

Subject: Business Administration- Principles of Management

Section A

1. Objective Type Questions:

- i. Effectiveness
 - i. False
 - ii. Organising
 - iii. Biotechnology
 - iv. Industrial revolution
 - v. True
 - vi. False
 - vii. Dale Carnegie
 - viii. False
 - ix. Unity of Command
 - x. True
 - xi. True
 - xii. Management by walk around (MBWA)
 - xiii. Concurrent Control
 - xiv. True
 - xv. False

Section B: Short Answer Questions

2. A management approach based on a circular set of activities beginning with planning, then organising, motivating, directing and finally controlling. The application of a system of processes within an organization, together with the identification and interactions of these processes, and their management, can be referred to as the “process approach”.
3. Few important limitations are:
 1. Not suitable in conditions of uncertainty
 2. No room for intuition, creativity and experience
 3. Very rigid and lacks flexibility
 4. Brings complacency that may lead to failure
 5. Lack of Accountability and issues of Poor Implementation
4. Training is an organised procedure for increasing the knowledge and skill of people for a specific objective which in general results in the change of behaviour and attitude. There are a few definition of training are; Dale S. Beach defined training as "the organised procedure by which people learn knowledge and skill

for a definite purpose" and Edwin B. Flippo: "Training is the act of increasing the knowledge and skill of an employee for doing a particular job.'

5. A concept given initially by Adam Smith in his book 'Wealth of Nations' that could be summarised as an approach to the completion of a complex task which involves breaking the task into a number of simpler tasks and assigning these tasks to specialists who generally perform only their assigned task.

Advantages of Division of Labour

To the business:

- Specialist workers become quicker at producing goods
- Production becomes cheaper per good because of this Production levels are increased
- Each worker can concentrate on what they are good at and build up their expertise

To the worker:

- Higher pay for specialised work
- Improved skills at that job.

Disadvantages of Division of Labour

To the business:

- Greater cost of training workers
- Quality may suffer if workers become bored by the lack of variety in their jobs

To the worker:

- Boredom as they do the same job
- Their quality and skills may suffer May eventually be replaced by machinery

6. Centralization is said to be a process where the concentration of decision making is in a few hands. All the important decision and actions at the lower level, all subjects and actions at the lower level are subject to the approval of top management. According to Allen, "Centralization" is the systematic and consistent reservation of authority at central points in the organization. On the other hand, Decentralization is a systematic delegation of authority at all levels of management and in all of the organization. In a decentralization concern, authority is retained by the top management for taking major decisions and framing policies concerning the whole concern. Rest of the authority may be delegated to the middle level and lower level of management.

Advantages	Disadvantages
Easier to implement common policies and practices for the business as a whole	More bureaucratic – often extra layers in the hierarchy
Prevents other parts of the business from becoming too independent	Local or junior managers are likely to be much closer to customer needs
Easier to co-ordinate and control from the centre – e.g. with budgets	Lack of authority down the hierarchy may reduce manager motivation
Economies of scale and overhead savings easier to achieve	Customer service does not benefit from flexibility and speed in local decision-making
Greater use of specialisation	
Quicker decision-making (usually) – easier to show strong leadership	

7. Most common Leadership Types are:

- a) Autocratic leadership.
- b) Democratic leadership and participative leadership.
- c) Laissez-faire leadership.
- d) Bureaucratic leadership.
- e) Charismatic leadership.

Examinee must briefly write their meaning.

8. Control is one of the managerial functions among the functions of planning, organizing, staffing and directing. It is an important function because it helps to check the errors and to take the corrective action so that deviation from standards are minimized and stated goals of the organization are achieved in a desired manner. The process of control involves deciding the performance goal, performance criteria, defining tolerance range for deviations i.e. UTL and LTL, Comparison with actual performance and finally, feedback. Examinee may elaborate the process through a block diagram.

Section C: Long Answer Questions

9. Examinee should give definition of management mainly encompassing the idea of getting work done effectively and efficiently with and through others. They should also explain the type of managers and workers in an organisation. Then examinee

must give an account of growth of Management as a discipline beginning with teaching of Adam Smith, H.F. Taylor, H. Fayol, Elton Mayo and classifying their teachings as classical, administrative, behavioural theories etc. Under scope of management the examinee must describe the various area of application of Management principles.

10. Typically the explanation of organisation must circumvent the concepts such as hierarchical arrangement of lines of authority, communications, rights and duties of an organization. Further the Organizational structure determines how the roles, power and responsibilities are assigned, controlled, and coordinated, and how information flows between the different levels of management. The examinee must describe the type of organisation structure based on following indicative types:

- Bureaucratic structures
- Mechanistic structures
- Functional structure
- Divisional structure
- Matrix structure
- Organizational circle: moving back to flat
- Team based structures
- Network structures
- Virtual structures

11. Decision making is a managerial activity of selecting a suitable alternative among the available alternatives for effective and efficient attainment of goals. The managers are required to follow a systematic approach for decision making with respect to problems and opportunity that they encounter. The examinee should elaborate various terms involved in decision making process.

They should explain the managerial decision making process ideally through a block diagram showing sequentially interrelated steps involved in managerial decision making. The process explained must cover generic activities such as problem identification, developing decision criterion, identifying alternatives, evaluating them and selecting the most suitable one.