

MG 1351

PRINCIPLES OF MANAGEMENT

**TWO MARKS QUESTION AND
ANSWERS**

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UNIT I - HISTORICAL DEVELOPMENT

1. What is Management?

Management is the process of giving direction and controlling the various activities of the people to achieve the objectives of an organisation.

2. Define Management.

According to Knottz & Wehrich “management is the process of designing and maintaining of an environment in which individuals working together in groups efficiently accomplished selected aims”.

3. Write some characteristics of Management.

- 1) Management is a continuous process.
- 2) Managers use the resources of the organisation both physical as well as human to achieve the goals
- 3) Management aims at achieving the organisation goals by ensuring effective use of resources.

4. What are the roles of management in organisation?

- 1) Managements help in determination of the objectives of an organisation.
- 2) Economics and social development takes place through management

5. Write any two points favour for management as a science.

- 1) Management principles should be verifiable
- 2) Reliable basis for predicting future.

6. Write any two points favour for management as an art.

- 1) Management is creative.
- 2) Management includes the use of practical knowledge and personal skill.

7. What is Time study?

The movements which takes minimum time is the best one .

8. What is motion study?

Taylor suggested that eliminating wasteful movements and performing only necessary movements.

9. 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) Individual interest to general interest.
- 7) Remuneration.

- 8) Centralisation
- 9) Scalar chain
- 10) Order
- 11) Equality.
- 12) Stability
- 13) Initiative
- 14) Esprit de corps

10. What is authority?

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

11. What is responsibility?

It is the amount of work expected of a man by his superior.

12. Comment: Management is both – A science and an art.

Management is a science because it contains general principles. It is also an art because it requires certain personal skills to achieve desired result.

13. What is centralization?

The organisation is centralized when the power is concentrated with one person.

14. What is decentralization?

If the power is fully distributed to the subordinates of the organisation.

15. What is scalar chain?

The instruction and orders should be sent from the top management to the lower management.

16. What are management levels?

- 1) Top-level management.
- 2) Middle level management
- 3) Lower level management

17. Write some important functions of top management.

- 1) To formulate goals and policies of the company.
- 2) To formulate budgets
- 3) To appoint top executives

18. Write any two functions of middle level management.

- 1) To train, motivate and develop supervisory level.
- 2) To monitor and control the operations performance.

19. What are essential skills needs for the manager?

- 1) Technical skill.
- 2) Human skill
- 3) Conceptual skill

20. Write the function of management.

- 1) Planning
- 2) Organising
- 3) Staffing
- 4) Coordinating
- 5) Controlling

21. What is social responsibility?

Society is the part of the management to initiate actions either to protect social interest of the society.

22. List out the groups' responsibilities of management.

- 1) Shareholders
- 2) Employees
- 3) Customers
- 4) Creditors
- 5) Suppliers

23. What is ethics?

All individuals in business or non-business activities are concerned with some standardized form of behaviour are known as ethics.

24. What is ethics in management?

- 1) Business ethics deals with morality of the business environment.
- 2) Business ethics relate to the behaviour of a businessman in a situation.

UNIT II - PLANNING

1. What is planning?

Planning is the process of selecting the objectives and determining the course of action required achieving these objectives.

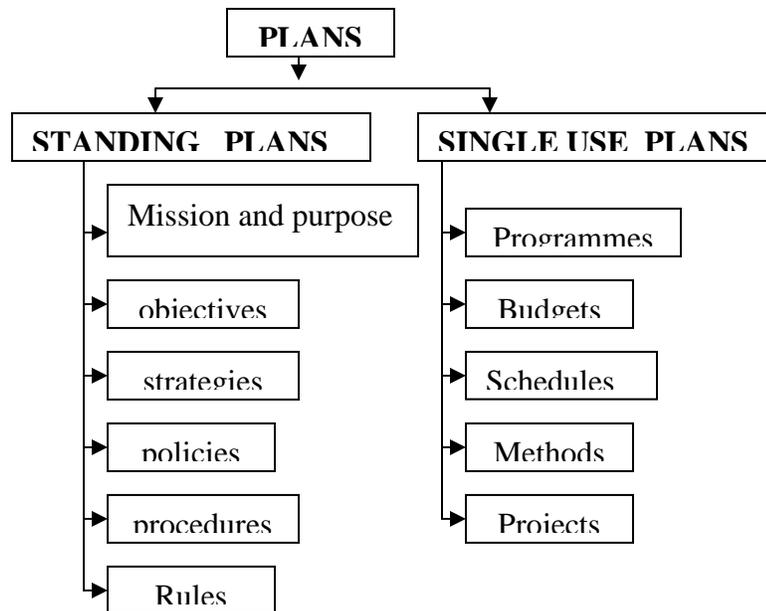
2. State the important observations suggested about planning.

- ❖ Planning is outlining a future course of action in order to achieve on objective.
- ❖ Planning is looking ahead.
- ❖ Planning is getting ready to do something tomorrow.
- ❖ Plan is a trap laid down to capture the future.

3. List out the features of planning.

- ❖ Planning – a primary function
- ❖ Planning - a dynamic process
- ❖ Planning – based on objectives and policies
- ❖ Planning – a selective process
- ❖ Planning – an intellectual process
- ❖ Planning is based on facts

4. Classify various plans.



5. Define mission

Mission may be defined as a statement which defines the role that an organisation plays in the society.

6. State the important questions to answer by a good mission.

1. What is our business?
2. What should it be?

7. Define objectives.

The terms objectives or goals are often used interchangeably. Objectives are the end results towards which the activities of firm are aimed or directed.

8. What is meant by strategies?

Strategy of an organisation is the programmes of action and deployment of resources to attain its objectives.

9. Define policies.

Policies are general statement or understandings, which provide guidance in decision making to various managers.

10. What is procedure?

A procedure is a chronological order of actions required to implement a policy and to achieve an objectives.

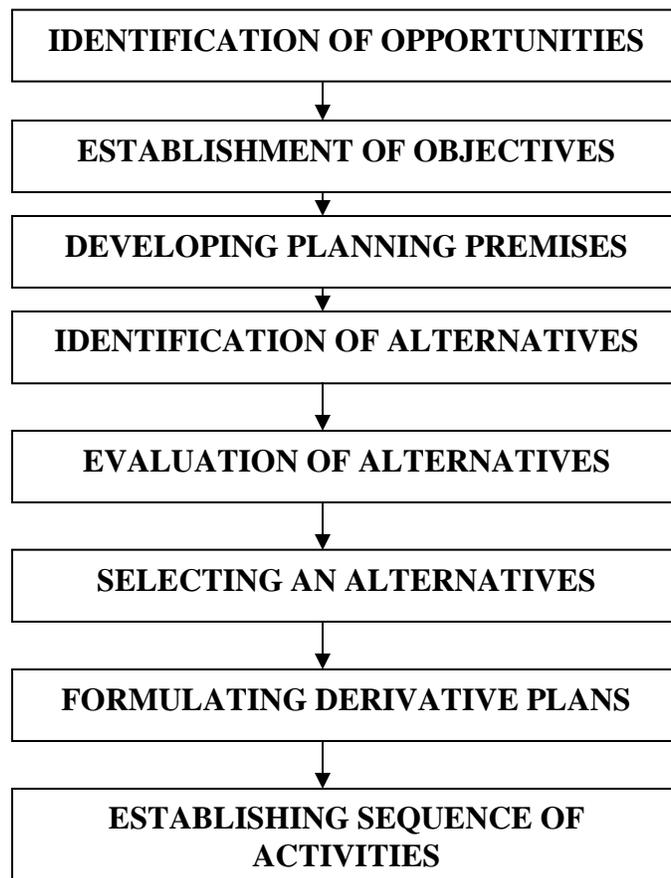
11. Name any two important procedures in organisation.

- ❖ Procedures for placing orders for material and equipment.
- ❖ Procedures for sanctioning different types of employee's leave.

12. Define budgets.

A budget is a statement of expected results in numerical terms and therefore it may be referred as a numerical programme.

13. Give the flow diagram of planning steps.



14. What are the advantages and limitations of planning?

❖ **Advantages**

- Help in achieving objectives;
- Better utilisation of resources;
- Economy in operation;
- Improves competitive strength

❖ **Limitations.**

- Lack of accurate information
- Time and cost
- Inflexibility
- Delay during emergency period

15. What is objective?

Objectives are the aims, purposes or goals that an organization wants to achieve over varying periods of time.

16. State the two approaches of objectives.

- i. Top –down approach.
- ii. Bottom –up approach.

17. What is MBO?

MBO is a process whereby, the superior and the subordinate managers of an enterprise jointly identify its 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 its members.

18. Mention the features of MBO.

- i. MBO focuses attention on what must be accomplished and not how to accomplish the objectives .it is a goal oriented rather than work-oriented approach.
- ii. MBO tries to combine the long range goals of organisation with short range of organisation.
- iii. A high degree of motivation and satisfaction is available to employees through MBO.

19. What are the major kinds of strategies and policies?

- i. Growth.
- ii. Finance
- iii. Organisation
- iv. Personal
- v. Products or services
- vi. Market

20. Classify policies.

- i. Formulated policies
- ii. Appealed policy
- iii. Imposed policy
- iv. Written policies
- v. Implied policies

21. What is planning premises?

The assumptions about future derived from forecasting and used in planning are known as planning premises.

22. State the classification of planning premises.

- i. Internal and External.
- ii. Tangible and intangible
- iii. Controllable and uncontrollable

23. Define decision-making process.

Decision –making is defined as the process of choosing a course of action from among alternatives to achieve a desired goal. It is one of the functions of management and also a core process of planning.

24. What are the techniques useful while evaluating alternatives?

- i. Quantitative and Qualitative analysis
- ii. Marginal analysis
- iii. Cost effectiveness analysis

25. Classify decisions.

- i. Programmed and non-programmed decisions
- ii. Organizational and personal decisions

UNIT III - ORGANISING

1. Define organizing.

Organising is the process of identifying and grouping of activities required to attain the objectives, delegating authority, creating responsibility and establishing relationships for the people to work effectively.

2. Mention any four characteristics of an organization.

- ❖ Common objectives
- ❖ Specialisation or Division of labour
- ❖ Authority of structure
- ❖ Group of persons

3. State the advantages of organization.

- ❖ Facilitate administration
- ❖ Increases the efficiency of management
- ❖ Facilitates growth and diversification
- ❖ Ensures optimum use of man and material resources

4. List out the steps involved in organization process.

- ❖ Determination of activities
- ❖ Grouping of activities
- ❖ Assignment of Duties
- ❖ Delegation of authority

5. Mention the three categories of span of management.

- ❖ Direct single relationship
- ❖ Direct group relationships
- ❖ Cross relation

6. What are the types of departmentation?

- ❖ Departmentation by numbers
- ❖ Departmentation by time
- ❖ Departmentation by Enterprise function
- ❖ Departmentation by Territory or Geography
- ❖ Departmentation by customers
- ❖ Departmentation by Equipment or process
- ❖ Departmentation by Product or service

7. Give a note departmentation by customers.

This type of departmentation is preferred when the needs of customers are different in nature. Some big organisation is providing special services to different of customer.

8. Define authority.

Authority is the right to give orders and the power to exact obedience.

9. List out the sources of authority.

- ❖ Formal authority theory
- ❖ Acceptance authority theory
- ❖ Competence theory

10. 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 organisation process, authority is delegated to the individuals to perform the activities.

11. What is staff authority?

The relationship between a staff manager and the line manager with whom he works depends in part on the staff duties.

12. List the steps involved in process of delegation.

- ❖ Determination of result expected
- ❖ Assignment of duties
- ❖ Delegation of authority
- ❖ Creation of obligation or accountability

13. What are the steps to be followed in making staff works effective?

- ❖ Understanding authority relationship
- ❖ Making line listen to staff
- ❖ Keeping staff informed
- ❖ Requiring completed staff work
- ❖ Making staff work a way of organisational life

14. State the kinds of organizational charts.

- ❖ Vertical chart
- ❖ Horizontal chart or left to right chart
- ❖ Circular chart or concentric chart

15. Define staffing.

Staffing is the part of the management process which is concerned with the procurement utilization, maintenance and development of a large satisfied work force on the organisation.

16. Write any two roles of staffing.

- ❖ Effective utilization of skills and potential of the work force
- ❖ Development and maintenance of quality of work life

17. What is job analysis?

Job analysis is a detailed study of a job to identify the skills, experience and aptitude required for the job.

18. What is job design?

The job design is usually broad enough to accommodate people's need and desires.

19. What is job rotation?

Job rotation refers in the movement of an employee from the job to another .

20. Define recruitment.

B.Flippo defined recruitment as "the process of searching for prospective employees and simulating to apply for jobs in the organisation.

21. What is selection?

Selection is the process of finding out the most suitable candidate to the job out of the candidates attracted.

22. Write down the tests used in selection process.

- ❖ Aptitude test
- ❖ Intelligence test
- ❖ Psychomotor test
- ❖ Personality test

23. What is orientation?

Orientation refers to the activities involved in introducing the new employees to the organisation and its policies, procedures, rules, and regulations.

24. What is performance appraisal?

Performance appraisal evaluates the performance of worker also his potential for development.

25. What are roles of manager?

- ❖ Inter-personal role
- ❖ Information role
- ❖ Decisional role

UNIT IV - DIRECTING

1. Define multiplicity of roles.

Individuals not only the productive factor in management's plans. They are members of social system of many organizations.

2. Mention the importance of motivation.

- ❖ Proper utilization of human resources possible since it inspires employees to make best possible use of different factors of production.
- ❖ Proper motivation improves the efficiency of operation.
- ❖ Motivation creates a willingness on the part of workers to do the work in a better way.

3. Name the steps involved in motivation process.

- ❖ Analysis of situation
- ❖ Preparing, selecting and applying a set of appropriate motivating tools.
- ❖ Follow up.

4. What are the types of motivation?

- ❖ Positive motivation
- ❖ Negative motivation
- ❖ Extrinsic motivation
- ❖ Intrinsic motivation

5. List out the basic needs in a hierarchy.

- ❖ Physiological needs
- ❖ Safety needs
- ❖ Social needs
- ❖ Esteem needs
- ❖ Self-actualisation needs

6. What is job enrichment?

Job enrichment is therefore based on the assumption that in order to motivate personnel, the job itself must provide opportunities for achievement, recognition, responsibility, advancement and growth.

7. Who is leader?

Leader is one who makes his subordinates to do willingly what he wants.

8. Define leadership.

Leadership is the process of influencing the behaviour of others towards the accomplishment of goals in a given situation.

9. What is communication?

Communication is passing of information from one person to another person.

10. State the need for communication.

- ❖ To establish and spread goals of an enterprise widely.
- ❖ To develop plans for further achievement.
- ❖ To organize human and other resources in the most effective and efficient way.
- ❖ To select, develop and apprise members of the organisation.

11. List the different types of communication flow.

- ❖ Downward communication
- ❖ Upward communication
- ❖ Horizontal or lateral communication

12. Note down the various communicating networks.

- ❖ Simple chain
- ❖ Wheel
- ❖ Circular
- ❖ Free flow
- ❖ Inverted V

13. State the advantages of democratic leadership.

- ❖ The subordinates are motivated by participation in decision-making process. This will increase job satisfaction.
- ❖ Absence of leader does not affect output.
- ❖ Labour absenteeism and turn-over will be minimum.
- ❖ The quality of decision is improved.

14. What are the barriers involved in effective communication?

- ❖ Physical barriers
- ❖ Socio-psychological or personal barriers.
- ❖ Organisational barriers.
- ❖ Semantic barriers.
- ❖ Mechanical barriers.

15. List out the effective media in communication.

- ❖ A large bank supplies hardware and software to its customers.
- ❖ Several banks now make bank-by-phone services available even to individuals.
- ❖ E-mail service making easy delivery of documents.

16. What are the important assumptions made in X theory?

- ❖ The average human dislikes to work. He will avoid work if it is possible.
- ❖ Therefore people must be controlled, directed and threatened with punishment

to make them work.

17. Mention the various factors involved in using motivational techniques.

- ❖ Money
- ❖ Participation
- ❖ Quality of working life

18. Mention the important of leadership.

- ❖ Motivating employees
- ❖ Leader develops team work
- ❖ Building morale
- ❖ Maintaining discipline

19. Name the various leadership styles.

- ❖ Autocratic or dictatorial leadership.
- ❖ Participative or democratic leadership.
- ❖ Laissez-faire or free rein leadership.

20. What is Laissez-faire?

Complete freedom is given to the subordinates so that they plan, motivate, control, and otherwise be responsible for their own actions.

UNIT V - CONTROLLING

1. Define control.

According to Koontz “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”.

2. What are the characteristics of control?

- ❖ Control process is universal
- ❖ Control is continuous process
- ❖ Control is action based
- ❖ Control is forward looking.

3. What are the disadvantages of control?

- ❖ Control is expensive and time-consuming process.
- ❖ Human behaviour and employee morale also cannot be measured.

4. Give some critical point standards of control?

- ❖ Cost standards
- ❖ Revenue standards
- ❖ Goals standards
- ❖ Program standards.

5. What are the types of control?

- ❖ Feedback control
- ❖ Concurrent control
- ❖ Feed forward control

6. What is feedback control?

Feedback control is the process of adjusting future action on basis of information about past performance.

7. What are the requirements for effective control?

- ❖ The control should be economical
- ❖ It must be simple
- ❖ It should be flexible
- ❖ It should be clear objectives

8. What are the modern techniques of control?

- ❖ Management audit
- ❖ Return on investment
- ❖ PERT and CPM

9. Define budgetary control?

According to J.Batty “a system which uses budgets as a means of planning and controlling all aspects of producing and or selling commodities and services”.

10. Define budget?

According to J. Fred Meston “a budget is the expression of a firms plan in financial form for a period of time in to the future”.

11. What are the limitations of Budgeting?

- ❖ Inaccuracy
- ❖ Expenditure
- ❖ Distortion of goals

12. What is Zero Base Budgets?

Initially the budget is designed from a Zero base the main element is ZBB is future objective orientation.

13. What are the steps involves in ZBB?

- ❖ Decision package
- ❖ Ranking
- ❖ Allocation of resources

14. What is Internal Audit?

Internal audit is done by an internal auditor who is an employee of the organisation. He examines the objectives, policies, plans, procedures and performance of the management.

15. Define MIS

A system of obtaining abstracting, storing and analysing data to productions information for use in planning, controlling and decision making by managers at the time they can most effectively use it”

16. What are MIS Resources?

- ❖ To provide the information up to date
- ❖ To take effective decision making
- ❖ To provide the right information available in the right form at the right time

17. Define Productivity

Productivity is a measure of how much input is required to produce a given output the ratio is called productivity.

18. What are the factors affecting productivity?

- ❖ Technology
- ❖ Human resources
- ❖ Government policy
- ❖ Machinery and equipment
- ❖ Skill of the worker

19. What is OR?

OR is an applied decision theory, which uses scientific, mathematical and logical means to take decisions.

20. Define Multinational Corporations.

An enterprise which own or control production or service facilities outside the country in which they are based.

21. Write some advantages of MNC.

- ❖ MNC can promote quality product at lower cost.
- ❖ MNC leads to increase in production aggregate employment, exports and imports of the required inputs.
- ❖ MNC is paying taxes their operations increase government revenues.

22. What are global theory of management?

- ❖ Situational and contingency approach.
- ❖ Motivation and leadership theory.
- ❖ Organisational behaviour.

23. Write some characteristics of Japanese management.

- ❖ Japanese management prefer to human resources than it financial resources.
- ❖ Japanese management favours job security.
- ❖ Japanese are more favour to cooperation and teamwork.
- ❖ Japanese management encourage the lower level employees' participation.

24. Write some limitations of Japanese management.

- ❖ Decision making process is time-consuming process.
- ❖ Promotion policy is not encourage outstanding younger employee.

25. Write some characteristics of German management.

- ❖ German management is autocratic.
- ❖ Labour suggestions also accepted.
- ❖ Managerial decisions are taken by the executive committee consultation with labour direction.