

MG6851 - PRINCIPLES OF MANAGEMENT
2 MARKS QUESTIONS WITH ANSWERS

UNIT - 1

1] Define Management.

Koontz and Wehrlich defines Management as “the process of designing and maintaining an environment in which individuals, working together in groups, accomplish their aims effectively and efficiently”.

2] What are the various levels of management?

The various levels existing in an average firm / company are:

- Top level management, Middle level management, and Lower level management

3] What are the various skills required of a manager?

- Managers require four kinds of skills:
- Technical skill – Knowledge of and proficiency in working with tools and technology
- Human skill – Ability to work with people
- Conceptual skill – Ability to recognize important element in a situation and understand relationship among elements, and
- Design skill – Ability to solve problems which will benefit the company.

4] What are the roles played by managers?

(i) Interpersonal roles: Figurehead, Leader, Liaison.

(ii) Informational roles: Recipient, Disseminator, Spokesman.

(iii) Decision roles: Entrepreneur, Disturbance handler, Resource allocator, Negotiator.

5] What are the functions of a manager?

Planning, Organizing, Directing, and Controlling. Some people include additional roles such as Leading, Staffing, Coordinating, etc.

6] What is scientific management?

Scientific management is an approach that emphasizes the scientific study of work methods in order to improve worker efficiency and productivity. It includes task and rate setting, planning the task, employee selection and training, standardization of working conditions, material, equipment etc, specialization and mental revolution.

7] What are the major contributions of Taylor?

The major contributions of F.W.Taylor are as follows

- He developed the principle of division of labor/work
- He developed method study
- He advocated time study
- He developed certain principles to breakup each job into small independent elements
- He developed the concept of fair day’s work
- He proposed the functional organization

8] Write Fayol's fourteen principles of management .

1) Division of work. 2) Authority and Responsibility. 3) Discipline. 4) Unity of command. 5) Unity of direction. 6) Subordination of Individual interest to general interest. 7) Remuneration.

8) Centralization 9) Scalar chain. 10) Order. 11) Equity. 12) Stability of Tenure. 13) Initiative. and 14) Esprit de Corps.

9] What do you mean by ‘unity of command’?

‘Unity of command’ is an important principle proposed by Henry Fayol. This implies that an employee should receive orders from one superior only.

10] What do you mean by ‘Unity of direction’?

It means that there should be complete identity between individual and organizational goals, as well as between departmental goals. They should not pull in different directions.

11] What is authority?

It is the power given to a person to get work from his subordinates.

12] How did Fayol classify business activities?

Fayol classified business activities into six groups: Technical, Commercial, Financial, Accounting, Security, and Administrative (Managerial).

13] What is a ‘scalar chain’?

A scalar chain is a hierarchical chain of authority which extends from the top to the bottom of an organization and defines the communication path. However, horizontal communication (gangplank) is also encouraged as long as the managers in the chain are kept informed.

14] What is ‘Esprit-de-corps’?

It means ‘Unity is strength’. In an organization, there should be harmony and unity amongst the employees.

15] What is meant by ‘Business environment’?

An organization, being a subsystem of broader societal system, has to work within the framework provided by the society and its various constituents. These constituents are combined to constitute environment for a given organization. Thus environment includes all the conditions, circumstances, and influences surrounding and affecting the total organization or any of its part.

16]. What are the major components of the business environment?

Economic, Political, Legal, Technological, Social, Cultural, and Competitive environments

17]. Mention the nature of management

Management is Multidisciplinary, it’s a continuous process, it’s a universal activity, its dynamic and not static, it’s a profession , it’s a group activity.

18].What are the functional areas of management

Financial management, marketing management, human resource management, material management, production management, purchasing management etc

19]. What are the functions of management

Planning , organizing , directing staffing and controlling

20].Is Management an art or science?

Management is both an art and science. it’s a science because it contains general principles and also art because it requires skills to achieve desired results

21].What are the differences between administration and management

s.no	Administration	Management
1	It is higher level function	It is lower level function
2	It refers to owners of management	It refers to employees
3	It acts through management	It acts through organization
4	Lays down policies	Executes the same

22]. What are the new ideas of Robert owen

He firmly believed that workers performance was influenced by working conditions and treatment of workers

23]. What is meant by motion study?

It’s a study of movement of an operator in performing an operation with the purpose of eliminating useless motions.

24].What is meant by Time study?

This study determines the proper time for performing the operations. The operation which takes minimum time is the best one.

25].What is meant by fatigue study?

This indicates the amount and frequency of rest required in completing the job.

26].What does illumination experiment convey?

No consistent relationship between output of workers and illumination of factory

27].What does relay assembly test room experiment convey?

Socio-psychological factors such as recognition , attention , participation etc is a key for higher productivity.

28].What does mass interview program convey?

The results of mass interview program conveyed that the upward communication in organization creates positive attitude in work environment.

29].What are the needs mentioned in Maslow’s theory

Physiological needs, safety needs, love needs, esteem needs and self actualization needs.

30].What are the advantages and disadvantages of MNC

Advantages: better use of technology, increases productivity, expands markets.

Disadvantages: affects local industry, lack of development of local R&D

1. What is Planning?

Planning involves selecting missions and objectives and the actions to achieve them. It requires decision making, that is, choosing future courses of action from among alternatives.

2. What is Organizing?

Organizing involves establishing a structure of roles for people to fill in an organization and ensuring that all the tasks necessary to accomplish goals are assigned to people who can do those best.

3. What is Staffing?

Staffing involves the process of filling positions in the organization structure. This is done by identifying work force requirement; inventorying the people available; and recruiting, selecting, placing, promoting, appraising, planning the careers of, compensating and training or otherwise developing both candidates and current jobholders to accomplish their tasks effectively and efficiently.

4. What is Leadership?

Art or process of influencing people so that they will strive willingly and enthusiastically towards achievement of the goal.

5. What is Controlling?

Controlling is the measurement and correction of performance in order to make sure the enterprise objectives and the plans devised to attain them are accomplished.

6. What are the various steps in planning?

Being aware of opportunities; Establishing objectives; Developing premises; Determining alternative courses; Evaluating alternative courses; Selecting a course; Formulating derivative plans; and Quantifying plans by budgeting.

7. What are planning premises?

Planning premises are defined as the anticipated environment in which plans are expected to operate. They include assumptions or forecasts of the future and known conditions that will effect the operation of plans.

8. Mention the benefits of planning.

Focuses attention on objectives, minimizes uncertainty, facilitates control, improves coordination, increases organizational effectiveness, encourages innovation, and improves competitive strength.

9. What are the various types of plans?

Plans are classified into: Purposes or missions; Objectives; Strategies; Policies; Programs; Procedures; Rules; and Budgets.

10. What is an Objective?

Objectives or goals are the ends toward which all activity is aimed and every organization strives hard to achieve them. They represent not only the end point of planning but the end toward which other functions of management are aimed.

11. What is a Strategy?

According to Chandler, Strategy is “the determination of the basic long-term goals and objectives of an enterprise, and the adoption of action and the allocation of resources necessary to carry out these goals”.

12. What is a Policy?

Policies are guidelines or general limits within which the members of an enterprise act. They are general statements of understandings which guide thinking and actions. Policies exist at various levels of the enterprise-corporate, divisional and departmental.

13. What is a Procedure?

A procedure is a systematic way of handling regular events. It is stated in terms of steps to be followed in carrying out certain kinds of work. According to Terry, a procedure is series of related tasks that make up the chronological sequence and the established way of performing the work to be accomplished.

14. What is a Rule?

A specific statement telling the people what should or what should not be done.

15. What is a Budget?

A statement of expected results expressed either in financial terms or in terms of labor hours, machine hours, units of product, or such other measurable terms. They are devices for both planning and control.

16. What are the characteristics of objectives?

1. Objectives are multiple in number; 2. Objectives may be either tangible or intangible; 3. Objectives have a priority; 4. Objectives are generally arranged in a hierarchy and
5. Objectives sometimes clash with each other

17. Define Decision making

Decision making is defined as selection of a course of action from among alternatives; it is at the core of planning. It is a process of selection from a set of alternative courses of action one which is thought to fulfill the objective of the decision problem more satisfactorily than others.

18. What are the steps in decision making?

Premising; Identifying alternatives; Evaluating the alternatives in terms of the goal sought; and Choosing the alternative.

19. What are the various decision-making conditions?

Decision making under certainty; Decision making under risk; and Decision making under uncertainty.

20. Distinguish between 'risk' and 'uncertainty' in decision making.

'Risk' condition exists when the probabilities of occurrence of various outcomes of the decision are known. 'Uncertainty' condition exists when these probabilities are unknown.

21. List the nature of planning

The following are the nature of planning: It's a primary function, it's a dynamic process

22. What is top down approach

Top down approach means that the top level management provides guidelines to the bottom level management.

23. What is bottom up approach

Bottom up approach means that the low level management provides information to the top level management

24. List few examples of objectives

1. Maximise net profit over a period of time 2. Create a friendly workplace 3. Be service to community

25. What is KRA?

KRA-Key Result Areas are identified on basis of organizational objectives and planning premises where organizational health can be measured.

26. What are the benefits of MBO

Improvement of managing, clarification of organization, personnel satisfaction, team work, development of effective control, fast decision making.

27. What are the weakness of MBO

Failure to teach the philosophy of MBO, Failure to give guidelines, difficulty in setting goals, Emphasis on short term goals, inflexibility, time consuming

28. What are the steps in policy formulation process?

Definition of policy, Creation of policy alternative, evaluation of policy, choice of policy, communication of policy, implementation and review.

29. What are the types of policies?

Formulated policies, appealed policy, imposed policy, written policy and implied policy.

30. What are the types of decisions?

There are two types of decisions they are Programmed decisions and non programmed decisions.

UNIT – 3

1. Define the term 'Organization'.

"Organizations are collections of people that have been established for the pursuit of specific objectives on a more or less continuous basis."

2. Mention any four characteristics of an organization.

a.] Common objectives; b] Specialization or Division of Labor; c] Authority structure, and d] Group of persons.

3. List out the steps involved in organization process.

[i] Consideration of objectives; [ii] Grouping of activities into departments; [iii] Deciding which departments will be key departments; [iv] Determining levels at which various types of decisions are to be made; [v] Determining the span of management; and [vi] Setting up a coordination mechanism.

4. State the important factors in determining an effective span of management.

1. Capacity of superior; 2. Capacity of subordinates; 3. Nature of work; 4. Type of technology; and 5. Delegation of authority.

5. Define the term 'Departmentation'.

The horizontal differentiation of tasks or activities into discrete segments is called departmentation. The aim is to take advantage of the division of labor and specialization up to a certain extent.

6. What are the various types of departmentation?

1. Departmentation by functions; 2. Departmentation by Territory; 3. Departmentation by customers; 4. Departmentation by equipment or process and 5. Departmentation by products or services.

7. What is departmentation by product?

This form is suited for large organizations manufacturing a variety of products. Under this method, for each major product, a separate department is created and is put under the charge of a manager who may also be made responsible for producing a profit of a given magnitude. Within each department, all the needed manufacturing, engineering, marketing, manpower and other facilities are created.

8. What is meant by ‘Delegation of Authority’?

A manager in an enterprise cannot himself do all the tasks necessary for the accomplishment of group goals. He, therefore, assigns some part of his work to his subordinates and also gives them necessary authority to make decisions within the area of their assigned duties. This downward pushing of authority to make decisions is known as delegation of authority.

9. What is line authority?

Line authority is the direct authority which a superior exercises over a number of subordinates to carry out orders and instructions. In an organizing process, authority is delegated to subordinates to perform activities.

10. What is staff authority?

A staff person assists the line people in attaining their objectives. Staff authority is purely advisory.

11. What is Centralization?

The organization is centralized when power is concentrated in the hands of a few people.

12. What is Decentralization?

If the power is widely distributed among subordinates of the organization, it is decentralization.

13. What is Staffing?

The managerial function of staffing is defined as filling positions in the organization structure. This includes identifying work-force requirements, inventorying the people available, and recruiting, selecting, placing, promoting, appraising, planning the careers, compensation, and training of both candidates and current jobholders to accomplish their tasks effectively and efficiently.

14. What is Manpower Planning?

Manpower Planning is the process by which a firm ensures that it has the right number of people and the right kind of people at the right places at the right time, doing work for which they are economically most useful.

15. What is recruitment?

Recruitment is defined as the process of identifying the sources of prospective candidates and to stimulate them to apply for the jobs. Recruitment is the generating of applicants for specific positions.

16. What are the various sources of external recruitment?

1. Re-employing former employees; 2. Friends and relatives of present employees; 3. Applicants at the gate; 4. Colleges and technical institutions; 5. Employment exchanges; 6. Advertising the vacancy; 7. Labor unions; and 8. Competitors' organizations.

17. What are the various steps in the selection process?

Designing application blank; Receiving applications; Screening of applications; Conducting selection tests; Conducting formal interview; Examining the previous work history; Checking references; Provisional selection; Physical/medical examination; Final selection; Employment.

18. What is application blank?

It is a good means of quickly collecting verifiable historical data from the candidate. It is highly structured in which the questions are standardized and determined in advance. Besides, it tests the applicant's ability to write, organize his thoughts and present facts.

19. What is Performance Appraisal?

Performance appraisal is the evaluation of employees through proper and systematic procedures which reflects the effectiveness, efficiency or productivity of an employee. On the basis of their performance, rewards and incentives are given to the employees.

20. Mention the various methods of performance appraisal.

1. Ranking method, 2. Paired comparison method, 3. Rating scale method, 4. Checklist method, 5. Critical incidents method, 6. Field review, 7. Confidential report, etc.

21. What are the importance of organizing

To facilitate administration, to increase efficiency, to improve growth and diversification, to better use of human resource, to improve communication, and to stimulate creativity.

22. What are the types of organization chart

Vertical chart, Horizontal chart, Circular chart.

23. What are the types of organization structure

Functional structure, divisional structure, matrix structure, team structure, network structure, organic structure and mechanistic structure.

24. What are the differences between formal and informal organization?

Point of view	formal organization	informal organization
Origin	Created deliberately	Created spontaneously
Purpose	Created for achieving objectives	Created for achieving satisfaction
nature	Planned and official	Unplanned and unofficial

25. What are the types of span of control

Direct single relationship, direct group relationship and cross relationship

26. what is meant by job description ?

It's a written statement showing job title , tasks, duties and responsibilities involved in job.

27. What is meant by job specification?

It's a statement of minimum acceptable qualities needed for job incumbent for the effective performance of the job.

28. What is meant by job rotation ?

Movement of an employee from one job to another in order to increase the efficiency of the employee.

29. what are the types of interview?

Informal interview, formal interview, planned interview, depth interview, patterned interview, stress interview, group interview, panel interview.

30. List few on and off the job training methods?

On the job training: job rotation , coaching , experience, temporary promotions, assignments etc

Off the job training: lecture, conference, seminars, case studies, business games, in basket method etc

UNIT – 4

1. What are the various approaches to (theories of) leadership?

Traits approach; Behavioral approach; Managerial Grid; Fiedler's contingency approach; Path-Goal approach, etc.

2. Who is an autocratic leader?

An autocratic leader is one who does not involve his subordinates in decision making process. He demands strict obedience and relies on power. The autocratic leader is thus one who commands and expects compliance and leads by the ability to punish or reward.

3. Who is a democratic (participative) leader?

He consults with subordinates on proposed actions and decisions and encourages participation from them.

4. What is Free-rein leadership?

This type of leader uses his power very little and the subordinates are given high degree of independence or free-rein in their operation. The leader depends largely on his subordinates to set their own goals and the means of achieving them.

5. What is Country Club management ?

It is a management style which gives more importance to people and less importance to production. It is strongly oriented to employee needs and keeping subordinates happy.

6. What are the four types of managements explained in the Managerial Grid?

Impoverished management; Country club management; Dedicated management; Autocratic task management.

7. Define Motivation.

It is a process of stimulating people to action to achieve/ accomplish desired goals.

8. Mention the important theories of motivation.

1. Maslow's Need Hierarchy Theory, 2. Herzberg's Two-Factor Theory, 3. McGregor's Theory X and Theory Y, 4. McClelland's Achievement Theory, 5. Vroom's Expectancy Theory, 6. Porter & Lawler Model, 7. Adam's Equity Theory, 8. Skinner's Reinforcement Theory, and 9. Alderfer's ERG Theory.

9. What are Maslow's Hierarchy of Needs?

Physiological needs, Safety needs, Social needs, Self- Esteem needs and Self- actualization needs.

10. Write the essence of Maslow's Hierarchy theory of motivation?

If you want to motivate someone, according to Maslow, you need to understand what the level of the need hierarchy that person is currently on, and focus on satisfying those needs at or above that level.

11. What are 'Hygiene' factors in Herzberg's theory?

Fair company policies; Knowledgeable supervisor; Good relationship with supervisor and co-workers; Fair salary; Job security; Good working conditions, etc. The absence of these factors makes workers dissatisfied, but the presence of these factors does not create high levels of motivation.

12. What are 'Motivators' in Herzberg's theory?

Achievement at work; Recognition; Chance for advancement; Challenging work; Increased responsibility, etc. The presence of these factors leads to high levels of motivation and job satisfaction, but their absence does not lead to strong dissatisfaction.

13. Write about the ERG theory of Motivation

ERG stands for existence, relatedness, and growth needs

Existence needs -- physiological and safety aspects of an individual

Relatedness needs -- involve relationship with other people, social status

Growth needs -- individual making creative efforts to achieve full potential in the environment and to reach self actualization stage.

14. What is Communication?

It is the art of developing and attaining understanding between people. It is the process of exchanging information and feelings between two or more people.

15. What are the various types of communication?

Formal, informal, upward, downward, horizontal, diagonal, oral, written, and non-verbal are the various types of communication.

16. What are the various components of the communication model?

Sender, message, encoding, channel, receiver, decoding, understanding, and feedback.

17. What is grape vine communication?

Informal communication is called grape vine communication. It is the interpersonal relationship other than formal relationship like friendship, club membership or bridge group which constitutes an informal channel.

18. Mention the major barriers to communication.

Semantic barriers: Words/symbols with different meanings; Badly expressed message; Faulty translation; Unclarified assumptions; Specialist's language (jargon).

Psychological barriers: Premature evaluation; Inattention; Poor retention; Distrust, threat or fear of communicator; Failure to communicate; Information overload.

Organizational barriers: Organizational policy, rules and regulations; Complexity in organizational structure; Organizational facilities; Status relationships.

19. What are semantic barriers?

These barriers arise from the language capacity of the persons involved in communication. They are semantic distortion, poorly expressed message, faulty translations, unclarified assumptions, etc

20. What are the types of motivation?

There are four types of motivation they are positive motivation , negative motivation, extrinsic and intrinsic motivation.

21. What are the steps in motivation process?

Analysis of situation, preparing , selecting and applying a set of appropriate motivating tools, follow ups are the steps in motivation process.

22. Mention 3 needs in Mc Clelland's theory?

Need for power, need for affiliation and need for achievement are the three needs available in Mc Clelland's theory

23. What are the special motivational techniques?

Money, participation, quality of working life , job security, effective communication , power of authority, incentives are the special motivational techniques.

24. What are the qualities of a leader?

Honesty, confidence, patience, focus, dedication, consistency, motivate others, effective communication, individuality are the qualities of a effective leader.

25. What are the methods of communication?

Formal and informal communication(written communication and oral communication) are the methods of communication.

26. What is mean by organization culture

"A system of informal rules that spells out how people behave most of the time"

27. What are the characteristics in organization culture?

Risk tolerance, direction , unit integration , management support, identity, reward system, control, conflict tolerance, communication patterns are the characteristics of organization culture.

28. What are the sources of organization culture?

Stories, rituals, language and material symbols are the sources of culture.

29. What are the types of organization culture?

Subculture, dominant culture, strong culture, weak culture, authoritarian culture, participative culture and national culture are the types of organization culture.

30. What are the process of socialization?

Pre arrival stage , encounter stage and metamorphosis are the process of socialization.

UNIT – 5

1. What are the steps in controlling process?

Establishing standards; Measuring performance; Comparing performance with standard; Taking corrective action.

2. What are the three types of control with respect to time?

[a]Feed forward control, [b]Concurrent control, and [c] Feedback control.

3. State the difference between feedback and feed forward control techniques.

S.No.	Feedback	Feed forward
1.	It measures only the output of the process	It measures the input of the process
2.	It is submissive approach	It is aggressive approach
3.	Less benefit	More benefit

4. What is a Budget?

Budget is a financial and/or quantitative statement prepared prior to a definite period of time, of the policy to be pursued during that period, for the purpose of achieving a given objective.

5. Define budgetary control.

It is a process of comparing the actual results with the corresponding budget data in order to approve accomplishments or to remedy differences by either adjusting the budget estimates or correcting the cause of the difference. [Terry].

6. What are the objectives of budgetary control?

a) Maximization of profits; b) To plan and control the income and expenditure of the organization; and c) To provide adequate working capital.

7. What are classifications of budget?

Functional classification- Sales, production, cash, capital and master budget

Time classification- Short, current and long term budget

Activity level- Fixed and flexible budget

8. What is a Zero Base Budget (ZBB)?

Zero base budgeting is a latest technique aimed at cost reduction and optimum utilization of resources. In zero-base budgeting, every year is taken as New Year and previous year is not taken as a base and planning starts from the scratch.

9. What is clan control?

It is an approach to organization control based on informal arrangement. It relies on group norms and a strong corporate culture and it gives employees the responsibility for controlling themselves. Employees are encouraged to work beyond minimum acceptable levels.

10. What is Human Resource Accounting?

It is accounting for people as an organizational resource. It involves measuring the costs incurred by organizations to recruit, select, hire, train, and develop human assets. It also involves measuring the economic value of people to the organization.

11. What is Management By Objectives (MBO)?

Management By Objectives (MBO) is the process whereby the superior and subordinates of the organization jointly identify common goals, define each individual’s major areas of responsibility in terms of results

expected of him, and use these measures as guides for operating the unit and assessing the contribution of each of its members.

12. Explain the MBO process

Setting of organizational objectives; Formulation of departmental objectives; Establishing goals or targets of subordinates; Establishing quantitative standard for performance; and Appraisal of performance and counseling.

13. What is Management By Exception (MBE)?

MBE is a system of control designed to point out exceptions from planned performance in order to allow managers to detect those areas where their attention is required.

14. What is MIS?

Management Information System (MIS) is a system of gathering, integrating, comparing, analyzing and dispersing information internal and external to the enterprise in a timely, effective and efficient manner.

15. What is 'Real-time information'?

It is an offshoot of the development of computers and information technology. It is the gathering of information about what is happening while it is happening, that is, "online". It is a means of getting real-time control in areas of importance to the manager.

16. Define Control

"Controlling is the measurement and correction of performance in order to make sure that enterprise objectives and the plans devised to attain them are accomplished"

17. What are the characteristics of control

It is universal, continuous process, its action based, its forward looking , it is closely related to planning.

18. What are the steps involved in process of controlling

Establishing standards, measuring performance, comparing actual with standard, finding out deviations and correcting the deviations

19. What are the requirements of effective control

Suitability, flexibility, economical , simple, motivation , forward looking, objective, less time are the requirements of effective control.

20. What are the different budgetary control methods?

Definite objectives, support of top management , flexibility, budget committee, budget education , good feedback , participation , communication , reward and punishment.

21. What is PERT?

PERT-Project Evaluation and Review Technique; its event oriented, it's a control device, it's a probabilistic model.

22. What is CPM?

CPM- Critical Path Method is activity based , it's a planning device, it's a deterministic model.

23. What is meant by optimistic time?

Optimistic time is the shortest time every activity goes exceptionally well.

24. What is MIS?

MIS-Management Information System ; "A system for obtaining abstracting, storing and analyzing data to produce effective information for the use in planning , controlling and decision making process"

25. What is the role of MIS?

MIS is involved and useful in Marketing , manufacturing, logistics , finance and accounting , top management.

26. What is the role of MIS?

MIS is involved and useful in Marketing , manufacturing, logistics , finance and accounting , top management.

27. What are the uses of computers in controlling?

Payroll, accounting , business management , personnel management information, cost accounting, manufacturing information control, banking and credit are the uses of computers in controlling

28. What is meant by productivity?

Productivity is a measure of how much input required to produce a given output. (productivity= output/input).

29. What are the factors affecting productivity?

Technology, Human resources, government policy, machinery and equipment, skill of worker, materials, plant equipment , capital etc.

30. What is meant by EOQ?

EOQ= Economic order Quantity. It is the optimum quantity of material to be ordered so that wastages are very minimum.

