

**QP CODE: 21103370**

**B.COM DEGREE (CBCS) REGULAR / REAPPEARANCE EXAMINATIONS,  
DECEMBER 2021**

**Second Semester**

**Core Course - CO2CRT21 - BUSINESS MANAGEMENT**

**(2019 ADMISSION ONWARDS)**

**PART A**

*Answer any ten questions.*

*Each question carries 2 marks.*

1. What is staffing?

Staffing is the managerial function of filling the positions in the organizational structure. This is achieved by identifying requirement of workforce, followed by recruitment, selection, placement, promotion, appraisal and development of personnel. In short, finding the right people for the right job.

2. Who is a resource allocator?

Managers are required to determine where to assign funds and other resources, therefore, managers are known as resource allocators in an organization. As a resource allocator manager have to take decisional roles, informational roles, and interpersonal roles.

3. Planning is an integrated process. Comment.

Planning is required at all the levels of management as well as in all departments of the organization. It is not an exclusive function of top management. Top management plan for the whole department, middle management does departmental planning, and lower level do day-to-day planning.

4. What is a schedule?

Schedule is a plan of procedure written for the accomplishment of proposed objectives in a sequential way. It also allots time for the completion of each event.

5. Define Organising.

Louis Allen define organising as “Organising is the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing relationship for the purpose of enabling people to work most effectively together in accomplishing objectives.” **(any other definition)**

6. Point out the difficulties of decentralization.

Decentralisation of Authority is the dispersal of authority throughout the organisation. It is the systematic delegation of authority in the organisation.

Various difficulties of decentralisation are:

- It can be implemented only in the discretion of the top management.
- Waste of resources
- Lack of qualified managers.
- Difficulty in co-ordination.
- Emergency decision cannot be taken as this process take long time.
- Cannot be adopted in certain organisation where top management place a huge role.

7. Write a note on performance appraisal.

Performance appraisal means evaluating an employee's current and past performance as against some predetermined standards. Superior provides feedback to the employee for his performance.

8. Why direction is treated as a universal function?

Directing can be carried out in any organisation irrespective of type of organisation. Every manager from top executive to supervisor performs the function of directing. Therefore, it can be treated as a universal function.

9. What do you mean by concurrent control?

Concurrent controls, also known as steering or preventive controls, are ongoing controls that help maintain quality and consistency. They usually involve the monitoring of employees directly involved with customers or the manufacturing process.

10. Name some modern techniques in management.

1. Quality Circle (QC) 2. Total Quality Management(TQM) 3. Business Process Reengineering (BPR) 4. Six Sigma 5. Kaizen 6. PERT 7. CPM 8. MBO 9. MBE etc

11. Narrate Six Sigma.

The term Six Sigma refers to a set of quality-control tools that businesses can use to eliminate defects and improve processes to help boost their profits. Six Sigma is a statistical and data-driven process that works by reviewing limit mistakes or defects. It emphasizes cycle-time improvements while reducing manufacturing defects to no more than 3.4 occurrences per million units or events.

12. State Kaizen Principle.

Kaizen is a Japanese word that literally means "improvement." It is a continuous process.

Kaizen Principles are:

1. Good processes bring good results
2. Go see for yourself to grasp the current situation
3. Speak with data, manage by facts.
4. Take action to contain and correct root causes of problems.
5. Work as a team.
6. Kaizen's is everybody's business.

**Part B**

*Answer any six questions.*

*Each question carries 5 marks.*

13. Discuss the term "management as a profession".

Management pertains some characteristics of profession. They include:

1. Both management and profession is based on the systematic body of knowledge comprising well defined principles based on the variety of business situations.
2. There is no restriction on any one being designated or appointed as a manager and professionally qualified personnel for management and profession respectively.
3. There are several associations of practising managers like AIMA (All India Management Association) and for profession also there are apex institutions/ associations in India (ICAI, AIIMS etc.)
4. Basic purpose of management is to help organisation to achieve the goal of profit maximisation. And the main purpose behind profession is to serve client's interests.

14. Discuss the limitations of MBO.

Limitations of MBO are as follows:

- Lack of Support of Top Management
- Resentful Attitude of Subordinates
- Difficulties in Quantifying the Goals and Objectives
- Costly and Time-Consuming Process
- Emphasis on Short Term Goals
- Lack of Adequate Skills and Training
- Poor Integration
- Difficulty in Achievement of Group Goals
- Lack of Follow Up- lack of follow up from the part of superior.
- Inflexibility- the goals are fixed in some interval, it cannot be changed in between.
- Limited Application- mainly applicable to managerial and professional employees.
- It takes a long time as there is a need for research.

**(Any 6 points with explanation)**

15. Distinguish between vertical and horizontal coordination.

Basis	Vertical co-ordination	Horizontal co-ordination
Organisational form	Hierarchy	Network
Agency relation	Agent-principal relationship	Agent-agent relationship
Decision making	Centralized	Decentralized
Control mechanism	Multi-level monitoring	Group reputation
Prevailing values	Individualistic values	Collectivist values

16. Give a comparative assessment of the importance of formal and informal organisation.

Formal organisation	Informal organisation
Structure of authority relationship is created by the management.	Network of social relationship arising out of interaction among employees.
Arises as a result of company's rules and policies.	Arises as a result of social interaction.

Arises by virtue of position in management.	Arises out of personal qualities.
It is directed by rules of the organisation.	There is no set behaviour pattern.
Communication takes place through scalar chain.	Flow of communication is not through a planned route. It can take place in any direction.
Rigid	Flexible
Managers are leaders.	Leaders may or may not be managers. They are chosen by the group.

17. Explain the disadvantages of centralisation.

Centralisation is the systematic and consistent reservation of authority at the central points within the organisation.

The various disadvantages of centralisation are:

1. Bureaucratic leadership
2. Over Burden
3. No scope for specialisation
4. Slow Operations (Explanation Required)

**(Any other relevant points can be considered)**

18. What are the important features of leadership?

1. Followers- There exists a leader and his followers who follow him. The leader has the authority to direct his followers.
2. Working relationship- This relation between leader and followers arises through regular interaction between them.
3. Goal Oriented- The main responsibility of a leader is to lead, guide, inspire and motivate the members to make efforts to seek common goals.
4. Influence – The leader must be able to influence the behaviour of the followers
5. Relation to situation – Leadership is exercised in a given situation
6. Continuous process- it is continuous process by leaders of an organisation.

19. What is the benefit of managerial grid by Blake and Mouton?

Managerial grid explains concern of a leader for production and people. These dimensions have been demonstrated by Robert R Blake and Janes S Mouton in the form of Grid called managerial grid.

- There are 5 styles of leadership
  1. Impoverished
  2. Country club
  3. Middle Road
  4. Task Management
  5. Team Management

Benefits of managerial grid are as follows:

- Widely used model for training and development of managers.
- Developed on the basis of concern for people and production. (concern of people includes assigning task based on trust, provision of good working conditions etc. and concern of production includes work efficiency, quality of policy decisions etc.)
- Achieve high morale of workers and meet production needs.
- Working environment is workers welfare oriented.
- Relaxed and friendly environment.
- Sustain organisational membership among followers.

(Value liberally)

20. What is the significance of motivation in management?

The following are the significance or importance of motivation:

1. Higher Efficiency
2. Reduction in Labour Turnover
3. Optimum Utilisation of Resources
4. Better Industrial Relations
5. Easier Selection of Employees
6. Facilitates Changes (Explanation required)

21. Point out the characteristics of TQM.

The various characteristics of TQM are as follows:

1. Totality
2. Documentation
3. Improvements
4. Foundation
5. Customer oriented
6. Employee involvement and empowerment
7. Strategic focus (Explanation required)

**(Any other relevant points can be considered)**

### **Part C**

22. What are the principles and elements of scientific management?

Scientific management principles were formulated by Fredrick Winslow Taylor. In the words of F W Taylor “Scientific management means knowing exactly what you want men to do and seeing that they do it in the best and cheapest way”.

A. The various principles of scientific management

1. Replacement of Rule of Thumb
2. Co-operation
3. Development of workers
4. Maximum Output
5. Distribution of Work

B. Elements/ Techniques of scientific management

1. Work Study
2. Standardisation and Simplification
3. Scientific Selection and Training
4. Functional Foremanship
5. Differential piece wage system
6. Mental revolution (Explanation required)

23. Describe the steps involved in policy formulation.

Policies are general solutions that guide thinking or channelize energies towards a particular direction. They are guides to managerial actions and decisions in the implementation of strategy.

Steps in policy formulation

- Identification of problem- Before selecting a policy a problem must exist which should need an action.
- Policy formulation - it means coming with an approach to solving a problem. It is set by top management.
- Policy adoption- all the formulated policies are not adopted by the management. Only those which serve the organisation in best suitable ways are adopted.
- Policy implementation- successful implementation depends on the complexity of the policy, coordination between the management and workers and compliance.
- Evaluation and termination- Evaluation means determining how well a policy is working, the management must ensure that the implemented policy is pertaining to the organisation. Is that policy resolves the identified problem. Those policies which do not serve the problems can be terminated.

24. Explain the characteristics of Authority.

Authority refers to the right of an individual to command the subordinates and to take action within the scope of his position. This concept is developed from. Scalar chain which links various job positions.

Characteristics

1. It is legal and legitimate
2. it is formal
3. Relationship between superior and subordinate
4. Use to achieve organisational goals
5. Right to take decisions- The right to take decisions lies with the superior who is inherent in a managerial position.
6. Flow from top to bottom
7. Basis of getting things done through control
8. It can be delegated.

**(Any other relevant points can be considered)**



25. Write a note on modern controlling techniques.

1. Return on Investment

It provides the basic yardstick for measuring whether or not invested capital has been used effectively for generating reasonable amount of return.

$$\text{ROI} = (\text{net income}/\text{sales}) * (\text{sales}/\text{total investment})$$

2. Ratio Analysis- It refers to analysis of financial statements through computations of ratios. The most commonly used ratios can be classified as:

Liquidity Ratios, Solvency ratios, Profitability ratios and Turnover ratios

3. Responsibility Accounting- it is a system of accounting in which different sections, divisions and departments of an organisations are set up as responsibility centres.

Responsibility centres are Cost centres, Revenue centre, Profit centres and Investment centres:

4. Management Audit-

It is the systematic appraisal of the overall performance of the management of an organisation. The purpose is to review the efficiency and effectiveness of management and to improve the performance in future periods.

5. PERT and CPM-

PERT (Programme Evaluation and Review Technique) and CPM (Critical Path Method) are important network techniques useful in planning and controlling.

6. Management Information System (MIS)

It is computer-based information system that provides information and support for effective managerial decision-making.

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