



## INDIAN SCHOOL AL WADI AL KABIR

<b>Class: XII</b> <b>Business Studies</b>	<b>Department: Commerce</b>
<b>Worksheet No: 1</b>	<b>Topic: Nature and Significance of Management</b>

### MCQ's

1. Jay is working as a marketing manager in a company. Has been given the task of selling 100000 units of a product at the cost of ₹100 per unit within 20 days. He is able to sell all the units within the stipulated time, but had to sell last 1000 units at 20% discount in order to complete the target. In such a situation, he will be considered to be

- (a) An efficient manager (b) **An effective manager** (c) Both effective and efficient manager  
(d) None of the above

2. Tarang Enterprises Limited is planning to increase its sales by 30% in the next quarter. Identify the feature of management being highlighted in the given statement.

- (a) Management is all pervasive (b) **Management is a goal-oriented process** (c) Management is a continuous process (d) All of the above

3. Identify the concept if managers are concerned with end result irrespective of cost incurred.

- a. Efficiency      **b. Effectiveness**      c. Both a & b      d. Neither a nor b

4. A Mall needs to be managed so do a school and also an automobile plant. Which feature of management is highlighted here?

- a. Goal oriented Process    b. Continuous Process      c. Intangible force  
**d. All pervasive.**

5. In an organization tools and spare parts are kept in cafeteria, there is no proper instruction for the staff and they are unhappy and demotivated. Identify the feature of management not present in the organization.

- a. Dynamic function      **b. Intangible force**      c. Multidimensional      d. Group Activity.
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6. SAIL regularly provide services related to agriculture, industry, education, health to the people living nearby the steel plants. Which objective of management are they satisfying?

- A. Organisational Objectives    **b. Social Objectives**    c. Personal Objectives  
d. All of them.

7. Which one of the following is not a feature of profession?

- a. Restricted Entry    b. Ethical Code of conduct    **c. Based on practice and creativity**    d. Service Motive.

8. Ashutosh Goenka was working in Axe Ltd. Manufacturing air purifiers. He found that the profits had started declining from the last six months. Profit has an implication on survival of the firm, so he analysed the business environment to find out the reasons for this decline. Identify the level of management at which Ashutosh is working

- a. Top level**    b. Middle Level    c. Operational level    d. Advisory level.

9. At which level of management coordination is required?

- a. Top level    b. Middle level    c. Supervisory Level    **d. All 3 levels.**

10. This function of management takes necessary steps to bring the actual result closer to the desired results.

- a. Planning**    b. Organising    c. Directing    d. Controlling.

11. Which is not a function of management of the following

- a. planning    b staffing    **c cooperating**    d. controlling

12. management is

- a an art    b a science    **c both art and science**    d neither

13. The following is not an objective of management

- a. earning profits    b. growth of the organization    c. providing employment    **d. policy making**

14. Policy formulation is the function of

- a. top level managers**    b. middle level managers    c. operational management    d. all of the above

15. Coordination is

- (a) function    **(b) the essence of management**    (c) an objective of management    (d) none of the above

16. Which function comes after directing

- a. Planning    b. Organising    c. Staffing    **d. Controlling**
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17. Like a thread in a garland, what is part of all management functions?  
**a. Coordination**      b. Planning      c. Staffing      d. Controlling
18. Why is management not considered as a full-fledged profession?  
a. There is no systematized body of knowledge  
b. There is no universal validity and application  
**c. Because there is no restriction on anyone being designated or appointed as manager in any business enterprise.**  
d. Because it is not creative in nature.
19. Survival, Profit and growth are essential targets of any business. Which objective of management is referred here  
**a. Organisational objectives**    b. Social objectives    c. Personal objectives    d. None of the above
20. Name the process of designing and maintaining an environment in which individuals working together in groups, efficiently selected aims  
**a. Management**    b. Coordination    c. Planning    d. Controlling

### **BOARD QUESTIONS**

1)'Space' Private limited is a company with several branches all over the country. It has a complex organisation structure in which actual production is in the hands of several skilled artisans and marketing is done by staff at branches such as the one managed by Aiyushi. Day in Aiyushi's life consists of a series of interrelated and continuous functions. She has to plan a special festive collection for Diwali and Christmas. She also has to regularly communicate with her suppliers to ensure that deadlines regarding delivery of goods are met. In the course of the day she meets customers for a general feedback. Identify the role played by Aiyushi.

**Answer: Manager**

2)ABC company started a textile business. The company business was to export garments to Multinational Companies based in U.S.A. The company set the target of achieving the sales for rupees 10 crores and ensured that he made a profit of Rupees one core. After two years they expanded their business to Europe and the Middle East. They took care of the employees need by promoting the deserving employees and giving them all the perks and facilities to satisfy their personal needs. They ensured that the quality of goods they produced is according to their specifications, they took care not to employ child labour, provided good working environment for the workers

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and also undertook the task of adopting a village by taking care of all the basic necessities of the village.

From the above information quote the lines and classify the objectives of management

**Answer:**

**i) Social objectives-**

“They ensured that the quality of goods they produced is according to their specifications, they took care not to employ child labour, provided good working environment for the workers and also undertook the task of adopting a village by taking care of all the basic necessities of the village.”

**ii) Personal objectives-**

“They took care of the employees need by promoting the deserving employees and giving them all the perks and facilities to satisfy their personal needs.”

**iii) Organisational objectives-**

“The company set the target of achieving the sales for rupees 10 crores and ensured that he made a profit of Rupees one core. After two years they expanded their business to Europe and the Middle East.”

3). ABC Limited’s target is to produce 15,000 T-shirts per month at a cost of Rs.300 per shirt. The production manager could achieve this target at a cost of Rs.320 per shirt. Do you think the Production manager is ‘efficient’? Give reason in support of your answer.

**Answer: NO**

**Reason:** The manager is able to produce the units but at a higher production cost. In this case, the manager was effective but not so efficient.

4). A company manufacturing mobile cables is facing a problem of decreasing sales. What steps should each level of management take in order to solve the problem faced by them?

**Answer:**

**i) Top level: Should give direction for modification.**

**Can be involved in drafting sales targets**

**ii) Middle level: Should interpret the policies framed by top level management**

**Should appoint right people required to accomplish the targets.**

**iii) Operational level: Interpretation of targets to achieve the actual goals.**

**Take the measures to minimise the wastage.**

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5). It is the primary functions or activities that management performs to get things done-identify the concept of management.

**Answer: Process**

6). Identify the characteristics of management from the given information

- a) The activities involved in managing an enterprise are common to all organisations whether economic, social or political. – **MANAGEMENT IS ALL PERVASIVE**
- b) Management translates this work in terms of goals to be achieved and assigns the means to achieve it. - **MANAGEMENT IS MULTIDIMENSIONAL**
- c) it implies dealing with employees as individuals with diverse needs and behavior; it also means dealing with individuals as a group of people.- **MANAGEMENT OF PEOPLE**
- d) Organization has some basic product or service to provide in order to survive. This requires a production process which entails the flow of input material and the technology for transforming this input into the desired output for consumption. - **MANAGEMENT OF OPERATION**
- e) The process of management is a series of composite, but separate functions (planning, organising, directing, staffing and controlling). –**MANAGEMENT IS A CONTINUOUS PROCESS**

7). V-Tech Computers Ltd. is a leading company in Computer Technology and IT services. The Chief Executive Officer of the company attributes the success of the Company to its managerial team spirit, which have helped to handle rapid changes in technologies and to transform threats into opportunities. Like any other business enterprise profits are important for survival and growth of V-Tech Computers Ltd. The management of the company believes that a satisfied employee creates a satisfied customer, who in turn creates profits that leads to satisfied shareholders. The company has a strong sense of social responsibility. It has set up many educational institutions in the field of management, engineering and computer education in which half of the students are girls. On the basis of the given information about. V-Tech Computers Ltd.

- a) Identify and explain the objectives of the company discussed in the above para.
- b) Also quote the lines for the identified objectives

**Answer:**

i) **Social objectives-**

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“The company has a strong sense of social responsibility. It has set up many educational institutions in the field of management, engineering and computer education in which half of the students are girls.”

**ii) Personal objectives-**

“The Chief Executive Officer of the company attributes the success of the Company to its managerial team spirit, which have helped to handle rapid changes in technologies and to transform threats into opportunities.”

**iii) Organisational objectives-**

“Like any other business enterprise profits are important for survival and growth of V-Tech Computers.”

8). Explain the importance or significance of management. (**REFER TO NOTES**)

9). Management as an art and a science are therefore not mutually exclusive, but complement each other-justify. (**REFER TO NOTES**)

10). Management does not meet the exact criteria of a profession. However, it does have some of the features of a profession-Explain. (**REFER TO NOTES**)

11). Sushil after completing his studies joined his father’s business of selling and distribution of sweets and namkeens. He himself is a trained chef and knows about technicalities of cooking. By using his knowledge and working through a combination of practice, creativity, imagination, initiative and innovation he succeeded in developing a food chain which helped his father to fulfill economic objectives. His efforts not only saved his father’s business to close but also grew it manifold.

- a) Identify the nature of management being discussed above.
- b) Explain other two ways in which nature of management is described.

**Answer:**

**a) Management as an art.**

**b)**

**i. Management as science**

**ii. Management as a profession.**

12) “It is the force that binds all the other functions of management. It is the common thread that runs through all activities such as purchase, production, sales, and finance to ensure continuity in the working of the organization”.

- a) Identify the concept of management.
- b) Explain the characteristics of the identified concept of management. (**REFER TO NOTES**)
- c) Justify why the concept is important (**REFER TO NOTES**)

**Answer: a) Co-ordination**

13). The CEO of ABC Ltd. had firm belief in team work where the members of the company should work together fulfilling the common organizational goals. He gave more emphasis on teamwork and integration of efforts of all individuals, departments and specialists. He gave more importance to reconciliation of individual as well as departmental differences and creating a work environment which enables all its members to grow and develop to their maximum capacity.

- (a) Identify the concept of management discussed here.
- (b) State any three features of the concept given in (a) (**REFER TO NOTES**)
- (c) Identify and explain the characteristic of management which is reflected here. (**REFER TO NOTES**)

**Answer: a) Co-ordination.**

14) The Dabbawallas of Mumbai is the story of a SIX SIGMA business enterprise. The success of the business lies in the complex exercise that is carried out on the streets of Mumbai day after day. The story of the dabbawallas begins in the kitchens of Mumbai. After they step out of their door, someone begins the time-consuming process of preparing the worker a fresh, home cooked lunch. The dabbawalla demonstrates how the orderly synchronizing of efforts works. The first dabbawalla picks up the Tiffin from home and takes it to the nearest railway station. The second dabbawalla sorts out the dabbas at the railway station according to destination and puts them in the luggage carriage. The third one travels with the dabbas to the railway stations nearest to the destinations. The fourth one picks up dabbas from the railway station and drops them off at the offices. By mid-morning, thousands of dabbawallas are bicycling through the streets of Mumbai, ensuring a hot home cooked lunch for their customers. The whole tiffin distribution requires negligible technology. The dabbawallas rely on low capital and use cycles, wooden carriages and local trains to achieve their target. There are several groups that work independently and network with each other to achieve their goal. Each area is divided into several small distribution sectors and each sector is handled by a particular person. This person understands the address in that locality very

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well. Also, this perfection comes with practice. Many new employees work for months under the guidance of their seniors. Punctuality and time management are on top of the agenda for dabbawallas. Whatever be the circumstances, the dabbawallas never get delayed even by a few minutes.

- a) Identify the above-mentioned process.
- b) Explain any four characteristics of the identified process using the quotes from case study given above.

**Answer:**

**a) Co-ordination**

**b)**

- i. Coordination integrates group efforts:** “The first dabbawalla picks up the Tiffin from home and takes it to the nearest railway station. The second dabbawalla sorts out the dabbas at the railway station according to destination and puts them in the luggage carriage. The third one travels with the dabbas to the railway stations nearest to the destinations. The fourth one picks up dabbas from the railway station and drops them off at the offices.”
- ii. Coordination is a continuous process:** “The success of the business lies in the complex exercise that is carried out on the streets of Mumbai day after day.”
- iii. Coordination ensures unity of action :** “By mid-morning, thousands of dabbawallas are bicycling through the streets of Mumbai, ensuring a hot home cooked lunch for their customers.”
- iv. Coordination is the responsibility of all managers:** “There are several groups that work independently and network with each other to achieve their goal. Each area is divided into several small distribution sectors and each sector is handled by a particular person.”
- v. Coordination is a deliberate function:** “Also, this perfection comes with practice. Many new employees work for months under the guidance of their seniors.”

15). Management of Global Ltd. fulfils all its objectives and the organization is able to work effectively and efficiently. It is using environment friendly methods of production and disposing off the waste material either by recycling it or using the same for landfill in such a manner that the aquatic life is not disturbed. Thus, it also provides employment opportunities to the disadvantaged sections of the society.

- a) Identify the objective of management of Global Ltd. Which it wants to fulfill by doing the above activities.
  - b) State any two other objectives that the management of Global Ltd. Should fulfill.
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c) Identify any two values which management of Global Ltd. Can communicate through fulfilling the objectives as stated in part (a)

d) Identify any two values which Global Ltd desires to emphasize through its above stated activities.

**Answer:**

- a) **Social objectives.**
- b) **Organisational and personal objectives.**
- c) **Recycling and employment**
- d) **Team work and respect to social aspect.**

16). Rajeev, the owner of Pathways constructions decided to start a campaign to create awareness among people for developing clean surroundings in their area. He formed a team of 10 members to list the different ways for cleaning the surroundings. One suggested to take the help of local residents, another suggested that they may involve school going children in their venture. One more suggestion was to take the help of unemployed youth. On evaluation of different ways, it was decided to take the help of local residents. To achieve the desired goal various activities were identified like

- 1) Purchase of necessary items like dustbins, garbage bags, brooms, etc.;
- 2) Collection of garbage;
- 3) Disposal of garbage, etc.

After identification of different activities, the work was allocated to different members.

- a) Identify the concepts of management involved in the above situation and quote the lines which help in their identification.
- b) Also identify the values which the company wants to communicate to the society.

**Answer:**

- a) **Planning:** “One suggested to take the help of local residents, another suggested that they may involve school going children in their venture. One more suggestion was to take the help of unemployed youth. On evaluation of different ways, it was decided to take the help of local residents.”
- b) **Organising:** “To achieve the desired goal various activities were identified like Purchase of necessary items like dustbins, garbage bags, brooms, etc.; Collection of garbage; Disposal of garbage, etc.”

17) Mr. Kunal is working as the Finance Manager of XYZ Ltd. At what level of management is he working? State any two functions being performed by him?

**Answer:**

**Middle level management.**

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- (i) Interpret the policies framed by top management.**
- (ii) Ensure that their department has the necessary personnel.**

18) 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.

Ans. The various reasons mentioned in the above paragraph that have made management so important are stated below:

Management increases efficiency as it leads to reduction in costs due to optimum utilization of resources.

“As a result of her excellent managerial competence the company is able to reduce costs and increase productivity.”

Management creates a dynamic organization so that it is able to incorporate the corresponding changes in its working with any change in its business environment.

“The company belongs to infrastructure sector, wherein 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.”

Management helps in achieving personal objectives of the employees in the organization.

“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.”

Management helps in the development of society by contributing effectively towards it in multiple ways.

“In the process of fulfilling her duties for the growth of the organization, she helps in

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providing competitive services, adopting new technology, creating more employment opportunities etc. for the greater good of the people at large.

19) Aman, Ahmad and Ally are partners in a firm engaged in the distribution of dairy products in Maharashtra state. Aman is a holder of a Senior Secondary School Certificate from the 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 profession 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.

**Ans:** Ahmed and Ally could have been satisfied by Aman through the explanation of the following features of management as a Profession:

Points that justifies Ahmad's argument of management as a profession:

- **Well Defined Body of Knowledge:** Every profession has a systematised body of knowledge which can be learned through instructions. This feature of the profession is present in management as it consists of systematic knowledge of concepts, theories and principles.

Points that justify Ally's argument of management not a profession:

- **Restricted Entry:** To become a professional one needs to pass an examination or have an educational degree. However, to make a career in management, there is no need to have any professional qualification, or an educational degree etc.
- **Statutory Body:** Every profession is regulated by a legally recognized body like ICAI for a chartered accountant. Management also has their association like All India Management Association but management associations are not statutory bodies.
- **Ethical Code of Conduct:** A strict code of conduct exists in every profession. This feature is not present in management as there is no specific code of conduct for managers that legally binds a manager.
- **Service Motive:** The basic motive of a profession is to serve clients with dedication. This feature is not present in management as it aims to accomplish organizational goals that is generally profit maximisation.

20) Rishitosh Mukherjee has recently joined AMV Ltd, A company manufacturing refrigerators. He found that his department was under-staffed and other departments were not cooperating with his department for smooth functioning of the organization. Therefore, he ensured that his department has the required number of employees and its cooperation with other departments has improved.

(a) Identify the level at which Rishitosh Mukerjee was working.

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Ans: Rishitosh Mukherjee was working at the 'middle level management'.

(b) Also, state three more functions required to be performed by Rishitosh Mukerjee at this level.

**Ans:** Rishitosh Mukherjee needs to perform following three functions:

- He needs to assign work to the lower-level managers and guide them so that desired objectives are achieved.
- He needs to inform the top-level management regarding the market demands and requirements of physical and human resources.
- He must also motivate and control the activities of lower-level management so that they achieve desired results.

21) Ashutosh Goenka was working in 'Axe Ltd.', a company manufacturing air purifiers. He found that the profits had started declining from the last six months. Profit has an implication for the survival of the firm, so he analysed the business environment to find out the reasons for this decline.

(a) Identify the level of management at which Ashutosh Goenka was working.

**Ans:** Ashutosh Goenka was working at the 'top level management'.

(b) State three other functions being performed by Ashutosh Goenka.

**Ans:** Ashutosh Goenka must perform these three functions:

- He needs to organise all the physical and human resources required.
- He must formulate objectives and set goals for the organization.
- He must assign work to the middle level managers and guide them accordingly.

22) 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?

**Ans:** Manager is effective as he has completed the task on time but inefficient as the task has been completed at a higher production cost.

23) Rahul determines the overall objectives and strategies for the organisation. He also interacts with business environment to analyse its implications. Name the managerial level at which Ajay Kumar is working. State any four of his basic functions.

Ans. Top Level.

Main functions of Top-level management are:

- i. Determining the objectives of the organisation: Their basic task is to integrate diverse elements and coordinate the activities of different departments according to the overall organisational objectives.
  - ii. Welfare and survival of organization: These top-level managers are responsible for the welfare and survival of organisation.
  - iii. Analyze business environment: They analyze the business environment and its implication for the survival of the firm.
  - iv. Formulate organisational goals and strategies: They formulate overall organisational goals and strategies for their achievement.
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