

**Doon Public School, Bhuj**

**Worksheet- Important Questions**

**Class-12 Business Studies**

**Ch-2- Principles of Management**

**QUESTIONS FOR PRACTICE**

1. Which of the following statements best describes Mental Revolution?
  - a. Workers should be paid more wages.
  - b. The management and workers should not play the game of one-upmanship.
  - c. Both management and workers require each other.
  - d. It implies change of attitude of management only
  
2. Life time of F.W. Taylor is \_\_\_\_\_.
  - a. 1856 to 1915
  - b. 1856 to 1935
  - c. 1856 to 1925
  - d. 1856 to 1905
  
3. Espirit De Corps means \_\_\_\_\_
  - a. Scalar Chain
  - b. Unity
  - c. Gang Plank
  - d. Order
  
4. Principles of management cannot be \_\_\_\_\_
  - a. Defined
  - b. Part of business
  - c. Tested in Laboratories
  - d. Applied Everywhere
  
5. What is the aim of Method study?
  
6. "Workers should be encouraged to develop and carry out their plans for development." Identify the particular principle of management by Fayol.
  
7. 'Accurate cause and effect relationship cannot be established by principles of management.' Why?
  
8. The Production Manager of Bharat Ltd. instructs a salesman to go slow in selling the product, whereas the Marketing Manager is insisting on fast selling to achieve the target. Which principle of management is being violated in this case? State any one of the consequences of violation of this principle.
  
9. Explain briefly 'discipline' and 'scalar chain' as principles of general management.
  
10. Explain how principles of management:
  - i. help the managers in taking scientific decisions, and
  - ii. provide the managers with useful insights into real-world situations.
  
11. For the last three years, Elpis Technology Solutions p(Ltd.) is not functioning smoothly and systematically. The relations between management and employees are becoming bitter day by day. After a complete analysis, it was observed that employees are not working effectively and efficiently and management is not fulfilling its commitment of increments and promotions,
  - i. Which management principle is being ignored in the given case?
  - ii. Can the problem be solved if only management becomes serious in fulfilling its promises? What should be the appropriate course of action to achieve smooth and systematic functioning of Mahagun Industries?

12. What are the adverse effects of the violation of the following principles? Give one adverse effect for each.

- a. Division of work
- b. Unity of Command
- c. Remuneration
- d. Order
- e. Stability of tenure

13. Explain Fayol's principles of 'equity' and 'order' with examples.

14. Explain the following principles of Fayol with the help of one example of each.

- i. Division of work
- ii. Unity of direction

15. Explain any four points which highlight the importance of principles of management.

## ANSWER KEY:-

1. c. Both management and workers require each other.

### Explanation:

- Mental revolution involves a change in the attitude of workers and management towards one another from competition to cooperation.
- **Management and workers should realise that they require one another.**
  - Management should share a part of surplus with workers.
  - Workers should also contribute their might so that the company makes profits.

2. a. 1856 to 1915

### Explanation:

- Fredrick Winslow Taylor (March 20,1856 – March 21, 1915) was an American mechanical engineer.
- He died in 1915 due to pneumonia.

3. b. Unity

### Explanation:

- Esprit de corps is a **French phrase** that translates into '**group spirit**'.
- It is one of the principles of Henri Fayol.
- Management should promote a team spirit of unity and harmony among employees, according to Fayol.

4. c. Tested in Laboratories

### Explanation:

- Principles of mangement cannot be tested in laboratories as these principles are applied on human behaviour.
- Principles of management are formed by experience and collective wisdom of managers as well as experimentation.
- These can be applied and tested in real life situation rather than in laboratories

5. Method study is basically conducted to simplify the work or working methods and must go towards higher productivity and reduced cost.

6. Principle of initiative, According to this principle top management provides opportunities to its employees to suggest new ideas, experiences and more convenient methods of work.

7. Accurate cause and effect relationship cannot be established by principles of management because:-

- They apply to human behaviour and it is unpredictable.
- In reality, prevailing conditions may vary in different organisations at different points of time.

8. The principle of management which is being violated in this case is Unity of Command. Consequence will be that salesman will be confused regarding whose instructions should he follow. Therefore, it may be difficult to carry out the order of two persons when they are contradictory.

9. **Discipline** According to Fayol, discipline is obedience, application and the outward mark of respect. It is the obedience to organizational rules and employment agreement which are necessary for the working of the organization. According to Fayol, discipline requires- good superiors at all levels, dear and fair agreements and judicious application of penalties. Discipline can be of two types - imposed and self. It is really difficult to inculcate self-discipline among the employees as human

beings are prone to get influenced and lured by various distractions. Therefore, it is nothing but the imposed discipline which needs to be applied in an organization.

**Scalar chain** It is the chain of superiors ranging from the top to the lowest ranks. The principle of the scalar chain suggests that there should be a clear line of authority from top to bottom linking managers at all levels. The scalar chain serves as the chain of command and also as the chain of communication. Under the chain of command, orders and instructions, issued at higher levels, flow through intermediate managers before reaching the lower levels. However, scalar chain prolongs the chain of communication as there has to be a formal chain of command to be followed. As a measure to speed up communication, Fayol introduced the **Gang plank** which means that two subordinates working at the same level of different departments can communicate with each other directly without following the official chain of communication.

10. i. **Scientific decisions:** The knowledge of management principles enables managers to learn the cause and effect relationship between variables, operating in the organization. They are able to develop a scientific and objective approach toward problem solving and decision-making. The managers are no longer dependent upon their experience, intuitions, and instincts rather they adapt invariably as per the prevailing situation which makes the decisions more scientific in nature.

ii. **Provide the manager with useful insight into reality:** Management principles act as guidelines for the managers. These principles improve knowledge, ability, and understanding of managers under various managerial situations. The effects of these principles help the managers to learn from their mistakes. They deeply introspect the pros and cons of their decisions.

11. i. The principle of 'Discipline' is being violated.

ii. No, the problem cannot be solved through management efforts only. For smooth and systematic functioning of Elpis Technology Solutions p(Ltd.), both employees and management should be disciplined. Employees must be disciplined to work effectively and efficiently and management should meet their commitment of increments and promotions.

12. Following are the consequences or adverse effects of each of these principles:

**Division of work:** The violation of this principle leads to the dearth of specialization among the employees.

**Unity of Command:** The violation of this principle leads to confusion in the mind of the subordinate in following the orders.

**Remuneration:** The violation of this principle leads to a situation of unrest among the employees and makes them demotivated.

**Order:** Improper placement of men and material may lead to wastage of resources.

**Stability of tenure:** Instability and insecurity among employees and they would tend to leave the organization.

13. i. **Equity** The principle of equity implies a sense of fairness and justice for all workers working in an organization. Observance of equity alone would make workers loyal and devoted to the organization. Equity does not mean equal salary to a peon and supervisor. But equity means the application of the same disciplinary rules, leave rules, etc. irrespective of their grade, position, and gender, language, religion or nationality, etc. For instance, a male and female working at the same level in an organization are getting different salary, then this is the violation of the principle of equity.

ii. **Order** According to Fayol, 'People and material must be in a suitable place at an appropriate time for maximum efficiency' This principle states that there should be a place for everything and everyone in an organization and that thing or person should be found at its allotted place. This will lead to increased productivity and efficiency as it saves the time and specifically the wastage of time. For example, raw material should be available at the place prescribed for it so that the

workers must not waste their time and remain focused on the production activities. This makes the organization productive as a whole.

14. i. **Division of work:** Every employee should be assigned only one type of work. It means that total work is divided into small tasks/jobs and a trained specialist performs each Job. The objective of the division of labor derive the benefits from the principle of specialization which can be applied to all work. Division of work minimises the efforts and the burden of the tasks to be performed. It enables an individual to not to become 'jack of all trades and master of none'. for example, publishing of a book involves several operations like computer typing of text material. Proof reading, printing, binding, etc. All the operations are performed by different people who are experts in their respective field.
  - ii. **Unity of direction:** One unit and one plan for the group of activities having the same objective This principle implies that there should be one head and one plan for a group of activities having the same objective. It means that the efforts of members of the organization should be directed towards the achievement of a common goal, For example, the mission of a company is to provide quality products at an affordable price to the customers. This should serve as a direction for all the departments, namely, purchasing. financing, quality control, and marketing. This develops a sense of oneness among the employees and all of them realize they 'sail in the same boat', therefore, the onus of any success or failure is on all of them and not on any specific individual.
15. Four points which highlight the importance of principles of management are
    - i. **To Provide Managers with Useful Insights into Reality:** Principles of management are derived on the basis of continuous observation and analysis of events which managers face in real world situations. They help managers to improve their knowledge, ability and understanding of managerial situations These principles enable managers to learn from past mistakes and conserve time by solving recurring problems quickly. Thus, management principles increase the efficiency of managers.
    - ii. **Optimum Utilisation of Resources and Effective Administration:** Optimum utilisation of resources emphasise that resources(physical, financial and human) should be utilised in such a manner that they should give maximum benefit with minimum cost. Principles of management help in organising various activities in such a way that results in elimination of unwanted activities thereby reducing inefficiency and wastage of resources. It also increases the efficiency of management, as through these principles managers adopt a systematic and logical approach to overcome the problems and discard hit and trial approaches.
    - iii. **Scientific Decision:** Management principles help in thoughtful decision making because they are based on logical reasoning after making detailed research and investigation rather than blind faith or guess work. Such decisions are free from bias and prejudice. These principles develop a scientific approach as they give a realistic and subjective measurement for evaluation. Management principles are based on the objective assessment of the situation.
    - iv. **Meeting Changing Environment Requirements:** Modern business environment is complex and ever-changing. In order to be survive and grow, organizations have to adapt to these changes. Although, principles are general guidelines but they are flexible and can be frequently modified as per business environment, which are favourable and profitable for the business.