

MG 1351 - PRINCIPLES OF MANAGEMENT
20 Essay Questions and Answers

1. Define Management. What are the functions managers perform to attain the set goals?

Management is the art of getting things done through the people

1. Planning 2. Organizing 3. Staffing 4. Directing 5. Controlling

2. What are different types of Plans? Explain

1. Mission or purpose 2. Goals and Objectives 3. Strategies 4. Policies, procedures, rules 5 Programmes and projects 6. Budget.

A brief discussion about all types of plans are required.

3. What is Planning? Explain the steps involved in Planning

Decision making for the future is called Planning.

Steps in Planning : 1. Being aware of opportunity 2. Establishing goals and objectives 3. consideration of Planning Premises 4. Identification of alternatives 5. Evaluation of Alternatives 6. Selection of the best alternative 7. making supportive plans 8. Number zing the plans.

4. What is MBO? Explain the steps involved in MBO Comprehensive management function it has wider applications like planning, motivation, performance evaluation.

Steps in MBO

1. Establishing enterprise objectives 2. Considering Planning Premises 3. Key Result Areas 4. Appropriate Organization 5. Setting objectives for superiors 6. superiors Recommendation of subordinates objectives 7. subordinates statement of their own objectives 8. Matching with resources. 9. Setting subordinates objectives 10. Actual performance 11. Performance Review 12. Corrective Action.

5. Discuss in detail the "Selection Process"

1. Screening Application Forms 2. Selection Tests 3. Interviews 4. Checking References 5. Physical Examination 6. Approval By appropriate authority 7. Placement.

6. Explain the concept of functional authority. How do you delegate it?

Departmental level authority. It should be delegated through proper manner.

7. Discuss the merits and demerits of centralization and decentralization

- i. responsibility ii. Communication iii. Decision making iv. Involvement v. Motivation.
8. What are different types of Decisions? Explain rational decision making process.
- Rational decision, emotional, lateral programmed non programmed decisions., etc.
1. experimentation 2. Experience 3. Research and analysis
9. Discuss 14 principles of management
1. Division of Labour 2. Unity of Command 3. Authority and Responsibility 4. Discipline 5. Unity of Direction 6. Centralization 7. Remuneration 8. Scalar Chain 9. Order 10. Equity 11. Stability in tenure 12. Initiative ness 13. Esprit decorps 14. Subordination of individual interest to general interest.
10. Explain the concept of Formal and informal organization
- Differences are arises based on Purpose, flow of Communication, Rules and regulation, term, Relationship
- (ii) Discuss the merits and demerits of Process based departmentation more advantages and disadvantages are required.
11. What is Selection? What are the different selection tests?
- Choosing the best candidate among several applicants
1. Achievement Test 2. Intelligence Test 3. Personality Test 4. Aptitude Test 5. Interest test
12. Explain the basic control process
- i. Establishment of standards
- ii. Actual Performance
- iii. Measurement of actual Performance
- iv. Comparison between Actual performance with standard
- v. Making corrective action.
13. Explain how does operations research helps to enhance Productivity
- i. Project scheduling ii. Optimization functions iii. Assignment Problems iv. Linear Programming v. Simulation Models.
14. What do you understand by principles of Preventive control? Explain its advantages

- i. Continuity in operation ii. Attainment of Quality iii. Less maintenance cost iv. Job Satisfaction v. Safety and Security.
15. What are the important tools and techniques available for system design and improvement?
- i. Operations research model ii. LPP iii. Inventory Planning and Control iv. Distribution Logistics v. Time-event Analysis vi. Q.C. vii. CAD/CAM/MAP etc.
16. Explain different styles of leadership based on authority?
- Explanation on i. Autocratic ii. Benevolent autocratic iii. Democratic iv. free rein
17. What are the different types of Communication? Discuss in detail all the above methods?
- I Based on organization Structure
1. upward Communication 2. Downward Communication 3. Horizontal Communication 4. Diagonal Communication
- II Based on Mode of Communication
1. Written Communication 2. Oral Communication 3. Gesture 4. Audio Visual Communication
18. What is departmentation? What are the different bases of departmentation? Grouping related activities together is called departmentation.
1. Functions 2. Territory 3. Customers 4. Process 6. Product 5. Matrix
19. Discuss in detail any four methods of performance appraisal
- Ranking, Grading, Forced Choice, Descriptive Writing
20. What is organizing? Explain line and staff relationship
- Identification of activities, grouping related activities together, forming departments, providing authority and coordinating departmental activities together
- View Point of Line People
- View Point of Staff
- Nature of line and Staff Relationship
21. What is leadership? Explain characteristics of different leadership styles

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Two mark questions and Answers

1. What do you understand by management science theory?

Management science theory utilises various quantitative techniques to maximise resources. Quantitative Management, Operations Management, Total Quality Management and Management Information System are coming under Management Science Theory.

2. Why is it important to study the various management theories that have been developed?

- i. To make a unified global theory of management
- ii. To utilise the experiences of pioneers.

3. What are the functions of managers?

Planning, organising, staffing, directing and controlling are the functions of management.

4. Mention the three approaches generally adopted by managers in selecting an alternative.

Experience, Experimentation and Research analysis.

5. Explain chain of command.

Unbroken line of authority is known as chain of command. The line of authority flows from top to bottom through the chain of command.

6. What are the benefits of management by objectives?

- a. Employees can be motivated because they participate in the goal setting process.
- b. Performance can be improved because MBO concentrates on objectives.
- c. Unnecessary efforts will be minimised because objectives are set clearly.
- d. MBO helps managers to exercise better control over employees.

7. What do you mean by a strategy?

Strategy is defined as the determination of long-term objectives of an organisation. Making the best choices for the future and allocating the resources necessary to accomplish the objectives.

8. What is decision making?

Decision making is defined as the selection of a course of action among alternative courses of action. Decision making should be rational. Decision making involves a choice among alternatives.

9. What is the purpose of planning?

- a. To determine the direction of an organisation
- b. To provide a basis for team work
- c. to minimise wastages in the future
- d. To facilitate decision making
- e. To improve morale of the employees.

10. State any two decision making strategies.

- a. Decision tree method
- b. Operations research
- c. Break even analysis
- d. Simulation or stochastic techniques

11. What are the objectives of planning

- a. To determine the direction of an organisation
- b. To minimise wastages
- c. To reduce the risk or uncertainty
- d. To facilitate control

12. What do you term 'bounded rationality' in decision making?

If people are having time and cognitive ability for making decision,s it is said to be bounded rationality.

13. What are the various types of decision making models?

- a. Classical decision making models
- b. Administrative decision making models
- c. Political decision making models.

14. Define the term 'Planning Premises'?

Planning premises are defined as the anticipated environment in which plans are expected to operate. Premises are the assumptions on which plans are formulated.

15. What do you mean by planning?

Planning is a process by which a manager looks to the future and discovers alternative courses of action. In other words, planning is anticipatory decision making. Planning is the process used by managers to identify and select goals and courses of action of the organisation.

16. Why is informal organisation needed?

The speed of communication flow through the informal channels is faster than formal channels. Many tasks which cannot be accomplished by formal organisation can be completed by informal organisation. Informal organisation encourages cooperation between people. Informal organisation provides job satisfaction, personal attachment and status to workers. Thus, informal organisation is needed for any organisation.

17. Give two examples for line organisation.

- a. Military
- b. Small enterprises

18. State the Maslow's hierarchy of needs.

Maslow viewed human needs in the form of hierarchy. The hierarchy of needs are

- i. Physiological needs
- ii. Safety needs
- iii. Social needs
- iv. Esteem needs
- v. Self actualisation needs

19. Distinguish between motivation and satisfaction

Motivation

- 1. Motivation is the process of inspiring and actuating the workers to accomplish the objectives of the organisation.

Satisfaction

- 1. Satisfaction is the end result of motivation.

2. Motivation leads to higher levels of productivity.
2. Satisfaction makes changes in the behaviour of employees.

20. Explain leading

Leading is the process of instructing, counselling, guiding and motivating the human factor to achieve organisational goals effectively.

21. Mention the various types of leadership styles.

- a. Autocratic leadership
- b. Democratic or participative leadership
- c. Laissez-faire leadership
- d. Benevolent autocratic leadership
- e. Supportive leadership.

22. What are the different bases of departmentation?

Time 2. Functional 3. Product 4. Process 4. Geography 5. Matrix 6. Customers etc.

23. What is Le plan?

In France, All business units will follow the centralized plan of the government. Such plans are formulated with the view of Maximization of national resources and avoidance of uneconomical areas.

24. What are the way internationalization is takes place?

1. Exporting 2. Licensing 3. Management contracts 4. Joint Ventures 5. Multinational Companies.

25. What is MNC Company?

MNC company is accompany having business operations more than one country but its headquarters is located at its home country.

26. What is Economic environment?

Various economic activities affecting business of a nation is known as Economic environment. Economic environment includes economic conditions, economic system and economic policies.

27. Distinguish between goals and objectives

Goals are specific and short term oriented one.

Objectives are general and long term oriented one.

28. What is Budget?

Budget is a type of plan which is expressed in numerical data.

29. What are the different types of inventories?

1. Raw materials 2. Work in Progress 3. Finished Products 4. Spares and components.

30. What is Job enrichment?

Making the jobs more interesting and challenging one is known as job enrichment. It is used to motivate and satisfy the workforces in the work place.

31. Distinguish between decision under risk and uncertainty?

Making decision for the unknown state is decision under uncertainty
Making decisions without considering the consequence is decision under risk.

32. Define : Leadership

Leadership is the ability to influence others and enthusiastically making them to achieve the desired results.

33. What are the importance of planning?

To Offset uncertainties, To Integrate Resources & Achieving Productivity.

34. What are the external Sources of recruitment?

Advertisement, Employment Agencies, Campus Recruitment, Websites.

35. Define : Communication

communication is the process of exchanging ideas, opinions feelings through an medium and getting feed back for the same.

36. What is MBO?

Comprehensive management System. It is used for goal setting, Motivation and performance appraisal.

37. What is motivation?

Motivation is the process of inducting human efforts by altering internal and external variables which are affecting one's workability

Motivation = Valence X Expectancy

38. What is BCG Matrix?

It is tool used for the strategy formulation. It analysis Industry growth rate and market share of the company and indicates different business positions and strategies like cash cow, dog, Question mark, star.

39. What are the different types of decision?

Logical, emotional, lateral, Programmed, Non programmed etc.

40. Distinguish between Policies and Procedures

Policy is the prevailing condition and understating

Procedure is the sequence of a proposed activities

41. Define : Directing

It is the act of instructing, guiding, inspiring people in an organization to achieve organizational results.

42. What is Organizing?

Identification of activities, grouping related activities together, forming departments, providing authority and coordinating departmental activities together

43. What are the nature of planning?

Dynamic, Goal oriented one, Process, Primary to other management functions

44. What are the Internal Sources of recruitment?

Employees, Union, Gate Hiring, Deputation

45. What is recruitment?

Recruitment is the process of inducing potential candidates applying for a job position in an organization.

46. What is formal organization?

An organization is created deliberately with common goal and purpose. It has a well established authoritative relationship among members.

47. Define : Decision Making

Decision making involves selection of best course of action among different alternatives courses of action.

48. Distinguish between centralization and decentralization

Based on delegation of authority organizations are classified into two types
Centralization: Entire Power is vested in the hands of few selected persons, normally top managers are holding the power of the organization.

Decentralization: Organizational authority is shared one. All the members are having some amount of freedom in their work based on their position in the organizational structure.

49. What is Human resource Management?

Planning and executing all those activities are associated with recruitment, selection, training, and Performance appraisal and career development in known as human resource management.

50. What are the different sources of power?

1. Legitimate Power 2. Expert Power 3. Referent Power 4. Reward Power 5. Coercive power

51. What are the importance of Decentralization?

1. Work autonomy 2. Quick decisions 3. Self responsibility 4. Continuous involvement 5. Better control.

52. What you mean by organizational effectiveness?

Organizational effectiveness is measured in terms of structural flexibility, productivity, Employee involvement, Job satisfaction etc.

53. What is informal organization?

Organization are created for personal interest and satisfaction of the people.

54. What are the importance of Career development?

Job satisfaction, Contentious Improvement, Less employee turnover, organizational development.

55. What is delegation of authority?

Sharing organizational authority to different levels and positions of an organization.

56. Distinguish between Power and authority

Power is capacity to command

Authority is the right to command

57. What are the Internal Sources of recruitment?

Employees, Union, Gate Hiring, Deputation

58. What is social responsibility?

Business has the responsibility to fulfill its stake holders interest, such a obligation is know as social responsibility of business.

59. What are the different techniques used to offset risk and uncertainty in decision making?

Decision tree analysis, Simulation, Game theory, Probabilistic models.

60. Define : Organizing

Identification of required activities, grouping of related activities together and forming departments and coordinating various departments with the established goals and objectives.

61. What do you mean by the term 'bounded rationality in decision making'?

Maximizing the results of a decision is an ideal stage. Normally it is an impossible thing. The reason is our decisions are disturbed by lot of constraints, to reduce the effect of these constraints some of our efforts become waste. So we can't reach maximum.

62. What is strategic planning?

Formulation of business plans with the due consideration of environmental analysis and organizational appraisal is know as strategic planning.

63. What is sensitivity training?

It is an informal gathering of all employees and freely express their feeling and opinions about themselves and others.

64. What you mean by career development?

Career development is the programmes designed by the organizations for the Growth in Job Position and Personal Life of the employees.

65. What is Productivity?

Ratio between input and output during a specified period with the due consideration of quality

66. What are the sources of conflict?
1. Authority
 2. Responsibility
 3. Organizational Policy
 4. Status Relationship etc.
67. Define : Controlling
- Controlling is the process of measurement and correction of performance in order to achieve desired results
68. What are the dangers in Budgeting?
1. Over budgeting
 2. Deviation from the goals
 3. Under estimation
69. What is span of control?
- Span of control tells the ratio between superiors and subordinates. Usually organizations are having two different types of spans. They are
1. Wide Span
 2. Narrow span
70. What are the different types of training?
- Organizations are used to give training to their employees to enhance their skills and abilities. Those trainings are broadly classified into two types. They are
1. On the job training
 2. Off the job training.
71. What is planning Premises?
- Consideration of various environmental factors which are affecting the performance of formulated plan.
72. What you mean by organizational Change?
- Making modifications in the functions and practices of an organization is known as organizational change. Change results employee well being and overall organizational effectiveness.
73. What are the importance of Strategic Planning?
- It is used for taking key business decision like stability, growth, retrenchment and divestment decisions are arrived. It is the top management function. These plans are used for long term decision making.
74. What is Job Design?
- Making a job with its detailed description on duties and authorities are known as job design.
75. Distinguish between Strategies and tactics

Strategies is the Basic Plan

Tactics is the way to achieve the strategy

76. What are the functions of management?

1. Planning 2. Organizing 3. Staffing 4. Directing 5. Controlling

77. Distinguish between line and staff people?

Line people are directly related with the achievement of organizational goals. Staff people are indirectly related with the achievement of organizational goals.

78. What are different types of selection tests?

1. Achievement test 2. Intelligence Test 3. Personality Test 4. Interest Test 5. Aptitude test.

79. What are the different types of budgets?

1. Master Budget 2. Functional budget 3. Flexible budget 4. Zero based budgeting.

80. Define : Organization

81. What are the principles of preventive control?

1. Professional managers commit minimum errors 2. Managers performance also undergoes evaluation 3. Management fundamentals are utilized.

82. What is JIT?

JIT is the Japanese Manufacturing technology. It works based in the concept of inventory less operations.

83. What are the advantages of preventive control?

1. More productivity 2. Self control 3. Less managerial burden 4. Psychological advantages.

84. Define : Organization

Group of people doing some purposeful and profitable activities. Such activities include industrial, trading and Commercial Activities and also some charitable activities.

85. What are the importance of Motivation?

1. Increase Productivity 2. Reduce Absenteeism 3. Reduces Lab our turn over 4. Increases morale of the employees 5. Increases job satisfaction

86. What are the advantages of written communication?

1. Permanent Record 2. Legal Validity 3. Clarity 4. Better understanding etc.

87. Distinguish between Policies and procedures

Policies is a basic gtuidelines for actions

Sequential arrangement of an program

88. What is brainstorming?

This kind of training are given to increase peoples creativity and decisional ability. This type of training individual participants are encouraged to give their own ideas to resolve the existing problem.

89. What is Theory Z?

Theory Z suggests interpersonal relation is vital for organizational success.

90. What is grapevine Communication?

1. It is an informal unofficial flow of communication between the organizational members through rammers and gossip.

91. What is Managerial grid?

Blake and molten explained leadership with the mangers concern on people and production. On the bases of above criteria they suggested five different types of leaders. They are 1. Task leader 2. Team leader 3. Country club 4. Middle road 5. Impoverisehd.

92. What are the methods available to resolve conflict?

1. Problem solving 2. Super ordinate goals 3. expansion of resources 4. withdrawals 5. Compromise 6. Smoothing 7. Using appropriate authority 8. Altering human variables 9. Altering structural variable.

93. What are the different types Modern controlling techniques?

1. PERT/CPM 2. Human resource Accounting 3. Social audit 4. ROI Analysis Wide Span 5. Quality Circle etc.

94. What are the characteristics of good listening?

1. Stop talking 2. Put the talker at ease 3. Attention 4. Hold your temper 4. Stop arguments 5. Avoid criticism etc.

95. What are the different types conventional controlling techniques?

1. Budgetary control 2. Breakeven analysis 3. Statistical data analysis 4. Auditing 5. Personal observation etc.

96. What is Unity of Command?

Unity of command tells the reporting relationship between a superior and a subordinate. A subordinate is always having a only one superior.

97. What is performance Appraisal?

Performance appraisal is the system of measuring Employee performance and giving feedback to the employee regarding his performance.

98. What are the advantages of performance Appraisal?

1. Getting performance Feedback 2. Identifying training needs 3. Motivating Personnel 4. Promotional consideration 5. Pay fixation.

99. What is Globalization?

Doing business without geographical boundaries are known as globalization.

100. What is Decision tree analysis?

This is the method used for making decisions under uncertainty and risk. In this model before arriving a decision different option are considered and its probabilistic models are developed and analyzed.