, Quality, Maintenance	Production, Maintenance, Sales	Accounts, Production, Sales
The process of dividing the work and then grouping them into units and subunits for the purpose of administration is known as	Departmentation	Organisation structure	Committee	Production, Maintenance, Sales	Departmentation
Departmentation is a process where	Tasks are grouped into jobs	workers are grouped into effective work groups	products are grouped into identifiable segments	customers are grouped	Tasks are grouped into jobs
What is the term for organisational development through a formally designed organisational structure?	Organic	Mechanistic	Formal	Structured	Mechanistic
What is the term for organisational development through a formally designed organisational structure?	Hierarchical	Bureaucratic	Flat	Functional	Flat
Functional structures help to create	teamwork	specialisation	project work groups	multi-skilled employees	specialisation
Which writer is most associated with bureaucratic structures?	Henry Fayol	Max Weber	Adam Smith	Mary Parker Follett	Max Weber
Who is a person who advanced early scientific management principles?	Weber	Taylor	Vest	Fayol	Taylor
A reporting relationship in which an employee receives orders from, and reports to, only one supervisor is known as:	Line of authority	Centralization	Unity of direction.	Unity of command	Unity of command
_____ is the study of how to create an organizational structure that leads to high efficiency and effectiveness.	Scientific management	Job specialization	Administrative management	Allocation management	Allocation management

_____ is the singleness of purpose that makes possible the creation of one plan of action to guide managers in resource allocations.	Unity of direction	Unity of direction	Unity of authority	Unity of resources	Unity of direction
Organisation establishes relationship between	People, work and resources	Customer, work and resources	People, work and management	Customer, work and management	People, work and resources
Organisation is a process of	Identifying and grouping of work to be performed	Customer, work and resources	People, work and management	Customer, work and management	Identifying and grouping of work to be performed
Responsibility always flows from	Superior to subordinate	Subordinate to superior	Unity of authority	Unity of resources	Subordinate to superior
Authority always flows from	Superior to subordinate	Subordinate to superior	Customer to authority	Unity of resources	Superior to subordinate
At intitiation phase of enterpreneurial stage, orgainzation needs to have	Creativity	Leadership	Delegation with control	Revitalization	Creativity
Rigid departmentalization within an organization is followed by	Organic structure	Virtual structure	Geographic structure	Mechanistic approach	Mechanistic approach
Altering method in which a manager think of how a work should be done is known as	Redesigning	Re-planning	Reengineering	Reproducing	Reengineering
Terminology that defines degree to which activities within an organization are subdivided is known to be	Departmentalization	Divisioning	Formalization	Work Specialization	Work Specialization
What does "TCN" stand for	host country national	expatriates	home country national	Third country national	Third country national
Understanding behavior and culture of host country's market by host manager in corporation orientation is known to be	ethnocentric	polycentric	geocentric	expat-centric	polycentric
Non-citizen employees of a country in which they are working is classified as	expatriates	subordinates	coordinates	expat-centric	expatriates

Question	Option A	Option B	Option C	Option D	Answer
Specific procedure according to which 'employees of company has legal rights to take part in policy designing' is classified as	sub-determination	sub-ordination	co-ordination	codetermination	codetermination
In corporation orientation, management style and evaluation criteria of home country is superior to anything that host country offers, known as	polycentric	geocentric	ethnocentric	expat-centric	ethnocentric
Selection is usually considered as a _____ process.	positive	negative	neutral	expat-centric	negative
candidates is called	selection	recruitment	interview	induction	selection
Which of the following helps the managers with the information required to make good human resources decisions?	selection	industrial relations	recruitment	performance appraisal	performance appraisal
The process of selection of employees is usually influenced by	rules and regulations	strategies and objectives	principles and programmes	performance appraisal	strategies and objectives
The purpose of an application blank is to gather information about the	company	candidate	questionnaire or interview schedule	competitors	candidate
Which of the following is used to measure the various characteristics of the candidate?	physical test	psychological test	attitude test	proficiency test	psychological test
Identify the test that acts as an instrument to discover the inherent ability of a candidate.	aptitude test	attitude test	proficiency test	physical test	aptitude test
When the candidate is put to hardship during interview, it is called	patterned interview	in-depth interview	stress interview	preliminary interview	stress interview
Which of the following orders is followed in a typical selection process?	Test and/or interview, application form,	Application form, test and/or interview,	Reference check, application form, test and/or	Physical examination, test and/or interview,	Application form, test and/or interview,
developed by the	American	Indian	French	line manager	American
planning is to	identify the human	resource	match the HR	All of the above	All of the above

Question	Option A	Option B	Option C	Option D	Answer
The primary responsibility for human resource planning lies with	HR Manager	general manager	trade union leader	line manager	general manager
The plans that necessitate changes in the existing technology, the organizational structure, and the employees' authority and responsibility are called	short-term HR plan	medium-term HR plan	long-term HR plan	technological change	technological change
Which of the following is not a forecasting technique to assess the human resource requirements of an organization?	trend analysis	ratio analysis	managerial judgment	replacement charts	replacement charts
The term bottom-up approach is commonly associated with	normal group technique	Delphi technique	managerial judgment	work study technique	managerial judgment
The method that requires the line managers to justify the continuance of each job that becomes vacant is called	simulation model	zero-base forecasting	human resource allocation approach	Delphi technique	zero-base forecasting
The forecasting based on the subjective views of the managers on the HR requirements of an organization is known as	normal group technique	Delphi technique	managerial judgment	work study technique	managerial judgment
Which of the following is not an objective	preventing	developing team	acclimatizing the	raising the salary	raising the salary
The process of finding an appropriate fit between the people and the positions in an organization is called	orientation	placement	socialization	replacement charts	placement
The process of introducing or integrating	placement	socialization	orientation	Delphi technique	socialization
The systematic process of offering essential information to the new employees is usually called	orientation	socialization	placement	work study technique	orientation
The values, attitudes and other behaviours already acquired by the new employees before their entry into the firm is called	anticipatory socialization	organizational socialization	tournament-oriented socialization	disjunctive socialization	anticipatory socialization
_____ refers to the learning opportunities designed to help employees grow.	training	development	education	disjunctive socialization	development

How does training and development offer competitive advantage to an organisation?	Removing performance decencies	Deficiency is caused by a lack of ability	Individuals have the aptitude and motivation to learn	None of the above	Removing performance decencies
Which of the following is a benefit of employee training?	Improves morale	Helps people identify with organisational goals	Provides a good climate for learning, growth and co - ordination	Improves knowledge	Helps people identify with organisational goals
Choose which of the following is a benefit to the individual while receiving training?	Creates an appropriate climate for	Aids in increasing productivity and/ or quality of work	Satisfies a personal needs of the trainer	helps in appraisal	Satisfies a personal needs of the trainer
Which of this is a step in training process?	KSA deficiency	Provide proper feedback	Obstacles in the system	Use of evaluation models	Use of evaluation models

UNIT-IV

1. What is meant by Creativity?

Creativity is the ability and power to produce new ideas. It is important for effective managing. Organizations helps individual to generate new ideas & translate them into practical problems.

The creative process consists of four overlapping phases:

- Unconscious scanning
- Intuitiion
- Insight
- Logical formulation

2. What is Innovation?

Innovation is application of new ideas. In an organization, this means a new product, a new service or a new of doing things.

3. Define Directing.

Directing is defined as the interpersonal aspect of managing which seeks to put human beings into action through outstanding leadership and adequate motivation and includes overseeing of subordinates to ensure effective and efficient contribution towards the attainment of the common objectives of the enterprise.

4. Mention the elements of Directing.

- Supervision
- Leadership
- Motivation
- Communication

5. Define Leadership.

Leadership is the process of influencing the behaviors of others to work willingly and enthusiastically for achieving predetermined goals.

Leadership is interpersonal influence exercised in a situation and directed through communication process, towards the attainment of goals.

6. Mention the qualities of a good Leader.

- Initiative and Creative ability
- Power of judgement
- Vision and foresight
- Mental and emotional maturity
- Flexibility
- Technical competence
- Self confidence
- Human relation attitude

7. List out the three leadership styles.

a. Autocratic style
b. Democratic style
c. Free-rein leadership style

8. Define Autocratic Leadership.

A manager centralizes decision making power in him. This type of leader commands and expects compliance, is dogmatic and positive and leads by the ability to withhold or give rewards and punishment.

9. Define Democratic Leadership.

This type of leader consults with subordinates on proposed actions and decisions and encourage participation from them.

10. Give the importance of leadership?

a. Motivating employees: A good leader by exercising his leadership motivates the employees for high performance.

b. Creating confidence: A good leader may create confidence in his followers by directing them advice and getting through them god results in the organization.

c. Building morale: Morale is expressed as attitudes of employees towards organization. High morale leads to high productivity.

11. Distinguish between a leader and manager.

Leader	Manager
1. There can be leaders of completely unorganized groups.	1. There can be managers of only where organized structures create roles.
2. Qualification is not given important	2. Qualification is important
3. It is the willingness of people to follow that makes a person a leader	3. Manager will be a leader

12. Define Motivation

According to Mc Farland, "Motivation refers to the way in which urges, drives, desires, aspirations and strivings or needs direct control or explain the behavior of human beings". Thus, Motivation is a process of inducing people positively to act in a desired manner.

13. List out the Maslow's basic human needs.

1. **Physiological needs**

2. **Safety needs**

3. **Social needs**

4. **Esteem needs**

5. **Self-Actualization needs**

14. What do you mean by Physiological needs?

Physiological needs are also called as physical needs that require preserving human life. This is the basic need for all human beings. These needs include food, clothing, water and shelter.

15. Write about social needs.

Social needs include a sense of belonging and acceptance from others. These needs are for love, friendship, exchange of feelings and grievances, recognition, companionship etc.

16. List out the Herzberg's two factors.

Maintenance factors: **These are status, interpersonal relations, quality supervision, company policy and administration, working conditions, job b. security and salary.**

Motivational factors: **They include achievement, recognition, challenging work,**

advancement and growth in the job. Their existence will yield feelings of satisfaction but their absence will not result in dissatisfaction.

17. What do you mean by need for achievement, need for affiliation and need for power.

I] Need for achievement (n/ACH):

It is the desire to accomplish challenging tasks and achieve a standard of excellence in one's work

2] Need for affiliation (n/ AFF):

It is the desire to maintain warm, friendly relationships with others , derive

pleasure from Being loved and tend to avoid the pain of being rejected by a social group.

3] Need for power (n/pwr):

It is the desire to influence others and control one's environment as important motivator in organization.

18. Mention some of the motivational techniques.

Some of the techniques to motivate the people are:
    (a) Money
    (b) Participation in decision making
    (c) Quality of working life
    (d) Job security
    (e) Effective communication
    (f) Power of authority

19. Define Job enrichment.

The main aim of job enrichment is making jobs more challenging and meaningful. If the job is designed in such a manner that it becomes more interesting and provides him opportunities for achievement, recognition and advancement.

20. Define Communication.

Communication is the transfer of information from a sender to a receiver, with the information being understood by the receiver.

According to Newstrom and Devis "communication is the transfer of information from one person to another person .It is a way of reaching others by transmitting ideas, facts, thoughts, feelings and values.

21. List out the importance of communication process.

❖ Communication is required for every human interaction whether in the organizational context or otherwise.

❖ Communication is not only for informing the subordinates but often for the purpose of telling them what to do, directing them, commanding their behavior

❖ Managers can influence others either through coercively or positively. So manager can influence the people through effective communication.

❖ It relates various components of the organization and maintaining equilibrium among them.

22. List out the communication process.

1. The sender of the message: Communication begins with the sender, who has a thought or idea which is then encoded in a way that can be understood by both the sender and the receiver.

2. Transmission of message: The information is transmitted over a channel that links the sender with the receiver.

3. The receiver of the message: The receiver has to ready for the message so that it can be decoded into thought.

23. Comment on the Noise Hindering Communication.

Communication is affected by "Noise", which is anything whether in the sender, the transmission or the receiver – that hinders communication. The following are the factors hindering communication

- Fault encoding and decoding
- Inaccurate reception
- Prejudiced understandings
- Language problems

24. Write down the Communication flow in the organization.

1. Horizontal Communication

2. Vertical Communication

    a. Upward Communication

    b. Downward Communication

3. Crosswise Communication

25. List some of the Barriers in Communication.

- Lack of planning
- Semantic distortion
- Poor listening
- Information overload

26. What is meant by non-verbal communication?

Non-verbal communication means communication without verbal means. It can take the form of body movements and facial expressions. Non-verbal communication is expected to support the verbal communication.

27. State some guidelines for improving communication.

- Senders must clarify what they want to communicate.
- Encoding and decoding can be done with symbols that are familiar to the sender and receiver.
- Tone of voice and change of language should be properly selected.
- Receiver is also responsible for effective communicating because listening is an important aspect of understanding.

28. What do you know by Teleconferencing .State the merits and demerits.

Teleconferencing is defined as the group of people interacting with each other by means of audio and video media. Full motion video is frequently used to hold to meeting among managers. Not only they hear each other but they can see each other's expression. The main advantage of this method is that it saves time. Some demerits are the equipment used in teleconferencing is subject to breakdown, and it lacks face to face contacts.

29. Give the advantages & disadvantages of written communication.

Advantages:

- It provides records, reference and legal defense.
- Message can be carefully prepared before it is directed.
- It enables promoting uniformly in policy and procedure.

Disadvantages:

- Written messages may create mountains of paper.
- It may poorly expressed by ineffective writes.
- No immediate feedback.
- It consumes more time.

16 - Marks

1. Explain the leadership styles based on use of authority with its merit & demerits. (Nov2008)

Leadership styles: The behavior exhibited by a leader during supervision of followers is knows as leadership style.

Leadership styles based on Authority: It can be classified into three types they are;

- Autocratic leadership
- Participative (or) democratic leadership
- Laissez-faire (or) Free-rein leadership

1. Autocratic (or) Dictatorial leadership: In this type of leadership, the leader takes all decisions by him without consulting subordinates. Full authority is held himself alone. He loves power and never delegates authority. The leader uses threats and punishments to get work from the subordinates.

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          ┌─────────────────────┐
          │ Autocratic leadership │
          └─────────────────────┘
            ↙                ↘
  ┌─────────────┐      ┌─────────────┐
  │  Followers  │      │  Followers  │
  └─────────────┘      └─────────────┘
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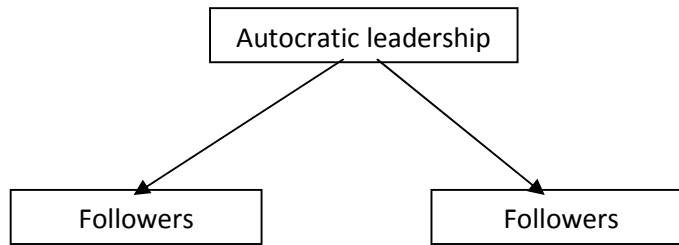
Autocratic leadership can again be classified into;

- **Strict autocrat**

- **Benevolent autocrat**

- **Incompetent autocrat**

Strict autocrat: The leader follows autocratic styles in a strict sense. He follows negative motivation for getting work from subordinates.

Benevolent autocrat: This leader also takes decisions himself but his motivation styles is positive i.e., this type of leader uses positive motivational techniques.

Incompetent autocrat: Sometimes, leader adapts autocratic leadership styles just to hide their inabilities I.e., incompetence. But this cannot be used for a long time.
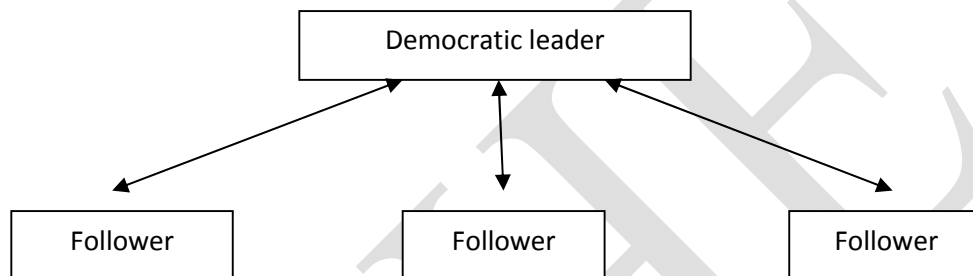
Advantages of Autocratic leadership:

- It facilitates decision – making

- It provides a strong motivation and satisfaction to the leader.

- It improves productivity.

Disadvantages of Autocratic leadership :

- Employee morale will be low

- Absence of leader will affect the output heavily.

- Dissatisfaction will develop among employees.

- Employee turnover will be more.

2. Participative (or) democratic leadership: In this type of leadership, the subordinates are consulted and this feedback is taken into decision making process. Decisions are taken after group discussions. Therefore the authority is decentralized. The participative leader attaches high importance to both work and people. He provides freedom of thinking and expression.

Advantages of Participative (or) democratic leadership:

1. The subordinates are motivated by participation in decision-making process. This will also increases job satisfaction.

2. Absence of leader does not affect output.

3. Employee turnover will be minimum.

Disadvantages of Participative (or) democratic leadership:

1. It is time – consuming and may result in delays in decision – making.

2. If subordinates are lazy and avoid work, then controlling them is difficult.

3. The leader requires a considerable communicating and persuasive skill.

3. Laissez-faire (0r) Free rein leadership: In this type a complete freedom is given to the subordinates. Leader does not take a part in decision making process. The authority is completely decentralized.
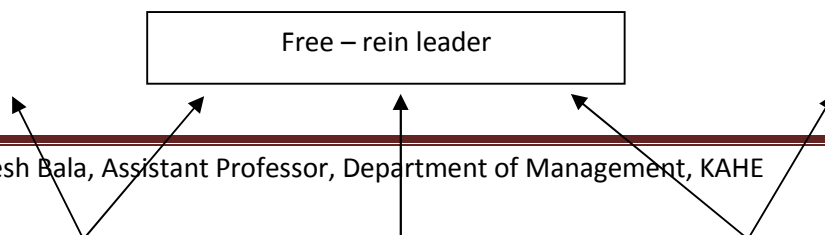
Followers		Followers		Followers

Advantages of Laissez-faire (0r) Free rein leadership:

    1. Positive effect on job satisfaction and morale of subordinates.

    2. It creates on environment of freedom, individually as well as the team-spirit.

    3. Full utilization of the potential of subordinates.

Limitations of Laissez-faire (0r) Free rein leadership:

    1. Lack of discipline

    2. Lowest productivity

    3. No control and co-ordination. Hence tense situation will be prevailed.

2. Explain Blake & Mouton's Managerial grid? (Nov-2008)

Managerial Grid: It is developed by Robert Blake and Jane Mouton. The grid has two dimensions: **concern for people and concern for production.**

    (i) **Concern for people** is not confined to narrow considerations of interpersonal warmth and friendliness. It covers a variety of concerns which can include concern for the degree of personal commitment towards goal achievement, maintenance of self-esteem of workers.

    (ii) **Concern for production** is not limited to things only. Production may be accessed through the number of creative ideas that applied research turns into useful products, procedures, quality of self services, work efficiency and volume of output.

Coordinates (1,1) is known as "Impoverished Management". The manager makes minimum efforts to get work done. It refers minimal standards of performance and minimum worker dedication.

Coordinates (1,9) called "Country club Management". It indicates personal and relationships with people, friendly atmosphere and high morale, and loosely structured work design.

KARPAGAM ACADEMY OF HIGHER EDUCATION

CLASS: I MBA	**COURSE NAME: MANAGEMENT PRINCIPLES**
COURSE CODE: 18MBAP101	**UNIT: IV BATCH-2018-2020**

Co ordinates (9,1) is referred as "Autocratic task managers". It means excellent work design, well established procedures, minimum worker interference and orderly performance and efficient operation. The leader is mainly concerned with production has little concern for people.

Coordinates (5,5) is known as "Middle of the Road". In this, satisfactory performance is achieved by equating the necessity for performance and reasonable morale. Leader has moderate concern for both production and people.

Coordinates (9,9) is called as "team managers". It refers the ultimate in managerial efficiency, thoroughly dedicated people, trustworthy and respectable atmosphere, highly organized task performance.

3. Explain Maslow's Need theory & two factor theory also compare the theories. (Nov-2007,2008 & May-2007,2009)

Maslow's Need theory:

Maslow has given five basic needs of the human being which motivates them. They are as follows:

1. **Physiological needs**

2. **Safety needs**

3. **Social needs**

4. **Esteem needs and**

5. **Self-actualization needs**

1. Physiological needs: Physiological needs are the biological needs required to preserve human life. There needs include needs for food, clothing and shelter. These needs must be met atleast partly before higher level needs emerge. These needs are the most powerful motivating force than others.

2. Safety needs: Once physiological needs are satisfied, the safety or security needs become predominant. These include (i) Protection from Physiological dangers (fire, accident); (ii) Economic security (fringe benefits, health, insurance); (iii) Desire to know the limits of acceptable behaviour. It also involves a sense of protection against danger and threats.

3. Social needs: After the needs of the body and security are satisfied, then a sense of belonging and acceptance becomes predominant in motivating behaviour. These needs are for love,

friendship, exchanges of feelings and grievances, recognition, conversation, belongingness, companionship, etc. social needs tend to be stronger for some people than for others and stronger in certain situations.

4. Esteem needs: There are two types of esteem needs: self-esteem and esteem of others. Self esteem needs include those for self-confidence, achievement, competence, self-respect, knowledge and for independence and freedom. The second group of esteem needs is those that related to one's reputation needs for status, for recognition, for appreciation and the deserved respect of one fellow.

5. Self-actualization needs: These needs are also called as self-realisation needs. Self-actualization refers to the desire to become everything that one is capable of becoming. For example, a doctor thinks that he is capable of saving the life of a patient. A teacher thinks that he is capable of giving best teaching to students. What a man can be and he must be? Self actualization need is a growth need.

Herzberg's two factor theory: The Herzberg's two factors are classified as:

- Hygiene Factor

- Motivational Factor

Hygiene Factor: These factors are necessary to maintain a reasonable level of satisfaction among employees. These factors do not provide-satisfaction to the employees but their absence will dissatisfy them. These factors are also called as dissatisfies. The hygiene factors are:

➢ Company policy and administration

➢ Supervision

➢ Salary

➢ Working condition

➢ Status

➢ Job security

➢ Interpersonal relationship

Motivational factors: The set of factors which is used to motivate the employees. These motivational factors are:

➢ Recognition

 ➢ Challenging work

 ➢ Advancement

 ➢ Growth in job

 ➢ Achievement

 ➢ Responsibility

4. Explain the different theories of motivation.(or) Name the theories of motivation. Explain any two of them. (AU-CH Nov-2010,May-2011)

 i) Mc clelland's need theory

 ii) Goal setting theory

iii) Equity theory

iv) Skinners reinforcement theory

v) Porter & Lawler model of motivation

(i) McClelland's Needs theory:

   1. Need for power (n /PWR)

   2. Need for Affiliation (n/ AFF)

   3. Need for achievement (n/ ACH)

1. Need for power (n /PWR): This is the need to dominate, influence or control people. Power speaks about the ability to control the activities of others to suit one's own purposes. People with a high need for power look for position of leadership. They like to set goals, make decisions nd direct activities. In a way, the n/PWR helps in understanding managers.

2. Need for Affiliation (n/ AFF): The need for affiliation is a social need, for companionship and support, for developing meaningful relationships with people. They motivated by giving relationship and happy environment.

3. Need for Achievement (n/ ACH): This is the need for challenge, for personnel accomplishment and success in competitive situations. They need challenging work to do. The motivation factor is achievement.

(ii)Goal setting theory:

It shows a comprehensive view of MBO. Objectives must be clear, attainable and verifiable. Clear goals if accepted are motivating. People want to know what is expected of them and the objectives must be challenging yet they must be also reasonable. Completely unrealistic objectives that cannot be achieved are demotivating rather than motivating which is an important aim of MBO. To gain commitment to achieving the goals true participation in setting them is essential. In the proper environment individuals should be encouraged to set goals by themselves and superior should review and approve them.

Objectives setting for motivation
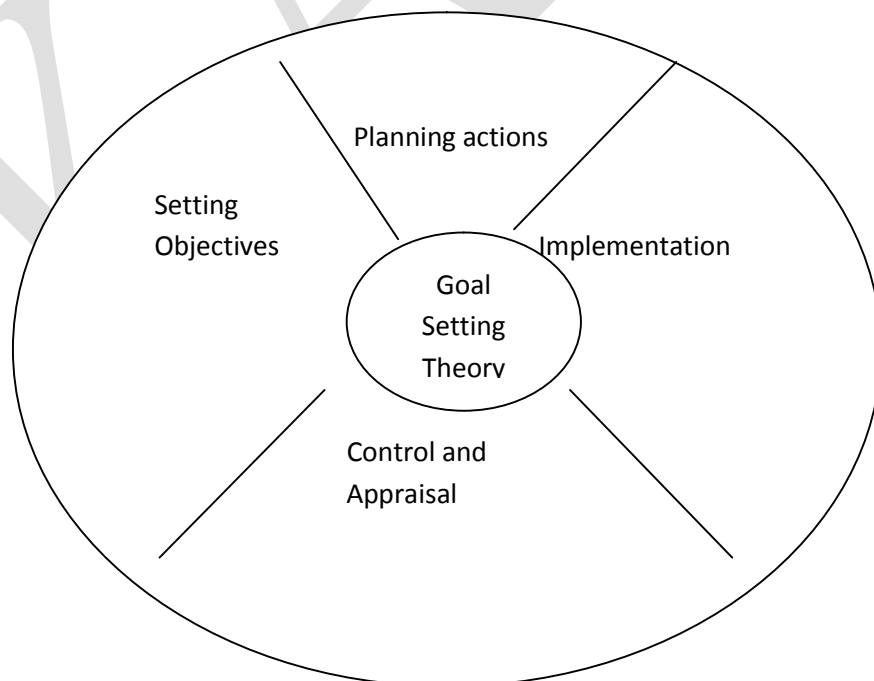
(iii) Equity theory:

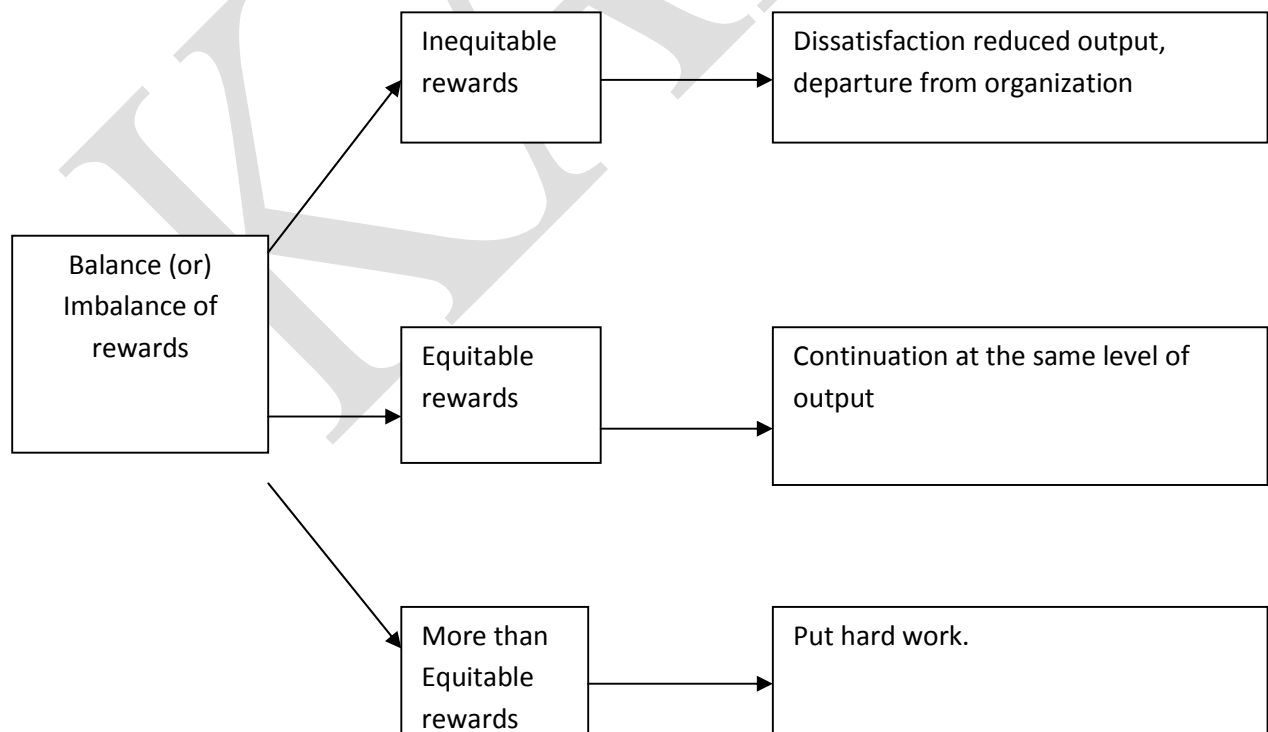This theory is formulated by J. Stacy Adams. An important factor in motivation is whether the individuals perceive the reward structure as being fair. Individuals subjective judgement about the fairness of the reward. She/ he will relatively compare the rewards of others with their rewards. There should be a balance of the outcomes to the inputs.

$$\frac{\text{Outcomes by a person}}{\text{Input by a person}} = \frac{\text{Outcomes by another person}}{\text{Input by another person.}}$$

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                              ┌──────────────┐        ┌────────────────────────────────┐
                              │ Inequitable  │───────▶│ Dissatisfaction reduced output,│
                              │ rewards      │        │ departure from organization    │
                              └──────────────┘        └────────────────────────────────┘
    ┌──────────────┐
    │ Balance (or) │──────────
    │ Imbalance of │          ┌──────────────┐        ┌────────────────────────────────┐
    │ rewards      │─────────▶│ Equitable    │───────▶│ Continuation at the same level │
    └──────────────┘          │ rewards      │        │ of output                      │
            │                 └──────────────┘        └────────────────────────────────┘
            │
            │                 ┌──────────────┐        ┌────────────────────────────────┐
            └────────────────▶│ More than    │───────▶│ Put hard work.                 │
                              │ Equitable    │        │                                │
                              │ rewards      │        └────────────────────────────────┘
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(iv) Skinner's reinforcement theory:

The psychologists BF skinner of Harvard developed this technique for motivation. This approach is called positive reinforcement or behaviour modification holds that individuals can be motivated by proper design of their working environment and praise for their performance. Punishment for their poor performance will produces negative results. They analyse the work situation to determine what causes the workers to act the way they do and then they initiate changes to eliminate troublesome areas and obstructions to performance. Even when performance does not equal to goals ways are found to help people and praise them for the good things they do.

For Example: Emery Av Freight corporation observed that this approach saved the company a substantial amount of money by inducing employees to take great pains to ensure that containers were properly filled with small packages before shipment. It emphasizes removal of obstructions to performance by careful planning, organizing, control through feedback and the expansion of communication.

(v) The Porter and Lawler model for motivation:

It is more complete model of motivation build as a large part on expectancy theory. This model indicates the amount of effort depends on the value of a reward plus the amount of energy a person believes is required and the problem of receiving the reward. Actual performance in a job is determined principally by effort expressed. But it is also greatly influenced by individual's ability to do the job and by his or her perception of what required also is performance is turn is seen as leading t intrinsic rewards (sense of accomplishment or self actualization) and extrinsic rewards. What the individual seen as a fair reward for effort will necessarily affect the satisfaction derived by them.

5. Explain about special motivational techniques.

Special motivational techniques: The major special motivational techniques or factors can be identified and these are discussed below;

i. Money: Money is one of important motivational factors. It may be in the form of wages, incentives, bonuses company paid insurances or any other things that may be given to people for performance.

ii. Participation: Research on motivation reveals that majority of workers are capable of creativity and self-control. Their consultation and participation is work related issues have favourable effect on their motivation and performance.

iii. Quality of working life: One of the most important and interesting approach of motivation is the quality of working life program. Good physical working conditions such as right temperature, adequate lighting, proper ventilation, noise free atmosphere has positive effects on motivation and performance of workers.

iv. Job security: Job security is an important thing to be considered. Providing permanent job will ensure job security. Otherwise the loss of employment will threaten people and does not pull them to desired goal.

v. Effective communication: Communication at all levels of the organization must be effective, both up and down of the chain. There should be right information given at right time.

vi. Power (or) Authority: Many professionals seek power to influence others. The managers can satisfy this need in several ways, such as making them responsible for a risk force on a specific topic, or getting them to lead an important technical project. Often subordinates can satisfy this need by being a part of the team making important decisions on company policy, where they will be sharing information with senior executives. Managers must also be willing to delegate meaningful decision making risk to subordinates showing trust in their capabilities and ensure participation in goal setting and decision making.

vii. Job enrichment: It is the vertical integration of job elements. The main aim of job enrichment is making jobs more challenging and meaningful. If the job is designed in such a manner that it becomes more interesting and provides him opportunities for achievement, recognition and advancement. Job enrichment is concerned with the designing jobs that include a greater variety of work content, require a higher level of knowledge and skill; give workers more autonomy in terms of planning, directing and controlling their own performance and provides the opportunity for personal growth and a meaningful work experience.

viii. Job enlargement: Job enlargement attempts to make a job more varied by removing dullness associated with performing repetitive operations. It means enlarging the scope of the job by adding similar tasks.

KARPAGAM ACADEMY OF HIGHER EDUCATION MANAGEMENT PRINCIPLES - MCQ
UNIT IV

Question	Option 1	Option 2	Option 3	Option 4	Answer
Managers can show their influence in three directions i.e. managing upwards (managing boss), Managing team, managing stakeholders. Managing boss would mean	To take decisions without prior notice and consent of the senior manager and complete the task	communicate with the senior managers to get your work done	Communicate with the lower staff to finish the work timely	Understand the working style of the senior managers and work accordingly	communicate with the senior managers to get your work done
Most commonly used analysis in strategic planning of organization is SWOT analysis. It consists of	Support, work load, Organization, Threats,	Strengths, workload, Opportunities, Threats	Strengths, weaknesses, Opportunities, Threats	Support, weaknesses, organization, threats	Strengths, weaknesses, Opportunities, Threats
According to Maslow's hierarchy theory, in order to motivate an employee there are five basic needs that are meant to be fulfilled step by step. Choose correct order of needs from following	Security, Physiological, Social, Esteem recognition, Self actualization	Esteem recognition, Self actualization, Physiological, Social, Security	Physiological, Security, Social, esteem recognition, Self actualization	Physiological, Social, Security, Self actualization, Esteem recognition	Physiological, Security, Social, esteem recognition, Self actualization
Time period for one complete operating cycle is equivalent to sum of all steps involved while subtracting the	Credit period given by the traders or suppliers	Loan used for the manufacturing process	Dividend paid to the shareholders	Current liabilities of the company	Credit period given by the traders or suppliers
According to the Five Factor model, 'extraversion' as a personality type is characterised by what type of people?	Good natured	Calm and self-confident	Sensitive and curious	Assertive and sociable	Assertive and sociable
What does situational theory of leadership emphasise?	Personality traits	Events	Environment	Political situation	Events
What do you call a style of leadership that takes account of others' views, opinions and ideas?	Laissez-faire	People-oriented	Democratic	Autocratic	Democratic
How can you describe the thinking and outlook of transformational leaders?	Strategic	Operational	Functional	Developmental	Strategic
According to Lewin, Lippet and White's 1939 experiment, which form of leadership produced the most work from participants?	Laissez-faire	Democratic	Authoritarian	A mix of laissez-faire and democratic	Authoritarian
What are the two main dimensions of the Ohio Studies into leadership?	Starting position and end position	Initial environment and changed environment	Organisational structure and conditioning	Initiating structure and considerations	Initiating structure and considerations

Question	Option A	Option B	Option C	Option D	Answer
Who of the following is a leading writer on contingency theory of leadership?	Rosabeth Kanter	Joan Woodward	Rensis Likert	Fred Fiedler	Fred Fiedler
Which one of the following political leaders could not be termed a 'transformational' leader?	Margaret Thatcher	Mikhail Gorbachov	Nelson Mandela	Bill Clinton	Bill Clinton
What are the key characteristics of transactional leaders?	Guiding, mentoring and motivating	Guiding, commanding and motivating	Guiding, demonstrating and motivating	Guiding, mentoring and demonstrating	Guiding, mentoring and motivating
What is the term for power derived from status or position in an organisation?	Referent	Expert	Reward	Legitimate	Legitimate
_____ is the name given to a philosophy and set of methods and techniques that stressed the scientific study and organisation of work at the operational level.	Scientific Management	Human Relations Model	Two factor theory	Achievement motivation theory	Scientific Management
Which of the following is a content theory?	Expectancy theory	ERG Theory	Equity theory	Achievement motivation theory	ERG Theory
Who propounded the Need's Theory	a. Frederick Herzberg	Alderfer	Abraham Harold Maslow	Achievement motivation theory	Abraham Harold Maslow
The two factor theory is based on which factors?	Hygiene and behavioural	Safety and self - esteem	Self - actualisation and status quotient	Achievement motivation theory	Hygiene and behavioural
What does "E", "R" and "G" stand for in the ERG theory?	Export, Risk and Guarantee	Exponential, Reliability and Growth	Existence, Relatedness and Growth	Achievement motivation theory	Existence, Relatedness and Growth
Which of the following is a process theory?	Achievement Motivation theory	Performance - satisfaction model	ERG theory	Two factor theory	Performance - satisfaction model
Which of the following option, is an important term used in the theory?	Inputs	Promotion	Working condition	Responsibility	Inputs
_____ and _____ came out with a comprehensive theory of motivation called the performance - satisfaction model.	Festinger and Heider	Jacques and Patchen	Porter and Lawler	Weick and Adams	Festinger and Heider
Which of the following options is a factor which the equity theory is not clear about?	How does a person choose the comparison other?	Carefully explaining to the employees what their roles are	Making sure the rewards dispersed are valued by the employees	intrinsic rewards causes motivation	How does a person choose the comparison other?
Motivation theory shows downside of 'extrinsic rewards' is explained in	Victor Vroom expectancy theory	Edward Deci motivation theory	Maslow's motivation theory	Fredrick Herzberg motivation theory	Edward Deci motivation theory
An Edward Deci's motivation theory explains the	extrinsic rewards causes detraction	intrinsic rewards causes detraction	extrinsic rewards causes motivation	intrinsic rewards causes motivation	extrinsic rewards causes detraction

Process through a person comes to know about self-skills, interests and motivation is called	career	career management	career planning	career development	career planning
According to Harpaz (1989), approximately what proportion of UK workers would continue to work if they won enough money on the lottery to retire?	0%	68%	93%	100%	68%
Which of the following is an example of an intrinsic motivator?	A pay increase	Promotion	Satisfaction in a job well done	Good working conditions	Satisfaction in a job well done
Using a foul-tasting nail varnish to motivate a person to stop biting their nails is an example of what?	Equity theory	Aversion therapy	Orientations to work	Expectancy theory	Aversion therapy
Which of the following is a critique of behaviourism?	It has never been implemented in the workplace.	Its ideas derive from psychology and are therefore not applicable to the workplace.	People are motivated simply by achieving the target rather than any deeper level of motivation.	It contains a number of different theories.	People are motivated simply by achieving the target rather than any deeper level of motivation.
Which of the following best describes Maslow's hierarchy of needs?	It is a perfect model of workplace motivation.	It was devised by Maslow after meticulous research in workplace settings.	It has been proven empirically to be accurate in workplace settings.	It is a highly flawed model, although it does recognize that people are motivated differently.	It is a highly flawed model, although it does recognize that people are motivated differently.
Which of the following is an example of one of Herzberg's (1966) motivating factors?	Status within the organization	Salary	Recognition	Working conditions	Recognition
Which of the following best describes how people are motivated according to process theories of motivation?	People make subjective judgements based on past experiences and individual thought processes.	People are located at different positions on a framework.	Behaviour is modified through punishment and reward.	People have different orientations to work.	People make subjective judgements based on past experiences and individual thought processes.
Students doing group work may be unhappy with a high grade if they feel some members of the group didn't contribute evenly to the effort in getting that grade. This is an example of what?	Maslow's hierarchy of needs	b) Equity theory	c) Expectancy theory	d) Orientations to work	Equity theory

Question	A	B	C	D	Answer
According to expectancy theory, why might you be answering this question now?	Because it will help you to self-actualize.	Because it will help you to understand the subject, get better module marks and ultimately a better degree.	Because you have been told to do it by a tutor.	Because you gain intrinsic satisfaction from answering the question correctly.	Because it will help you to understand the subject, get better module marks and ultimately a better degree.
Which of the following sums up Marx's view of how people are motivated?	People are lazy and unmotivated.	People's motivation can be plotted out on a framework.	People are naturally creative with an inherent desire to transform the world around them.	People have work ethics given to them by their religious beliefs.	People are naturally creative with an inherent desire to transform the world around them.
Leadership today is increasingly associated with the concept of _____?	Getting others to follow	Control	Command	Strategy	Getting others to follow
Which of the following statements about leadership is false?	Not every leader is a manager	Leadership does not necessarily take place within a hierarchical structure of an organisation	When people operate as leaders their role is always clearly established and defined	Strategy	When people operate as leaders their role is always clearly established and defined
Approaches to the study of leadership which emphasis the personality of the leader are termed _____.	Contingency theories	Inspirational theories	Trait theories	Group theories	Trait theories
Adair claims that the effectiveness of a leader is dependent upon meeting _____ areas of need within the work group.	Four	Three	Two	one	Three
In Adair's approach, needs such as training the group, setting standards and maintaining discipline, and appointing sub-leaders may be called _____.	Work functions	Task functions	Team functions	Individual functions	Team functions
The Ohio State Leadership Studies revealed two major dimensions of leadership behaviour: _____ and initiating structure.	Communication	Collaboration	Consideration	Control	Consideration
The terms "employee-centred" and "production-centred" to describe leader behaviour were used by _____?	Likert	Fiedler	McGregor	Blake and McCanse	Likert

Question					
What are the four main styles of leadership displayed by the manager which identified in Tannenbaum and Schmidt's continuum of possible leadership behaviour?	Commands, helps, joins and leads	Tells, sells, consults and joins	Tells, helps, joins and leads	Commands, sells, consults and resists	Tells, sells, consults and joins
On what belief are contingency theories of leadership based?	That there is a single style of leadership appropriate to all situations	That there is no single style of leadership appropriate to all situations	That there is a single style of leadership appropriate to all managers	Commands, sells, consults and resists	That there is no single style of leadership appropriate to all situations
According to Fiedler's LPC scale what will leaders with a low LPC score gain satisfaction from?	Developing team relationships	Achieving objectives	Decision acceptance	Decision quality	Achieving objectives
One contingency model of leadership is the path-goal theory. This suggests that an individual's motivation is dependent on _____.	Their effective performance	Whether path-goal relationships are clarified	The necessary direction, guidance, training and support being provided	Expectations that increased effort to achieve an improved level of performance will be successful	Expectations that increased effort to achieve an improved level of performance will be successful
The situation leadership theory of _____ and _____ is based on follower's readiness to perform.	Vroom and Yetton	Hersey and Blanchard	Abbot and Costello	Tannenbaum and Schmidt	Hersey and Blanchard
Extensive research in over 30 countries has shown that people want leaders who exemplify four qualities. Kouzes and Posner (2000) suggest these qualities are _____, _____, _____ and _____.	Forward-looking, influential, competent, dynamic	Honest, forward-looking, inspiring, competent	Honest, dynamic, ruthless, single minded	Inspiring, competent, influential, dynamic	Honest, forward-looking, inspiring, competent
Referent power is based on the subordinate's perception that the leader has a right to exercise influence because of the leader's _____.	Role or position within the organisation	Expertise and knowledge	Personal charisma	legal stucture	Personal charisma
The term organisation of culture refers to	social stucture	political stucture	economic stucture	legal stucture	social stucture
The quota system was first introduced in the year	1955	1960	1952	1956	1955
If you believe in making decisions for the good of most people, you can be described as following which school of thought?	utilitarianism	teleology	deontology	egoism	utilitarianism
Corporate social responsibility that extends beyond legal mandates can help meet societal expectations in the absence of	Statutory devices	Social tool	Cost tool and Techniques	Science tool	Statutory devices

| The authority coats to settle ___ | family disputes | legal disputes | personal disputes | business disputes | legal disputes |

KARPAGAM ACADEMY OF HIGHER EDUCATION MANAGEMENT PRINCIPLES - MCQ
UNIT V

Question	Option 1	Option 2	Option 3	Option 4	Answers
Delegation is:	a continuous process,	unfolding talents,	granting the right to command.	parity in controlling.	granting the right to command
Unity of command means:	parity of authority and responsibility,	flow of command from subordinate to superior,	flow of command from superior to subordinate,	parity in controlling.	flow of command from subordinate to superior
Defective delegation:	hampers coordination	size of the organization,	establish proper controls,	establish sources of powers.	hampers coordination
Organizational structure is made up of key elements. Which of the following is not one of these elements	Centralisation	Coordination	Decentralisation	Span of control	Coordination
Control is a function aimed at:	economic development	staffing	organizational development	planning	economic development
Control is a:	static activity	plan	pervasive function	staffing	pervasive function
The objective of control is:	take corrective actions,	make plans,	prepare manpower planning,	influence and persuasiveness,	prepare manpower planning,
Detecting irregularities is possible through:	controlling,	staffing	decision-making,	planning.	controlling,
Strategic control is implemented with:	micro perspective,	department perspective,	macro perspective,	motivational perspective	macro perspective,
Deviation is a term used in:	controlling	motivation	directing	staffing	controlling
Controlling plays an important role in helping:	increase the costs,	fixing standards,	identify opportunities,	time management	identify opportunities,

Difficulty in controlling the external factors is a drawback for:	controlling	motivation	staffing	organising	controlling
Effective control requires:	flexibility	rigidity	high cost	high time	flexibility
The process of monitoring performance monitoring it with goals and correcting any significant deviation is known as	Planning	Organising	Leading	Controlling.	Controlling.
The concept of span of control was propounded by	Graicunas	Fayol	Taylor	Mc Gregor	Graicunas
The term used for defining the number of subordinates under a manager in an organization is called?	Span of management	Control of management	Division management	Departmentalizatio n	Span of management
The term budget is usually regarded as a tool of _____ planning and control	Operational	Functional	Systematic	Organizing	Operational
The process by which people try to manage or control the perceptions formed by other people about themselves is called :	perceptual management. .	impression management.	group management.	perceptual grouping	impression management.
Which of the following managerial functions of the human resource department refers to the measurement and rectification of activities to ensure that events conform to plans?	Directing	Staffing	Controlling	Organizing	Controlling
Organization structure primarily refers to	how activities are coordinated and controlled	how resources are allocated	the location of departments and office space	the policy statements developed by the firm	how activities are coordinated and controlled

According to the systems theory, planning, organising, leading, controlling and technology come under .... component of an organisational system.	Inputs.	Transformation process.	Outputs.	Feedback.	Inputs.
Which of the following is not a result of poor span of control in organisations?	Over supervision.	Timely decision.	High costs.	Communication problems.	Timely decision.
Which one of the following is not an assumption underlying direct control?	Personal responsibility exists.	Time expenditure is warranted.	Performance cannot be measured.	Mistakes can be discovered in time.	Performance cannot be measured.
The higher quality of managers and their subordinates the less the need for.............	Direct control.	Preventive control	Tactical control.	Strategic control.	Direct control.
The use of effective control systems does not lead to ……………………..	Improved output per unit of output	Reduction in wastage	Increase in personnel turnover	Lower labour costs	Increase in personnel turnover
Feed forward control is not known as ……………………..	Pre control	Preliminary control	Preaction control	Reaction control	Reaction control
……………… facilitates control, communication and coordination in organisations.	Deceleration	Departmentation	Disintegration	Decentralization	Decentralization
The authority to control the functions of other departments related to specific task is known as :	Functional authority.	Formal authority.	Informal authority.	Managerial authority.	Functional authority.
Which one of the following is not an assumption underlying direct control?	Personal responsibility exists.	Time expenditure is warranted.	Performance cannot be measured.	Mistakes can be discovered in time.	Performance cannot be measured.
The higher quality of managers and their subordinates the less the need for.............	Direct control.	Preventive control	Tactical control.	Strategic control.	Direct control.

Control function of management cannot be performed without:	planning	organizing	staffing	motivation	planning
Which of the following management functions are closely related?	planning and organizing	staffing and control	planning and control	planning and staffing	planning and staffing
The last function in the sequence,which culminates in the attainment of organization objectives,is:	organizing	coordinating	controlling	planning	controlling
Single use plans are:	applicable in non-recurring situation	deals with recurring situation	budgets	strategic	applicable in non-recurring situation
Programs are a complex of:	budgets	goals & policies	rules	strategy	budgets
Budget refers to	Planned target of performance	Steps of handling future activities	Systematic action and allocation of resources	Statement of expected results expressed in numerical terms	Statement of expected results expressed in numerical terms
Which of the following is not a technique of planning?	Balanced score card	Budgeting	Management by Objectives	PERT CPM	Balanced score card
_____ plans have clearly defined objectives	Directional	Flexible	Standing	Specific	Specific
Which one of the following does not fall under qualitative forecasting method?	Moving average methods	Life cycle analogy	Judgmental methods	Delphi method	Moving average methods
Which of the following is not a technique of planning?	Management by Objectives.	PERT CPM	Balanced score card	Budgeting	Balanced score card
_____ plans have clearly defined objectives	Specific	Standing	Flexible	Directional	Specific
Which one of the following does not fall under qualitative forecasting method?	Life cycle analogy	Moving average methods	Judgmental methods	Delphi method	Moving average methods

For which of the following situation(s) is the market research method of forecasting suitable?	When a firm is planning moderate changes on product innovations	When a firm is market testing one of its new offerings	when a firm is working with stable technology, planning moderate changes on product innovations or market testing one of its new offerings.	when a firm is planning moderate changes on product innovations and market testing one of its new offerings	when a firm is working with stable technology, planning moderate changes on product innovations or market testing one of its new offerings.
Which of the following forecasting method is suitable for launching new products?	Moving average methods	Exponential smoothing	Causal models	Judgmental methods	Judgmental methods
Which of the following method(s) is(are) suitable for forecasting the demand of a product?	Delphi method	Market research	Delphi method and judgmental method	Market research and judgmental method	Delphi method
Which of the following refers to the total set of managerial activities employed by the organisation to transform resource inputs into product inputs?	Strategic management	Operations management	Marketing management	Resource management	Operations management
.... control systems help managers manage inputs in such a way that they are available at the right place and at the right time and in the right quantity at minimum cost.	Budgetary	Inventory	Financial	Quality	Inventory

Question	A	B	C	D	Answer
Which of the following is a self-regulating control system that can automatically monitor the situation and take corrective action :	Cybernetic control system	Non-cybernetic control system	Multiple control system	Feedback control system	Cybernetic control system
Which of the following is a control technique applied during or following the completion of an activity :	Direct control	Preventive control	Corrective control	Activity control	Direct control
The main source of information for .... managers are mostly internal.	Input	Output	Storage	Instruction	Instruction
An international enterprise has to scan the.............. market to identify threats and opportunities for the company.	Domestic	National	Worldwide	Native market	Worldwide
Which of the following management functions help managers in achieving desired objectives by establishing guidelines for future activities?	Staffing	Controlling	Planning	Organising	Planning
.... refers to the ability to persuade others to seek defined objectives enthusiastically :	Authority	Morale	Leadership	Controlling	Leadership
The _____ theory states a manager's choice of organizational structures and control systems depends on characteristics of the external environment.	Mechanistic	Management science	Organic	Contingency	Contingency

One purpose of short-range forecasts is to determine	production planning	inventory budgets	research and development plans	job assignments	job assignments
Forecasts are usually classified by time horizon into three categories	short-range, medium-range, and long-range	finance/accounting, marketing, and operations	strategic, tactical, and operational	exponential smoothing, regression, and time series	short-range, medium-range, and long-range
A forecast with a time horizon of about 3 months to 3 years is typically called a	long-range forecast	medium-range forecast	short-range forecast	weather forecast	medium-range forecast
The characteristics of direction include:	guiding	motivating	planning	performance appraisal	guiding
Direction is a:	discrete process	continuous process	circular process	supervisory process	continuous process
Communication is a:	two-way process	one-way process	discrete process	circular process	two-way process