



Class: XII Business Studies	Department: Commerce	Date of submission:
Worksheet No:2	Topic: Principles of Management	SOLUTION

MCQ's

1. Which of the following statement best describes the principle of 'Division of Work'

- A. Work should be divided into small tasks
- B. Labour should be divided
- C. Resources should be divided among jobs
- D. It leads to specialization

Ans. A.

2. 'She/he keeps machines, materials, tools etc., ready for operations by concerned workers'.

Whose work is described by this sentence under functional foremanship?

- A. Instruction Card Clerk
- B. Repair Boss
- C. Gang Boss
- D. Route Clerk

Ans. C

3. Which of the following is NOT a Principle of management given by Taylor?

- A. Science, not rule of the Thumb
- B. Functional foremanship
- C. Maximum not restricted output
- D. Harmony not discord Exercises

Ans. B

4. Management should find 'One best way' to perform a task. Which technique of Scientific management is defined in this sentence?

- A. Time Study
- B. Motion Study
- C. Fatigue Study
- D. Method Study

Ans. D

5. Which of the following statements best describes 'Mental Revolution'?

- A. It implies change of attitude.
- B. The management and workers should not play the game of one-man ship.
- C. Both management and workers require each other.
- D. Workers should be paid more wages.

Ans. A

6. Which of the following statements is FALSE about Taylor and Fayol?

- A. Fayol was a mining engineer whereas Taylor was a mechanical engineer
- B. Fayol's principles are applicable in specialised situations whereas Taylor's principles have universal application

C. Fayol's principles were formed through personal experience whereas Taylor's principles were formed through experimentation

D. Fayol's principles are applicable at the top level of management whereas Taylor's principles are applicable at the shop floor

Ans B

7. Identify the principle of management according to which a manager should replace 'I' with 'We' in all his conversations with workers.

A. Initiative B. Espirit De Corps C. Division of work D. Standardization and Simplification of work.

Ans. B

8. It refers to determining the duration and frequency of rest intervals to complete a particular job
A Time study B Method study C Fatigue study D Motion study

Ans. C

9. "A place for everything (everyone) in its (his/her) place" is as per one of Fayol's Principle. Identify it

A Discipline B Order C Equity D Scalar chain

Ans. B

10. Mr. Rakesh Kathuria is the owner of "Kathuria Sports Store". He has divided his business into four departments. All departmental managers have been instructed to comply with certain general guidelines while discharging their functions. By doing so, they will definitely achieve better performance. All managers complied with this instruction. Identify the concept of management mentioned in the above paragraph.

A Principles of management B Management C. Coordination D. Business environment

Ans. A

11. The main objective of the study is to get the estimated figure of labour costs, determine the required number of workers and decide about the suitable incentive plan.

A. Method Study B. Time Study C. Motion Study D. Fatigue study.

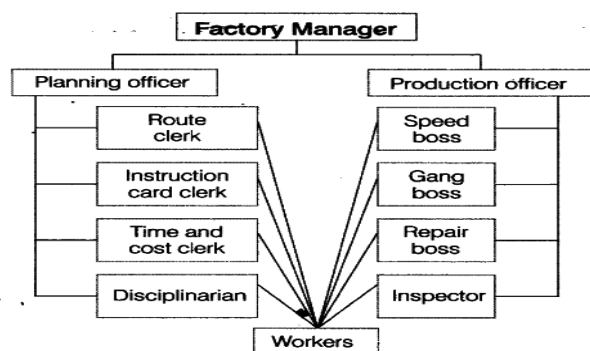
Ans. B

12. According to this principle, it is the duty of a manager to encourage the feeling of his employees for doing some work or taking some decision.

A. Espirit the corps B. Remuneration C. Equity D. Initiative

Ans. D

13.



Name the principle of management depicted above

A. Unity of Command B. Unity of Direction C. Functional Foremanship D. Division of work.

Ans. C

14. The principles of management are not fixed and permanent. They are affected by situations or circumstances. Therefore, the decision to implement them or not is taken according to the situations or circumstances.

Identify the nature of principles of management.

A. Contingent B. Flexibility C. General guidelines D. Universal applicability.

Ans. A & B

15. Mr. Sunder has recently been appointed as General Manager of Allied Auto parts Ltd. After his appointment he took a round of the factory and found that tools are not kept at specific place nor the employees are available at their proper place.

Which principle of management is violated?

A. Scalar Chain B. Order C. Equity D. Authority & responsibility.

Ans. B

16. It implies bringing about a change in the disposition or state of mind of the management and workers and encourages them to cooperate rather than compete with each other.

Which concept of Taylor is referred above?

A. Mental Revolution B. Coordination C. Organising D. Science, not rule of thumb.

Ans. A

CASE STUDY BASED QUESTIONS

1. Nutan Tiffin Box service was started in Mumbai by Mumbai Dabbawalas. The Dabbawalas who are the soul of entire Mumbai aim to provide prompt and efficient services by providing tasty homemade tiffin to all office goers at right time and place. The service is uninterrupted even on the days of bad weather, political unrest and social disturbances. Recently they have started online booking system through their website 'mydabbawala.com'. Owing to their tremendous popularity amongst the happy and satisfied customers and members, the dabbawalas were invited as guest lecturers by top business schools. The Dabbawalas operate in a group of 25-30 people along with a group leader. Each group teams up with other groups in order to deliver the tiffin on time. They are not transferred on frequent basis as they have to remember the addresses of their customers. They follow certain rules while doing trade- No alcohol during working hours; No leave without permission; Wearing of white cap & carrying ID cards during business hours.

Recently on the suggestion of a few self-motivated fellow men, the dabbawalas thought out and executed a plan of providing food left in tiffin's by customers to slum children. They have instructed their customers to place red sticker if food is left in the tiffin, to be fed to poor children later.

State and explain any one principle of management given by Fayol & one characteristic of management mentioned in the above case.

Ans) Principles of management

Stability of Personnel, Initiative, Discipline Esprit de corps

Characteristic of management

Goal oriented, Dynamic, Intangible Force, Multi Dimensional, Group activity

2. After completing his entrepreneurship course from Australia, Sanket came back to India and started a coffee shop 'Premium Cold Coffee' in a famous mall in Delhi. Its speciality was the special aroma

of coffee and a wide variety of flavours to choose from. Somehow the business was neither profitable nor popular. Sanket was keen to find out the reason. He appointed Riya, an MBA from a reputed college, as a manager to find out why the business was not doing well. Riya took a feedback from the clients and found out that though they loved the unique aroma of coffee but were not happy with the long waiting time being taken to process the order. She analysed and found out that there were many unnecessary stoppages in between which could be eliminated. She set up a standard time for processing the order. She also analysed that there were many flavours of coffee available for which the demand was very less. So she also decided to discontinue some of them. Within a short period Riya was able to attract the customers.

Identify and explain the management techniques used by Riya to solve the problem.

Ans. Time Study, Motion Study, Simplification

3. Radhika opens a jewelry showroom in Jaipur after completing a course in jewelry designing. She has employed eleven persons in her showroom. For greater productivity, she divides the work into small tasks and each employee is trained to perform his/her specialized job. The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas the decision to give any further discount rests with Radhika as the final authority. In the earlier days of starting of the business, five of her employees were asked to put in extra hours of work. In return she had promised to give them a special incentive within a year. Therefore, after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her commitment. However, when it comes to setting the conflicts among her employees, she tends to be more biased towards her female employees.

In context of the above case:

1. Identify and explain the various principles of management that are being applied by Radhika by quoting lines from the paragraph.
2. Identify and explain the principle of management which is being violated by Radhika by quoting lines from the paragraph.
3. State any one effect of the violation of the principle of management by Radhika as identified in part (b) of the question.

Ans. Division of Work, Authority and Responsibility, Discipline

2. Equity

3. Loyalty and devotion cannot be ensured

4. Gaurika has been appointed as the chief organizer of a weeklong cultural event. Being a staunch follower of scientific management, she decides to execute her work by putting into practice the various techniques of scientific management. On the basis of several observations, she is able to determine that the standard time taken by the security officer at the gate to check the credentials of each visitor is 30 seconds. So she decides to employ two persons on this job for every function along with the other necessary support staff. She considers the fact that every day, the functions will take place in three shifts of four hours each, therefore it is important to give breaks to the support staff even in a single shift to take her/his lunch etc. moreover, on introspection, she determines that the best way to distribute refreshment boxes to the visitors will be to hand it over to them at the exit gate as it would help to save time and eliminate any kind of confusion.

In the context of the above case:

Identify and explain the various techniques of work study which have been put into practice by Gaurika.

Ans. Time study, Fatigue study, Method study

Long Answer Questions

1. Rajat joined as a CEO of Bharat Ltd, a firm manufacturing Computer hardware. On the first day he addressed the employees. He said that he believed that a good company should have an employee suggestion system and he wished to minimize employee turnover to maintain organizational efficiency. He informed all employees that he would ensure that all agreements were clear, fair and there was judicious application of penalties. However, he said that he believed that lazy personnel should be dealt with sternly to send the message that everyone was equal in the eyes of management. Also that he would want to promote a team spirit of unity and harmony among employees, which would give rise to a spirit of mutual trust and belongingness among team members and eventually minimize need for using penalties. He told all present that the interests of the organization should take priority over the interests of any one individual employee.

Identify and briefly explain any four principles of management given by Fayol, which Rajat highlighted in his address to the employees.

Ans. Initiative, Stability of Personnel, Discipline, Equity Esprit De Corps, Subordination of Individual Interest to General Interest.

2. Flavours Ltd. was engaged in the business of making handmade chocolates. Lately, the business was expanding due to good quality and reasonable prices. As the demand was increasing, Flavours Ltd. decided to explore bakery products as well. In order to make bakery products the company directed its workforce to work overtime but this resulted in multiple problems. Due to increased pressure the efficiency declined and the workers had to take orders from more than one superior. Workers were overburdened and their health was also affected. Gradually the quality of the products begins to decline and market share also went down. The company realized that they had implemented changes without waiting for the required infrastructure.

Identify and explain the principles/technique of Taylor/Fayol referred to in the above para.

Ans. Standardisation, Simplification, Unity of Command, Unity of Direction

3. Ms.Libra is working as CEO in Bagan Tea Ltd. Her company manufactures tea with 10 brand names. Every brand has five flavours. Tea of every taste is packed in 10,20,30,40,50,60,70,80,90,100,200,300,400,500,600,700,800,900 gms and also 1,2,3,4,5 kg. In this way the company sells tea of one brand in 135 (1x5x27) and all other brands put together are sold in $135 \times 10 = 1350$ packets.

a) What in your opinion is the mistake committed by Ms.Libra?

b) With what technique of scientific management she can rectify the mistake?

c) What benefit shall she get with the help of the technique suggested by you?

a. Too many varieties

b. Simplification

c Savings of cost of labour, machines. It implies reduced stock, fuller utilization of equipment and increasing turnover

4. Mr.Raj has set up Raj Gharana Pvt Ltd. He became the M.D of the company and prepared a list of

all the activities to be performed in the company. All activities were divided into four main parts and on the basis of these parts four departments were set up viz. finance, marketing, production and HR. managers were appointed for each departments and each one of them were given certain specific activities according to their specialization.

a) Identify the principle of management discussed above.

b) Explain any other three principles of management.

Ans. Division of Work

b. Any one principle of Fayol or Taylor

5. Soniya Ltd. was engaged in the business of manufacturing auto components. Lately, its business was expanding due to increased demand for cars. The competition was also increasing. In order to keep its market share intact, the company directed its workforce to work overtime. But this resulted in many problems. Due to increased pressure of work the efficiency of workers declined. Sometimes, the subordinates had to work for more than one superior. The workers were becoming indisciplined. The spirit of teamwork, which had characterized the company previously, had begun to wane.

Identify any three principles of management (as given by Henry Fayol) which were being violated, quoting the lines from the above case.

Ans. Unity of Command, Discipline, Espirit De Corps

6. Neeraj is selected for the post of software developer in an IT Company. On the first day of his joining Mehul, his project manager tells Neeraj that during the course of his work he will come across many such opportunities which may tempt him to misuse his powers for individual or family's benefit at the cost of larger general interest of the company. In such situations, he should rather exhibit exemplary behavior as it will raise his stature in the eyes of the company. Also, for interacting with anyone in the company on official matters, he should adopt the formal chain of authority and communication.

In context of the above case:

Identify and explain the various principles of management that Mehul is advising Neeraj to follow while doing his job.

Ans. Subordination of Individual Interest to General Interest Scalar chain

7. 'Aapka vidyalaya' believes in holistic development of students and encourages team building through a mix of curricular, co-curricular and sports activities. On its founders day a stage performance had to be put up. A committee of ten prefects was constituted to plan different aspects of the function. They all decided to use recycled paper for decoration. There was a spirit of unit and harmony and all members supported each other. With mutual trust and belongingness the programme was systematically planned and executed. Kartik, one of the prefects realized that unknowingly the group had applied one of the principles of management while planning and executing the programme. He was so inspired by the success of the function that he asked his father to apply to same principle in his business. His father replied that he was already using this principle.

a) Identify the principle of management applied for the success of the programme.

b) State any two features of management highlighted in the above para.

Ans. Espirit De corps

b. Management is a group activity, Management is pervasive

8. Khandelwal Ltd., a tyre manufacturing concern has been established for more than ten years. Having made good profits in the past, company wanted to expand further and hence did not declare bonus for the previous year. The workers got agitated and trade union declared strike and demanded bonus and other facilities. The management decided not to give into their demands.

- a) Which principle of scientific management is overlooked in the given case?
- b) Explain other principles of Scientific Management.

Ans. Harmony not Discord

b. Science not rule of thumb, Cooperation not individualism, Development of each and every person to his or her greatest efficiency and prosperity