

- Q1.** The Activities involved in managing an enterprise are common to all organizations whether economic, social or political. Which characteristic of management is highlighted by this statement?
- Q2.** Policy formation is the function of which level of management?
- Q3.** In order to be successful an organization must change its goals according to the need of the environment. Which characteristic of management is highlighted in the statement?
- Q4.** To meet the objectives of the firm the management of Angora Ltd. Offer employment to physically challenged persons . Identify the organizational objective it is trying to achieve.
- Q5.** Management of any organization strives to attain different objectives  
Enumerate any two such objectives?
- Q6.** "Management is considered to be a three-tier machinery". Why?
- Q7.** Name the process by which a manager synchronizes the activities of different departments.
- Q8.** How is entry to a profession restricted?
- Q9.** State any two points which prove that management is multi-dimensional?
- Q10.** An achievement of which organisational objectives results in "an increase in sales volume, increase in number of employees, no of products ,and increase in capital investment"
- Q11.** Management is based on personalized application of knowledge i.e it varies from person to person". Which nature of management is signified by it?
- Q12.** The authority responsibility relationship that binds individuals as superiors and subordinates in an organization, gives rise to what?
- Q13.** If an organization derives more benefits even after using less resources it"s a result of what?
- Q14.** A company"s target production is 5000 units in a year, to achieve this target the manager has to operate in double shifts due to power failure. The manager is able to meet the target but at a higher production cost. Is the manager efficient or effective?
- Q15.** " Managers in India do the same work as managers in USA or Japan or Germany" which characteristic of management is highlighted by it?
- Q16.** "A collection of diverse individuals with different needs but working towards fulfilling the common organizational goals" this statement highlights which characteristic of management?
- Q17.** Your father has retired as a purchase manager of a company. At what level of management was he working?
- Q18.** Dheeraj is working as „Operations Manager" in Tifco Ltd. Name the managerial level at which he is working. State any four functions he will perform as „Operations Manager" in this company.
- Q19.** Volvo Ltd"s target is to produce 10000 shirts per month at a cost of Rs. 100/- per shirt. The Production Manager achieved this target at a cost of Rs. 90/- per shirt. Do you think the „Production Manager" is effective? Give one reason in support of your answer.
- Q20.** Yash Ltd. is facing a lot of problems these days. It manufactures electronic goods like washing machines, microwave ovens, refrigeration and airconditioners. The company"s margins are under pressure and the profits and market marketing department blames production department for producing goods, which are not of good quality to meet customers" expectations. The finance department blames both production and marketing departments for declining return on investment and bad marketing.
1. What quality of management do you think the company is lacking? Justify your answer.
  2. State the importance of the concept identified in (a).
- Q21.** Aman, Ahmad and Ally are partners in a firm engaged in the distribution of dairy products in Maharashtra state. Aman is a holder of Senior Secondary School Certificate from Central Board of Secondary Education with Business Studies as one of his elective subjects. Ahmad had done his post graduation in History and Ally in dairy farming. One day there was a serious discussion between Ahmad and Ally regarding the nature of management. Ahmad argued that management was a profession whereas Ally argued against it saying that the legal and medical professions are the only professions because they fulfill all the conditions of profession.
- Aman on the basis of his knowledge of business studies explained the nature of management as a profession to Ahmad and Ally. Explain, how Aman would have satisfied both Ahmad and Ally.
- Q22.** To meet the objectives of the firm, the management of Bhavya Ltd. Offers employment to physically challenged persons. Identify the organizational objective it is trying to achieve. Give reason in support of your answer.
- Q23.** B Ltd. wants to modify its existing product, CD players in the market due to decreasing sales. What functions should each level of management perform to give effort to this decision?
- Q24.** Sonali is the manager of a large company manufacturing garments for kids. She plans her winter collection in the month of August itself. Then, she ensures that there is adequate workforce. She continuously monitors whether production is proceeding according to plans. She asks the marketing department to prepare their promotional and advertising campaigns also.
- a. Identify and explain the concept of management explained in the above paragraph
  - b. What characteristic/ feature does the above para highlight?
- Q25.** Hi Tech Ltd. is a company producing IT services. The company"s profits are enough for the survival and growth. The management of the company believes that a satisfied employee creates a satisfied customer, who in turn creates profits that lead to satisfied shareholders. So, it pays competitive salaries and perks to its all employees. All the employees are happy working in the organization because of personal growth and development. The company has a strong sense of social responsibility. It has set up an engineering college in which one-third of the students are girls to whom the company gives 50% scholarship. Is the management of H. Tech Ltd. fulfilling its objectives? Justify your answer by giving reasons
- Q26.** Govinda Ltd. is a highly reputed company. Different functions are performed by different individuals in this company, who are bound together in a hierarchy of relationships. Every individual in the hierarchy is responsible for successful completion of a particular task. Mr. Gauranga is responsible for the welfare and survival of the

organization. He formulates overall organizational goals and strategies for their achievement. MR. Nityanand ensures that quality of output is maintained, wastage of materials is minimized and safety standards are maintained. Mr. Sanatan assigns necessary duties and responsibilities to the personnel and motivates them to achieve desired objectives. At what levels of management are Mr. Gauranga, Mr. Nityanand and Mr. Sanatan working in Govinda Ltd.? justify your answer.

**Q27.** The management of Vrinda Ltd. strongly believes that the members of an organization should work towards fulfilling the common organizational goals. This requires team work and integration of efforts of all individuals, departments and specialists. This is because all the individuals and departments depend on each other for information and resources to perform their respective activities. Managers need to reconcile differences in approach, timing, effort or interest.

At the same time it should enable all its members to grow and develop. Thus, there is a need to harmonize individual goals and organizational goals.

a. Identify the concept of management discussed above.

b. State any three features of the concept identified in (a).

Identify and explain the characteristic of management which is reflected from the above para.

**Q28.** Sanjana is the branch manager of ABC Handicrafts Pvt. The company's objective is to promote the sales of Indian handloom and handicraft products. Its sells fabrics, furnishings, ready-mades and household items are made out of traditional Indian fabrics. Sanjana decides quantities, variety, colour and texture of all the above items and then allocates resources for their purchase from different suppliers. She appoints a team of designers and crafts people in the company, who developed some prints for bed covers in bright colour on silk. Although they looked very impressive, they were more expensive than they had planned to sell. Average customer could not afford to buy it. Praising their effort, Sanjana suggested that they should keep the silk bed covers for special occasions like Diwali and Christmas and offer the cotton bed covers on a regular basis to keep costs under control. Identify the functions of management which Sanjana performs by quoting the lines the above para.

**Q29.** XYZ Power Ltd. set up a factory for manufacturing solar lanterns in a Remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient to cover the costs and the risks.

The demand of lanterns was increasing day by day, so the company decided to increase production to generate higher sales. For this they decided to employ people from the nearby villages as very few job opportunities were available in that area. The company also decided to open schools and crèches for the children of its employees.

Identify and explain the objectives of management discussed above.

**Q30.** Nishtha is the marketing manager of a company selling laptops. She plans the target sale of 2000 laptops per month. She allocates necessary resources to carry out the plan. She has six salesmen working under her. She works with them, guiding and motivating them to achieve the target sales. At the end of the month, after comparison of actual sales with the target sales she found that actual sales exceeded the target sales. She rewards the efficient employees to motivate them. How does Nishtha prove the importance of management? Explain.

Also state any two values which she wants to communicate to the society by her behavior.

**Q31.** Sooraj works as a salesman in a company selling pet accessories and food. He has been given a target of selling 1200 units of the food packets in a month by offering a maximum of 10% discount to his customers. In order to meet his monthly sales target, on the last two days of the months, he offers 15% discount to his customers. In the context of the above case:

Is Sooraj effective in his work? Explain by giving a suitable reason in support of your answer.

**Q32.** Anju and Manju are good friends. Considering the fact that the activities involved in managing an enterprise are common to all organizations, after completing their Masters in business management, both of them take up a job at managerial level in different organizations as per their individual areas of interest. Anju takes up a marketing job in a retail company and strives to

increase sales where as Manju joins an NGO and works diligently to realize its objective related to providing employment to specially able persons. Both of them have to perform a series of continuous, composite, but separate functions. On some days, Anju may spend more time in planning a future display layout and on another day, she may spend time in sorting out an

employee's problem. Both Anju and Manju make conscious efforts to build a feeling of team spirit and coordination among diverse individuals with different needs who work under them. The effect of their management is noticeable in their respective departments as the targets are met according to plans, employees are happy and satisfied, and there is orderliness in its functioning rather than chaos. In context of the above case:

Identify the various features of management highlighted in the above paragraph by quoting lines from it.

**Q33.** Esha works as the cost and risk management head of a company in power sector. As a result of her excellent managerial competence, the company is able to reduce costs and increase productivity. The company belongs to infrastructure sector, where regular amendments are made in the government regulations and policies. She holds regular meetings to ensure that people in her department are not only aware of the related changes but are also able to adapt to these changes effectively. This helps the company to maintain its competitive edge. She motivates and leads her team in such a manner that individual members are able to achieve personal goals while contributing to the overall organizational objective. In the process of fulfilling her duties for the growth of the organization, she helps in providing competitive services, adopting new technology, creating more employment opportunities etc. for the greater good of the people at large. In context of the above case:

Identify the various reasons that have made management so important by quoting lines from the paragraph.

**Q34.** Kartik joins a garment factory as a plant supervisor in Lucknow. He Observes that the output of some workers is very low as compared to the standards set for their performance. On analyzing the reasons for the same, he finds out that a lot of time of the workers is wasted in getting the requisite materials issued from the store. Whereas on asking, the store keeper

complains that there is no harmony in the working of the production department as a whole. Every day the workers approach him at the least minute to procure different kinds of threads, laces, mirrors, buttons etc. if it is not available

in the store then he has to place an order with the purchase officer. As a result, a lot of time of the workers is wasted. So, in order to integrate the various production activities, henceforth, Kartik ensures that the store keeper is informed well three days in advance about the requisite materials. Consequently, the store keeper is able to keep the materials ready for the workers every morning in accordance with their requirements. In context of the above case: Identify and explain the quality of management that Kartik has introduced in the working of the production department as a corrective measure to control the output of the workers.

State briefly and two points highlighting the importance of quality of management identified in part (a).

**Q35.** Bhuvan argues that management is required in all kinds of organizations whereas Piyush feels that management is not required in non-business organizations such as school, club, hospitals, etc. who is correct?

**Q36.** „Sonu Nigam“ the famous playback singer always spends time for practice and adds his creativity in his singing.

Like Sonu Nigam, Mr. Rajiv, manager of Headlines Ltd. uses his creativity and practice management principles under different situations to manage the business. The employees are happy and satisfied as he every day reward employees for their punctuality and efficiency.

1. Identify the nature of management highlighted above.

2. Name other two aspects of nature of management.

3. Identify the values followed by Mr. Rajiv.

**Q37.** Management of Alpha Ltd. has installed a special recycling plant to recycle the waste instead of dumping the waste in ground. It is also providing employment opportunities to local residents. Company started a school nearby for the children of their employees.

(i) Identify the objectives company is fulfilling.

(ii) Quote the lines from above para which indicate those objective.

**Q38.** Alpha Ltd. is a Company that manufacturers mobile phones and accessories. Its profits are declining nowadays. The sales department blames production department for low quality, the production department blames purchase department for not supplying good quality parts.

What quality of management is lacking in the above case?

**Q39.** A group of people believes that management is a systematic body of

knowledge that explain certain general truth and is based on logical observation. Identify and explain the nature of management discussed in above case.

**Q40.** In an organization sales department wants to increase the sale by 20% so sales department planned to offer extra discounts to customers. Finance department raised objection on it as they sat it will result in loss of revenue and company may face liquidity problem.

1. Name the importance of coordination referred here.

2. State other two importance of coordination.

**Q41.** The manager of Alpha Ltd. is very efficient and effective and makes sure all the employees and workers in his team perform the task on time with minimum cost. His main focus is on cost cutting so he never listens to the demand of workers for increasing wages. He even gives no opportunity to workers for promotion. As a result workers started becoming frustrated and disheartened all the time.

1. Which objective of management could not be achieved by the manager.

2. State other two objectives of management.

3. State any one value ignored by the manager.

**Q42.** Mega Ltd. manufactured water-heaters. In the first year of its operations, the revenue earned by the company was just sufficient to meet its cost. To increase the revenue, the company analysed the reasons behind the less revenues. After analysis, the company decided:

To reduce the labour cost by shifting the manufacturing unit to a backward area where labour was available at a very low rate. To start manufacturing solar water-heaters and reduce the production of electric water-heaters slowly.

This will not only help in covering the risks but also help in meting other objectives.

1. Identify and explain the objectives of management discussed above.

2. State any two values which the company wanted to communicate to society.

**Q43.** Mr. Nitin Singhanian's father has a good business of iron and steel. He wants to go to the USA for his MBA but his father thinks that he should join the business. On the basis of emerging trends, do you think that Mr. Singhanian should send his son to the USA? Give any three reasons in support of your answer.

**Q44.** Jayant is working as Head Relationship Manager in the wealth management division of a private sector bank. He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives. A typical day at work in Jayant's life consists of a series of interrelated and continuous functions. He decides the targets for his department which are in line with the objectives of the organization as a whole. The future course of action for his team members is laid out well in advance. The various resources required by the relationship managers like an Paid with GPS system, account opening forms, brochures, details of account holders etc. are made readily available to them. The executives are given sufficient authority to carry out the work assigned to

them. Jayant works in close coordination with the human Resource Manager in order to ensure that he is able to create and maintain a satisfactory and satisfied work force in his department. Through constant guidance and motivation, Jayant inspires them to realize their full potential. He offers them various types of incentives from time to time keeping in view their diverse

individual needs. Moreover, he keeps a close watch on their individual performances in order to ensure that they are in accordance with the standards set and takes corrective actions whenever needed. In context of the above case:

1. Identify the concept being referred to in the following line, "He created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives."

2. Identify and describe the various functions of the concept as identified in part

(a) of the question by quoting liens from the paragraph.

Q45. Ajay and Sanjay are childhood friends. Sanjay had lost his right hand in an accident in childhood. They meet after a long time in a restaurant. On being asked, Sanjay tells Ajay that he feels very discounted in managing his family business after the death of his father as it doesn't match with his areas of interest. Ajay knows that Sanjay possess extraordinary skills in management although he hasn't acquired any professional degree in management. Therefore, he asks Sanjay to wind up his business in India and join him in his hotel business in Dubai as an Assistant Manager in Sales and Marketing Division. In context of the above case:

1. Can Sanjay be deployed at the post of Assistant Manager in Sales and Marketing Division though he hasn't acquired any professional degree in management? Explain by giving suitable justifications in support of your answer.
2. List any two values that are reflected in this act of Ajay.

## CHAPTER 2 : PRINCIPLES OF MANAGEMENT

**Q1.** 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 undisciplined. 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 begin violated, quoting the lines from the above case.

**Q2.** Radhika opens a jewellery showroom in Jaipur after completing a course in jewellery 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 given 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:

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

**Q3.** 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 temp 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 behaviour 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:

1. Identify and explain the various principles of management that Mehul is advising Neeraj to follow while doing his job.
2. List any two values that Mehul wants to communicate to Neeraj.

Q4. Davinder is a class twelfth commerce student in a reputed school in Punjab. Satinder is his elder brother who is doing his Masters in Hospital administration from Delhi after completing his B. Sc course. During vacations when Satinder comes home, Davinder shows him the business studies project that he is preparing on the topic „Principles of Management“. Satinder tells him that these principles are also a part of MBA course curriculum at the beginner's level as they form the core of management in practice. But he finds these principle different from those of pure science. In context of the above case:

1. Outline the concept of principles of management.
2. Why does Satinder find the principle of management different from those of pure science?
3. Why do the principles of management form the core of management in practice?

Explain by giving any two points highlighting the importance of principles of management.

**Q5.** 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" mydabbawals.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 pleader. 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 tiffins 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.

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

2. Given any two values which the Dabbawalas want to communicate to the society.

**Q6.** „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 aspect 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.

1. Identify the principle of management applied for the success of the programme.

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

3. Identify any two values which „Aapka Vidyalaya“ communicated to the society.

**Q7.** Nikita and Salman completed the MBA and started working in a multinational company at the same level. Both are working hard and are happy with their employer. Salman had the habit of backbiting and wrong reporting about his colleagues to impress his boss. All the employees in the organization knew about it. At the time of performance appraisal the performance of Nikita was judged better than Salman. Even then their boss, Mohammed Sharif decided to promote Salman stating that being a female Nikita will not be able to handle the complications of a higher post.

1. Identify and explain the principle of management which was not followed by this multinational company.

2. Identify the values which are being ignored quoting the lines the above para.

**Q8.** Sigma Ltd. is a large company manufacturing electric motors. The company has several departments – Production, Marketing, Finance and HR. Mr. Shashank, CEO of the company set the target sale of 10 crore in a month. To increase the sales, the marketing manager, Mr. Ishaan insists on offering 10% discount to customers. But the finance manager, Mr. Mohak does not approve such discount as it would mean loss of revenue. Because of dual subordination, the sales manager, Mr. Anshik could not achieve the sales target.

1. Which concept of management Sigma Ltd. is lacking? State it.

2. Which principle of management has been overlooked by this company? State it.

3. Which principle of management has been overlooked by this company? State it.

**Q9.** ABC Ltd. is engaged in producing electricity from domestic garbage. There is almost equal division of work and responsibility between workers and management. The management even takes workers into confidence before taking important decisions. All the workers are satisfied as the behaviour of the management is very good.

1. State the principle of management described in the above para.

2. Identify any two values which the company wants to communicate to the society.

**Q10.** Voltech India Ltd. is manufacturing LED bulbs to save electricity and running under heavy losses. To revive from the losses, the management thought of shifting the unit to a backward area where labour is available at a low cost. The management also asked the workers to work overtime without any additional payment and promised to increase wages of the workers after achieving its mission. Within a short period the company started earning profits because both the management and the workers honoured their commitments.

1. State the principle of management described in the above para.

2. Identify any two values that the company wants to communicate to the society.

**Q11.** Kushal Ltd. is a leading automobile company in which the various departments are setting up their own objectives without paying any interest to the organizational objectives.

1. Which aspect of management the company is lacking? What will be its impact on the organization?

2. Identify the principle of management which has been overlooked by this organization.

3. State any two values neglected by the people of this organization.

**Q12.** Telco Ltd. is manufacturing files and folders from old clothes to discourage use of plastic files and folders. For this, they employ people from nearby villages where very less job opportunities are available. An employee, Harish, designed a plan for cost reduction but it was not welcomed by the production manager. Another employee gave some suggestion for improvement in design, but it was also not appreciated by the production manager.

1. State the principle of management described in the above para.

2. Identify any two values that the company wants to communicate to the society.

**Q13.** 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.

1. Which principle of scientific management is overlooked in the given case?

2. State any two values overlooked/ignored by the management in the above case.

**Q14.** Hritik is desirous of setting up a small factory to manufacture different kinds of eco-friendly packaging materials. He proposes to adopt a logical approach to his business rather than hit and trial method as he knows that this can result.

**Q1.** „Natural disaster like floods in Gujarat has been responsible for failure of production and sales plans of Jindal Textile Industry.“ Which limitations of planning is highlighted in the given statement? State any three such limitations.

**Q2.** ABC Ltd. has a plan of increasing profits by 20%. It has devoted a lot of time and money to this plan. But the competition starts increasing, so it could not change its plan to beat its competitors because huge amount of money had already been devoted to the pre- decided plan. It caused losses to the company. Explain any two limitations of planning highlighted in the above case. Also, quote the lines from it.

**Q3.** In „Chak De India“ movie, Shahrukh Khan becomes the coach of the girls“ hockey team. He knows that he has to prepare the girls for the international hockey matches and bring the world cup after winning. For this he prepares a long-term plan and thinks the ways how to beat the competitors. He coaches the girls to play in different ways like defensive, offensive, etc. at the outset of a match he explains who will open the match, and how the ball will be passed by one player to another step by step. Identify four types of plan that are highlighted in the above case, quoting the lines from it.

**Q4.** An electronic company is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are introducing lower price models for mass consumers who are price sensitive. For quality conscious consumers, company is introducing new model LED TV and DVD players with added features and new technological advancements. For this, the company raises extra funds Rs. 5 crore from banks. Name the type of plan the company is preparing. State the steps which the company follows to implement this plan quoting the line from the above para.

**Q5.** Suhasini a home science graduate from a reputed college has recently done a cookery course. She wished to start her own venture with a goal to provide „health food“ at reasonable price. She discussed her idea with her teacher (Mentor) who encouraged her. After analyzing various options for starting her business venture, they shortlisted the option to sell readymade and „ready to make“ vegetable shakes and sattu milk shakes. Then they both weighed the pros and cons of both the shortlisted options.

1. Name the function of management being discussed above and give any one of its characteristics.

2. Also briefly discuss any three limitations the function discussed in the case.

**Q6.** Two year ago, Madhu completed her degree in food technology. She worked for sometime in a company that manufactured chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated an action plan to achieve the same. One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables, spices, etc. will be purchased on three months credit from farmers cultivating only organic crops. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as the Production Manager who decided that exact manner in which the production activities were to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Madhu informed Mohan about her area wise sales target for different products for the forthcoming quarter. While working on the production table, a penalty of Rs. 100 per day for not wearing caps, gloves and apron was announced. Quoting lines from the above paragraph, identify and explain the different types of plans discussed.

**Q7.** Arush joins as a sales manager of a company dealing in naturotherapy produces. Being proficient in his work, he knew that without good planning he will not be able to organize, direct, control or perform any of the other managerial functions efficiently and effectively. Only on the basis of sales forecasting, he would assist in the preparation of the annual plans for its production and sales. Besides, he will have to prepare sales plans regularly on weekly, monthly, quarterly and half yearly basis. While preparing the sales forecasts, he undertakes intellectual thinking involving foresight, visualization and issued judgement rather than wishful thinking or guess work. Most importantly, all these planning activities will be meaningful only if they will coincide with the purpose for which the business is being carried out.

In context of the above case, identify the various features of planning highlighted in the above paragraph by quoting lines from it.

**Q8.** A company is manufacturing garments. The manager wants to increase profits by purchasing new high speed machines or increasing the sale price or using waste material in manufacturing stuffed toys. He decided that „using waste material“ to increase the profit is the best solution for him.

1. Identify the concept of management involved.

2. Mention the steps involved in the above process by quoting the line from the question.

3. To complete the process of the concept identified in (a), what two next steps does the manager have to take? Explain.

**Q9.** Flipkart is an e-commerce company founded in the year 2007 by Sachin Bansal and Binny Bansal. The company is registered in Singapore, but has its headquarters in Bangalore, India. The company seeks to increase traffic (more clicks on their products) and boost sales and revenue through integration of Mobile Apps, Display, Pay Per Click and search Engine Optimization. In order to dispel the feat of people related to shopping online, Flipkart was the first company to implement to popular „Cash on Delivery” facility. All the products sold by the company under a particular category may have different return/replacement period. Flipkart allows multiple payment options such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery. The company operates both ways when an order is received. The products for which it holds inventory are dispatched by it directly. For the products they do not store in inventory, they just send the order received by them to the supplier who ships it. The company plans to spend about Rs. 75 crores on e-Commerce advertising in the year 2016. Flipkart reserves the right to terminate your membership and/or refuse to provide you with access to the website if it is brought to Flipkart’s notice or if it is discovered that you are under the age of 18 years. This is because as per the Indian contract Act, 1872, the minors, un-discharged insolvents, etc. are not eligible to use the website. In context of the above case, identify and explain the different types of plans being used by Flipkart by quoting lines the paragraph.

**Q10.** Lira Ltd. is a company manufacturing designer socks. While making its plan, the company takes into consideration the business environment. It constantly adapt itself to changes in environment by making changes in its plan. However, it becomes difficult for the managers of the company to accurately foresee future trends in the environment. Competition in the market upsets its financial plans; then sales targets have to be revise3d and, accordingly cash budgets also need to be modified since they are based on sales figures.

1. What characteristic features of business environment are highlighted in the above lines? State any two.
2. State and explain the limitation of planning highlighted in the above lines.
3. Identify any two types of plan mentioned in the above pare by quoting the lines from it.

## CHAPTER 5: ORGANISING

Q31. Identify and state the type of organization structure that should be followed by the company in each case:

1. Vrinda Ltd. grows, so it needs to add more employees, create new departments and introduce new levels of management.
2. Shreya Ltd. is a large organization having diversified activities and operations requires a high degree of specialization:

Q32. Kiran Industries is a company manufacturing office furniture. The company chose to diversify its operations to improve its growth potential and increase market share. As the project was important many alternatives were generated for the purpose and were thoroughly discussed amongst the members of the organization. After evaluating the various alternatives Sukhvinder,, the Managing Director of the company decided that they should add „Home Interiors and Furnishings” as a new line of business activity.

1. Name the framework, which the diversified organization should adopt, to enable it to cope with the emerging complexity? Give one reason in support of your answer.
2. State any two limitations of this framework.

Q33. Samir Gupta started a telecommunication company, „Donira Ltd.” to manufacture economical mobile phones for the Indian rural market with 15 employees. The company did very well in its initial years. As the product was good and marketed well, the demand of its products went up. To increase production the company decided to recruit additional employees. Samir Gupta, who was earlier taking all the decisions for the company had to selectively disperse the authority. He believed that subordinates area competent, apable and resourceful and can assume responsibility for effective implementation of their decisions. This paid off and the company was not only able to increase its production but also expanded its product range.

1. Identify the concept use by Samir Gupta through which he was able to steer his company to greater heights.
2. Also explain any three points of importance of this concept.

**Q34.** „Himalaya Ltd.”, is engaged in manufacturing of washing machines. The target of the organization is to manufacture 500 washing machines in a day. There is an occupational specialization in the organization which

promotes efficiency of employees. There is no duplication of efforts in such type or organization structure. Identify the type of organization structure described above.

**Q35.** Steelo Ltd. decided to set-up its steel manufacturing factory in the backward area of Orissa where very less job opportunities were available. People of that area welcomed this effort of Steelo Ltd. To attract people to work in its factory, it also decided to provide many other facilities like a school, hospital, market, etc. in the factory premises. Steelo Ltd. started earning huge profits. Another competing company asked its production manager Aslam to investigate the reasons of earning huge profits by steelo Ltd.

Aslam found that in both the companies, there was systematic coordination among the various activities to achieve the organizational goals. Every employee knew who was responsible and accountable to whom. The only difference was that in his organization, communication took place only through the scalar chain whereas Steelo Ltd. was

allowing the flow of communication in all the directions as per the requirement which led to faster spread of information as well as quick feedback.

1. Identify the type of organization which permits Steelo Ltd. the flow of communication in all the directions.
2. State another advantage of the type of organization identified in part (a) above.
3. State any two values which Steelo Ltd. wanted to communicate to society.

**Q36.** A company is manufacturing washing machines. There is a well- defined system of jobs with a clear and definite authority, responsibility and accountability in the company. But people are not allowed to interact beyond their officially defined roles. As a result,, the company is not able to adapt to the changing business environment. The workforce is also not motivated due to lack of social interaction. The company is facing problems of procedural delays and inadequate recognition of creative talents.

1. Suggest how the organization can overcome the problems faced by it.
2. Give any two benefits it will derive from your suggestions.

**Q37.** After completing a course in travel and tourism, Karan started his own travel agency. In order to ensure smooth functioning of his business, he decided to create fourteen job positions divided into four departments on the basis of functions namely, front office department including online queries, reservations department for airways, railways and roadways, accommodation booking department, and securing payments department. In order to avoid any interdepartmental conflicts

he decides to specify clearly the lines of authority and areas of responsibility for each job position.

In the context of the above case:

1. Which function of management is being described in the above lines?
2. Identify the framework created by Karan within which all managerial and operating tasks are to be performed in his organization.
3. Name the type of the framework as identified in part (a) of the question. Also, give any two of its advantages.

**Q38.** Atul joins as a Regional Sales Head in the export division of a FMCG (fast moving consumer goods) company. In a departmental meeting, he asks one of this subordinates, Manik, to take charge of the company's new office in Dubai. He allocates the work to him and grants the necessary authority. However, within a month by seeking regular feedback on the extent of work accomplished for Manik, Atul realizes that Manik is not doing the work as per his expectations. So he takes away the authority delegated to him and re delegates the work to Prakrit. Due to the time wasted in this switch over, the work at the Dubai office suffers tremendously and the company is not able to meet its desired goals. In context of the above case:

1. Why is Manik supposed to give regular feedback about work to Atul?
2. Can the authority granted to a subordinate be taken back and re- delegated to another person?
3. Can Manik be held responsible for not meeting the work related expectations of Atul? Give a suitable reason in support of your answer.
4. Differentiate between authority, responsibility and accountability on the basis of origin and flow.

**Q39.** Rakesh joins as a Head Librarian of a newly constructed medical college in Pune. A team of four librarians is placed under him for the smooth functioning of the library. Besides, he has been assigned eight people as support



service staff. On the second day of his joining, he is told to get a shipment of new books unloaded, stock the bookshelves, and then get all waste (packaging, paper etc.) disposed off within a weeks time. In order to ensure orderliness and speed in the process of setting up of the library, he makes each of the four librarians in charge of five different subjects. Keeping in mind their competence and experience he decides to give them more authority so that they can make autonomous plans and assume the responsibility for the effective implementation of their decisions. In context of the above case:

1. Identify and explain the concept used by Rakesh keeping in mind the competence and experience of the other librarians.
2. Describe briefly and three advantages of using the concept as identified in part (a) of the question.

Q40. A truck manufacturing company has its registered office in Delhi, manufacturing unit at Gurgaon and marketing department is located at Faridabad. The company manufactures different types of trucks. Which type of organizational structure should it adopt to achieve its target? Give reasons. State any four any advantages of this organization structure.

Q41. A company is manufacturing washing machines. There is a well defined system of jobs with a clear and definite authority, responsibility and accountability in the company. But people are not allowed to interact beyond their officially defined roles. As a result the company is not able to adapt to the changing business environment. The workforce is also not motivated due to lack of social interaction. The company is facing problems of procedural delays and inadequate recognition of creative talents.

1. Suggestion how the organization can overcome the problems faced by it.
2. Give any two benefits it will derive from your suggestion.

Q42. The Employees of Manik Ltd., a software company, have formed a dramatic group for their recreation. Name the type of organization so formed and state its four features.

Q43. Ravi runs a locks manufacturing factory. He manufactures locks used in houses. He wants to expand his business. For this, he wants to enter into the manufacturing of locks for cars and motorcycles. Which type of organizational structure will he choose for his factory and why?

Q44. Neeta Ltd. is engaged in the production of marble articles. The members of the organization have friendly relationships among them. What type of organization is Neeta Ltd.?

Q45. Sherya Ltd. has been awarded recently with the „Best Employer of the Year Award“. The company has believed in the ideas and suggestions of its employees. There is systematic dispersal of decision making at all levels. There is no delay in delivery of orders to customers due to

prompt decisions taken by employees.

1. Identify and state the concept of management followed by the company.
2. State any two values responsible for the success of the organization.