



## BUSINESS STUDIES

### BOOKS - VK GLOBAL PUBLICATION BUSINESS STUDIES (HINGLISH)

#### NATURE AND SIGNIFICANCE OF MANAGEMENT

Think As You Read

1. Define management.

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2. Management is the process of getting thing done.' State the meaning of the term'process' used in this statement.

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**3. What is meant by 'Effectiveness in Management'?**



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**4. What is meant by 'Efficiency' in Management?**



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**5. Why is management concerned with the efficient use of resources?**



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**6. Identify the functions of management:**

- (i) Leading, influencing and motivating employees to perform the tasks assigned to them.
- (ii) Recruitment and selection of the personnel.



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7. Name any two important characteristics of management.



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8. Why is management a group activity?



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9. Why is management a pervasive function?



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10. In order to be successful an organisation must change its goals according to the needs of the environment.' Which characteristic of management is highlighted in the statement?



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11. What is meant by 'Management of people'?



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12. What is meant by 'Management of Work'?



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13. Why is profit essential as an organisational objective of management?



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14. List any two organisational objectives of management.



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15. List any two personal objectives of management.

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16. A business needs to add to its prospects in the long run. Identify the organisational objective highlighted by this.

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17. One of the objectives of management is to consistently create economic value for various constituents of the society. Give two examples of this objective.

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18. One of the organisational objectives of management is 'growth of a business'. How can growth of a business be measured? Give any two examples.)

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19. Management helps in achieving group goals. How?

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20. How does management increase efficiency?

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21. Management helps in development of society. How?

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22. Through \_\_\_\_ management helps individuals to develop team spirit, cooperation and commitment to group success.

- A. Coordination
- B. Supervision
- C. Controlling
- D. Motivation and leadership

**Answer: d.) Motivation and leadership**



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23. Name the level of management:

- (a) overseeing the efforts of the workforce
- (b) formulating organisational goals



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24. Foremen and Supervisors comprise \_\_\_\_\_ .

- A. Top level of management
- B. Middle level of management
- C. Operational management
- D. None of these

**Answer: (c) Operational management**



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25. "A manager applies the various theories of management in his unique personalised way." What aspect of nature of management does this statement indicate?



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26. "Management is a systematised body of knowledge that explains certain general truths." What nature of management is highlighted here?



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27. Which of the following is not a function of management?

A. Planning

B. Staffing

C. Coordination

D. Controlling

**Answer:**



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**28.** It is the force which binds all 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 organisation. Identify it.

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**29.** What is the purpose of coordination?

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**30.** How does coordination ensure unity of action in Management?

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**31.** State the relationship between cooperation and coordination.

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32. At which level of management coordination takes place in an organisation?

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33. How does coordination integrate group efforts?

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34. What is the primary reason for coordination?

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35. Why is coordination important?

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## 1 1 Application High Order Thinking Skills Hots And Evaluation Based Questions With Answer

1. A company's target production is 5000 units in a year. To achieve this target the manager has to operate on double shifts due to power failure most of the time. The manager is able to produce 5000 units but at a higher production cost.

(a) Is the manager effective and efficient? Give reasons.

Why is it important for a manager to be both effective and effective and efficient? Explain.



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2. Nishtha is a manager of a company selling laptops. She plans the target sale of 2000 laptops per month. She allocates necessary resources to carry out the plan. She has six salesmen working under her. She works with them, guiding and motivating them to achieve the

target sales. At the end of the month, after comparison of actual sales with the target sales she found that actual sales exceeded the target sales. Identify, by quoting the lines from the above paragraph, the functions of management Nishtha is performing. Explain these functions.



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**3.** McDonalds, the fast food giant made major changes in its menu to be able to survive in the Indian market.

- (a) State the characteristic of management highlighted in the above statement.
- (b) Explain any four other characteristics of management.



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**4.** XYZ Power Ltd. Set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural

areas. The revenue earned by the company was sufficient to cover the costs and the risks. The demand of lanterns was increasing day by day, so the company decided to employ people from the nearby villages as very few job opportunities were available in that area. The company also decided to open school and creches for the children of its employees.

Identify and explain the objectives of management discussed above.



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5. Fashion India Limited is a chain of ladies garments boutiques where most of the work is done manually. Due to coming of international brands in India, the company is finding it difficult to compete on two fronts - finishing and embroidery work. The production manager realised that without modern machines it would not be possible for them to survive for long. The company purchased new hi-tech modern machines from Germany. During the production process, the manager observed that the quality of production is not as per standard and

very often production is disrupted due to break-down of machinery. The workers get frustrated by continuous rejection of output and started showing resistance towards new technology. To increase the efficiency of the workers, the company decided to train their worker on-the-job under the able guidance of specialists. The worker who are able to pick the skills are promoted and made in-charge of the not so trained groups. This created positive impact and encouraged to communicate freely.

Identify and explain any three points of importance of management highlighted in the above case by quoting the lines.



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**6.** Mr. Shiv Sharma and Ms. Suhasini are both managers of HTL Ltd. Mr. Shiv is the CEO of the company and Ms. Suhasini is a branch manager at HTL Ltd. They manage the enterprise at different levels. At which levels of management are they working in HTL Ltd.? State any two functions which they must be performing at HTL Ltd.



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7. B Ltd. Wants to modify its existing product, DVD player in the market due to decreasing sales,. State the functions of each level of management to give effect to this decision of the company.



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8. 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

(i) identify the level of management at which Ashutosh Goenka was working

(ii) State three other functions being performed by Ashutosh Goenka



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9. Rishitosh Mukherjee has recently joined AMV Ltd, a company manufacturing refrigerators. He found that his department was understaffed and other departments were not cooperating with his department for smooth functioning of the organisation. Therefore, he ensured that his department has the required number of employees and its cooperation with other departments is improved.

- (i) Identify the level at which Rishitosh Mukherjee was working
- (ii) Also state three more functions required to be performed by Rishitosh Mukherjee at this level.

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## 11 Test Your Understanding

1. "Successful organizations do not achieve their goals by chance but by following a deliberate process". Identify the process highlighted here.

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2. Name that intangible force which creates productive relationships among resources of an organisation.

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3. Which function of management relates to assigning duties, grouping tasks, establishing authority and allocating resources required to carry out a specific plan?

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4. Match the example in column I with the function in column II:

Column I (Example)	Column II (Function)
(i) Matching outcomes with targets	(a) Planning
(ii) Objectives	(b) Organising
(iii) Resources for implementation	(c) Directing
(iv) Recruitment and training	(d) Staffing
(v) Supervision and motivation	(e) Controlling

Select from the following choices:

A.

(i) – e,      (ii) – c,      (iii) – d,      (iv) – a,      (v) – b

B.

(i) – e,      (ii) – a,      (iii) – c,      (iv) – b,      (v) – d

C.

(i) – e,      (ii) – a,      (iii) – b,      (iv) – c,      (v) – d

D.

(i) – e,      (ii) – a,      (iii) – b,      (iv) – d,      (v) – c

**Answer: D**



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5. A production manager was able to produce the desired output with minimum cost but not within the required time. In this case the manager was:

- A. Effective only
- B. Efficient only
- C. Both effective and efficient
- D. Neither effective nor efficient

**Answer: A**

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6. Hero Ltd's target is to produce 10,000 shirts per month at a cost of Rs.150 per shirt. The production manager could achieve this target at a cost of Rs. 160 per shirt. Do you think the production manager is effective? Give reason in support of your answer

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7. Vrinda Ltd. Is able to achieve the target production of 5000 units within the prescribed period. However, to achieve the target on time, additional Rs.40,000 were paid as overtime wages to employees. Do you think Vrinda Ltd. Is effective and efficient in its working?



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8. Name the process of working with and through others to effectively achieve organisational objectives by efficiently using limited resources in the changing environment.



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9. Suhasini, the General Manager of Fabmart, performs the managerial functions of planning, organising, staffing, directing and controlling as an ongoing process. Which management feature is highlighted by this?



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**10.** Directors of Aman Ltd. Assigned the task of implementing the plans and policies framed by the board to all the departmental heads. Departmental heads appointed supervisors, superintendent, executives, etc. so that work can be assigned to workers as per the plan, supervisors kept a check on workers as per the plan. Identify the feature of management highlighted in above para.



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**11.** Social-Connect Pvt. Ltd. Is a mobile manufacturing company. The manager of the company observed that the market is dynamic and a lot of changes were taking place in the mobile market and hence, the risk of the product becoming obsolete is high. The designs of the phones are governed by requirements and preferences of the customers. He started incorporating new and advanced features taking clue from the consumers and with the help of his workers. Identify the characteristic of management highlighted in this case.



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**12.** Anushka Fabric Ltd. Has been able to achieved its production targets as per plans using a new German technology. Its employees are happy and satisfied with their pay scale and working environment in the organisation. All the work proceeds as per plans and there is orderliness in the entire functioning of the organisation. Identify the feature of the management discussed above.



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**13.** Why is management considered a multi-faceted concept?



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**14.** The following is not an objective of management:

- A. earning profits
- B. growth of the organisation
- C. providing employment
- D. policy making

**Answer: D ) policy making**

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**15.** To meet the objectives of the firm, the Asian Paints contributed a large amount of funds to enable farmers to use local resources effectively. Identify the management objective it tried to achieve.

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**16.** Radhika Ltd. Uses environment-friendly methods of production. Identify the objective it is trying to achieve.





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17. In the first year of operation, the revenues generated by Max Industries from sale of its products are just sufficient to cover the cost of production. Which organisational objective is met in the given case?



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18. ABC Group of companies decided to donate 2% of its sales to 'Child Right and You (CRY)' for improving the condition of children in India. This initiative by the company was highly appreciated by the public and their sales increased by 10%. Identify the objective of management depicted in the given case.



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19. Management of Alpha Ltd. Has installed a special recycling plant to recycle the waste instead of dumping the waste in ground. It is also providing employment opportunities to local resident. Company started a school nearby for the children of their employees. Identify the objective of management the company is fulfilling.



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20. The manager of Beta Ltd. Is very efficient and effective and makes sure that all the employees and workers in this team performs the task on time with minimum cost. His main focus is on cost reduction. So he never listens to the demand of workers for increasing wages. He even gives no opportunity to workers for promotion. As a result workers started becoming frustrated and disheartened all the time. Which objective of management could not be achieved by the manager?



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21. Raheja Ltd. Is diversifying its product lines. What organisational objective it is trying to achieve?

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22. How does management help individual to develop team spirit, cooperation and commitment to group success?

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23. Rajiv Automobiles aims to produce and sell 1,00,000 cars in 2019. To achieve this objective, the production department strives for timely production and sales department takes all possible steps to sell them. Due to combined efforts of all the departments, the company is able to achieve its target. Which significance of management is highlighted in the given case?

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**24.** Policy formulation is the function of

- A. top level managers
- B. middle level managers
- C. operational level
- D. all of the above

**Answer: A) top level managers**



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**25.** Ritu is the manager of the northern division of a large corporate house. At what level of management does she work in the organisation?

What is her main task?



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**26.** Your grandfather is working in an MNC as chief operating officer. At which level of management he is working?



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**27.** At which level of management are the managers responsible for maintaining the quality of output and the safety standards?



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**28.** Name the level of management at which the managers are responsible for implementing and controlling the plans and strategies of the organisation.



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**29.** At which level of management the managers are responsible for the welfare and survival of the organisation?



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**30.** Sarthak Jain is responsible for framing plans and policies of Neel Madhav Ltd. At which management level, he is working?



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**31.** Name the levels of management engaged in:

- (i) Introducing a new product line and deciding the capital structure of the company.
- (ii) Recruitment of casual labourers.
- (iii) Devise a suitable advertising campaign to sell a new product/service a company is launching.



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32. Dheeraj is working as 'Operations Manager' in Tifco Ltd. Name the managerial level at which he is working.



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## 1 2 Application High Order Thinking Skills Hots And Evaluation Based Questions With Answer

1. Hema is one of the most successful managers of her company, 'Kobe Ltd.' She uses her creativity and initiative in handling challenging situations at work. The knowledge gained by her during her student days at a renowned management institute as well as through her observation and experience over the year is applied by Hema in a skillful manner in the context of the realities of a given situation. She often reads books and other literature in various fields of management to keep her knowledge updated.

(i) An aspect of the nature of management is being highlighted in the

above description. Identify the aspect.

(ii) Explain any three features of the aspect identified in part-(i).



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2. Akshat and Kshitiz are managers at the same level of management in a company. Akshat says that management is an 'art' whereas Kshitiz says that management is a 'science'. As the director of the company, explain the true nature of management to Akshat and Kshitiz.



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3. Aman, Ahmad and Ally are partners in a firm engaged in the distribution of dairy products in Maharashtra state. Aman is a holder of Senior Secondary School Certificate from 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 professions are the only professions because they fulfil all the conditions of a 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.



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## 12 Test Your Understanding

1. In today's scenario, organisations look for individuals with specific qualifications and experience to manage them. It has also been observed that there has been an increase in the corporate form of business and increasing emphasis on managed business concerns.

What does the above statement imply?



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2. A. R. Rehman is the first Indian to win Oscar award for his composition 'Jai Ho'. His composition of music is unique as he has used the singing notes in a manner that is entirely his own interpretation. Like A. R. Rehman, Mr. Suman, General Manager in Star Ltd., uses his knowledge of management in a unique manner. All the employees working under his guidance are happy and satisfied because of his good behaviour. He everyday rewards/appreciates the employees for being on time, performing their assigned tasks with best of their capabilities. Moreover, Mr. Suman treats all his employees as fairly as possible. He does not discriminate his employees on the basis of sex, religion, caste, belief, etc.

Identify the nature of the management highlighted in the above case.



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3. "Management is the systematized body of knowledge that explains certain general truths." Identify the nature of the management

highlighted in the statement.



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4. "Management is skillful and personal application of existing knowledge to achieve desired results." Identify the nature of the management highlighted in the statement.



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### 1 3 Application High Order Thinking Skills Hots And Evaluation Based Questions With Answer

1. In Flipmart Co. Ltd. The production and sales departments have to coordinate their work, so that production takes place according to the demand in the market.

(a) State the feature of coordination highlighted above.

(b) Explain any two points highlighting the importance of coordination in an organisation.

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2. In a company, the marketing department's objective is to increase sales by 10 percent by offering discounts. But the finance department does not approve such discounts as it means loss of revenue.

These kinds of conflict arise in organisations because of the lack of one of the concepts of management.

(a) Identify and explain the concept of management highlighted above.

(b) State the characteristic of management the company is violating.

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3. Company X is facing a lot of problems these days. It manufactures white goods like washing machines, microwave ovens, refrigerators and air conditioners. The company's margins are under pressure and the

profits and market share are declining. The production department blames marketing department for not meeting sales targets and marketing department blames production department for producing goods, which are not of good quality meeting customers expectations. The finance department blames both production and marketing departments for declining return on investment.

- (a) What quality of management do you think the company is lacking?
- (b) Explain any five features of the concept of the management identified in part (a).



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### 13 Test Your Understanding

1. In X Ltd., the purchase department purchased 10 tonnes of raw material for the production department. However, the production department needed just 7 tonnes. Due to this reason, goods were over produced and were not accepted by Sales department. As a result, some

goods remained unsold. Which aspect of management the company is lacking?

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2. Name the process which provides the requisite amount, quality, timing and sequence of efforts and ensures that planned objectives are achieved with a minimum of conflict.

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3. "Coordination is needed at all levels of management." State the characteristic of coordination highlighted in the statement.

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4. Modern organisations are characterised by a high degree of specialisation. Specialisation arises out of the complexities of modern

technology and the diversity of tasks to be performed. Oransisation, therefore, need to employ a number of specialists. Specialists usually think that they onyl are qualified to evaluate, judge and decide according to their professional criteria. They do not take advice or suggestions from others. This often leads to conflict amongst different specialists as well as others in the organisation. State the reason why coordination is required in such a case.



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## Brain Teaser

1. Forex Ltd. Is a private limited company with several branches all over India. It promotes the sales of Indian handloom and handicraft products while providing equitable employment to traditional artisans. Mr. Brijesh, a baranch manager of the company plans his winter collection in the month of June itself. He has to ensure that there is adequate workforce and continuously monitor whether production is

processing according to plans. He also provides direction and motivation to his employees. The purchase, production and sales departmental efforts are coordinated by Mr. Brijesh for achieving organisational objectives harmoniously. The production and the sales departments coordinate their work, so that production takes place according to the demand in the market. The purchase department is responsible for procuring material. This then becomes the basis of the activities of the production department and finally sales can take place.

- (a) Identify any three functions of management performed by Mr. Brijesh in Forex Ltd. by quoting lines from the above case.
- (b) Identify and explain any two features of coordination discussed in the above case.



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2. The management of Vrinda Ltd. Strongly believes that the members of an organisation should work towards fulfilling the common organisational goals. This requires team work and integration of efforts



of all individuals, departments and specialists. This is because all the individuals and departments depend on each other for information and resources to perform their respective activities. Managers need to reconcile differences in approach, timing, effort or interest. At the same time it should enable all its members to grow and develop. Thus, there is a need to harmonise individual goals and organisational goals.

- (a) Identify and explain the concept of management discussed above.
- (b) State the characteristic of management which is reflected from the above para.



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3. In which two functions of management do managers at the top level spend more time than managers at lower level of the organisations?



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4. Name the level of management which is a team consisting of managers from different functional levels, heading finance, marketing, etc, for example, chief finance officer, vice president (marketing).

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5. Name the process of designing and maintaining an environment in which individuals working together in groups efficiently accomplish selected aims.

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6. To meet the objectives of the firm, the management of Bhavya Ltd. Offers employment to physically challenged persons. Identify the organisational objective it is trying to achieve. Give reason in support of your answer.

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## Self Evaluation Test 1

1. Volvo Ltd.'s target is to produce 10,000 shirts per month at a cost of Rs. 100/- per shirt. The Production Manager achieved this target at a cost of Rs. 190/- per shirt. Do you think the Production Manager is effective? Give reasons in support of your answer.



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2. "Science is a systematised body of knowledge that explains certain general truths or the operation of general laws." In the light of this statement, describe whether management is a science.



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3. Sanjana is the branch manager of ABC Handicrafts Pvt. Ltd. The company's objective is to promote the sales of Indian handloom and handicraft products. It sells fabrics, furnishings, readymades and household items made out of traditional Indian fabrics. Sanjana decides quantities, variety, colour and texture of all the above items and then allocates resources for their purchase from different suppliers. She appoints a team of designers and crafts people in the company, who developed some prints for bed covers in bright colours on silk. Although they looked very impressive, they were more expensive than they had planned to sell. Average customer could not afford to buy it. Praising their effort, Sanjana suggested that they should keep the silk bed covers for special occasions like Diwali and Christmas and offer the cotton bed covers on a regular basis to keep costs under control

Identify and state the functions of management which Sanjana performs by quoting the lines from the above para.



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4. "Coordination is the orderly arrangement of group efforts to provide unity of action in the pursuit of common purpose." In the light of this statement, explain the nature of coordination.



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5. H. Tech Ltd. is a company producing IT services. The company's profits are enough for the survival and growth. The management of the company believes that a satisfied employee creates a satisfied customer, growth. The management of the company believes that a satisfied employee creates a satisfied customer, who in turn creates profits that lead to satisfied shareholders. So, it pays competitive salaries and perks to all its employees. All the employees are happy working in the organisation because of personal growth and development.

The company has a strong sense of social responsibility. It has set up an engineering college in which one-third of the students are girls to whom the company gives 50% scholarship.

Is the management of H. Tech Ltd. fulfilling its objectives? Justify your answer by giving reasons.



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## Self Evaluation Test 2

1. Justify how coordination is (a) a continuous process (b) an all-pervasive function.



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2. Govinda Ltd. Is a highly reputed company. Different functions are performed by different individuals in this company, who are bound together in a hierarchy of relationships. Every individual in the hierarchy is responsible for successful completion of a particular task. Mr. Gauranga is responsible for the welfare and survival of the organisation. He formulates overall organisational goals and strategies

for their achievement. Mr. Nityanand ensures that quality of output is maintained, wastage of materials is minimised and safety standards are maintained. Mr. Sanatan assigns necessary duties and responsibilities

At What levels of management are Mr. Gauranga, Mr. Nityanand and Mr. Sanatan working in Govinda Ltd.? Justify your answer.



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3. Kamal, Khan and David are partners in a firm engaged in the distribution of dairy products in Madhya Pradesh. Kamal is a holder of Senior Secondary School Certificate from Central Board of Secondary Education with Business Studies as one of his elective subjects. Khan had done his post- graduation in Hindi literature and David in Dairy Farming. One day there was a serious discussion between Khan and David regarding the nature of Management as a Science. Khan argued that Management is not a science whereas David was of the opinion that Management is a science. Kamal intervened and corrected both Khan and David about the nature of Management as a Science with the

help of his knowledge of Business Studies. Explain, how Kamal would have been able to satisfy both Khan and David.



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4. "Management seeks to achieve certain objectives which must be derived from the basic purpose of the business." In the light of this statement, explain the objectives of management.



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5. Successful organisations do not achieve their goals by chance but by following a deliberate process. Identify it and explain its importance by giving any five points.



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