



BUSINESS STUDIES

BOOKS - VK GLOBAL PUBLICATION

BUSINESS STUDIES (HINGLISH)

PRINCIPLES OF MANAGEMENT

Think As You Read

1. Management principles are not the principles of pure science. Write any one

difference.



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2. How are principles of management formed ?

- A. In a laboratory
- B. By experiences of management
- C. By experiences of customers
- D. By propagation of social scientists

Answer: b.) By experiences of management



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3. The principles of management are guidelines to action but do not provide readymade straitjacket solutions to all managerial problems. Why ?



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4. The principles of management are not rigid prescriptions. What does this highlight about the nature of principles of management ?



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5. Why is it said that the principles of management are universal ?



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6. Why is it said principles of management are flexible ?



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7. Why is it said that management principles are contingent ?

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8. Accurate cause and effect relationship cannot be established by principles of management. Why ?

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9. Why do principles of management try to establish the relationship between cause and effect ? State.



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10. Why have the principles of management gained importance these days ?



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11. Principles of management ar NOT

A. Universal

B. Flexible

C. Absolute

D. Benavioural

Answer: c.) Absolute



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12. In a company there are four departments for finance, Marketing, production and human resource development. Identify the principle of management used in this company.



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13. Why did Fayol introduce the concept of 'Gang Plank' in the principle of 'Scalar Chain' ?



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14. Name the principle of management which resembles military organisation.



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15. If the company does not provide the right place for physical and human resources, which principle of management is violated ?



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16. Which principle of management envisages that each group of activities having same objectives must have one head and one plan ?



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17. Which principle of management suggests that employees should be treated with justice and kindness ?



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18. Identify the principle of Fayol which emphasises that wages and salaries paid to the employees should be just and equitable.



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19. Fayol points out the danger and costs of unnecessary labour turnover in one of his 'Principles'. Name the principle.



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20. According to Fayol, workers should be encouraged to develop and carry out their plans for improvements. A good company should have an employee suggestion system whereby initiative/suggestions which result in substantial cost/time reduction should be rewarded.

Identify the principle of management highlighted above.



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21. According to Fayol, personnel should be selected and appointed after due and rigorous procedure.

But once selected they should be given reasonable time to show results.

Identify the principle of management highlighted above.



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22. Which principle of scientific management suggests the introduction of scientific investigation and analysis of management practices ?



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23. Which of the following is not a principle of management given by Taylor ?

A. Science, not rule of the Thumb

B. Functional foremanship

C. Maximum not restricted output

D. Harmony not discord

Answer:



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24. What is meant by 'mental revolution' according to Taylor ?



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25. Principle of 'cooperation, not individualism' is an extension of which principle given by Taylor ?



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26. Which principle of Taylor advocates scientific enquiry as opposed to hit and trial method ?



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27. Which technique of scientific management is an extension of the principle of division of work and specialisation on the shop floor ?



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28. Management should find 'One best way' to perform a task. Which technique of Scientific management is highlighted here ?



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29. Name the technique of scientific management which helps in establishing interchange ability of manufactured parts and products.



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30. Which technique of scientific management aims at elimination of superfluous varieties, sizes and dimensions of the product ?



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31. On which principle of management, Taylor's technique of functional foremanship is based ?



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32. Name the technique of scientific management which differentiates between efficient and inefficient workers.



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33. Name the technique of scientific management which focuses on separation of planning and execution functions.



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34. What is the difference between Standardisation and Simplification of work ?



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35. Different techniques were developed by Taylor to facilitate principles of scientific management. One of them is 'Fatigue Study'.

What is the objective of this study ?



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36. What is the objective of 'Time Study' ?



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37. What is the objective of 'Method Study' as a technique of scientific management ?



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Hots Based Questions With Answers

1. The principle of 'equity today does not apply to wages alone. Value to the customer, care for the environment, dealings with business associates would all come under the purview

of this principle.

Today, we find that Public Sector Undertakings (PSUs) have developed entire townships as, for example, BHEL has developed Ranipur in Herdwar (Uttaranchal).

Similarly, Shri Mahila Griha Udyog Lijjat Papad is famous for its quality Papad throughout the world. The organisation which started with a modest loan of Rs. 80 now has a turnover of over Rs. 301 crorr. Its exports exceed Rs. 10 crore. The company has at least 61 branches. The company is synthesis of three core value (or concepts), namely the concept of business,

the concept of family and the concept of devotion. All its dealings are carried out on a sound and pragmatic footing-production of quality goods and at reasonable prices. Besides, its member-sisters donate collectively for good cause from time-to-time according to their capacity. All the affairs of the institution are dealt with in a manner similar to that of a family carrying out its own daily household chores. For the member-sisters employees and well-wishers, the institution is never merely a place to earn one's livelihood-it is a place of worship to devote one's energy not for his or

her own benefits but for the benefit of all. In this institution workshop. The institution is open to everybody who has faith in its basic concepts.

(a) To what aspect of the significance of principles of management would you attribute the endeavours of BHEL and Shri Mahila Griha Lijjat Papad ?

(b) Explain any four other points of significance of principles of management.



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2. In a company, sales manager has to negotiate a deal with a buyer. She finds that if she can offer credit period of 60 days she is likely to clinch the deal which is supposed to fetch the company net margin of say Rs. 50 crore. But the company gives power to the manager to offer a credit period of only 40 days. As a result, she could not negotiate the deal with the buyer.

(a) Is the sales manager liable for this ? Give reason in support of your answer.

(b) Should the sales manager be given

a power to offer a credit period of 100 days ?

Justify your answer.



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3. Loyd Co. Ltd. Manufactures motorcycles and cars. It has two separate division has its own incharge, and execution resources. On no account the working them. Each divisions overlap. Which principle of management is followed by Loyd Co. Ltd. ?



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4. In a formal organisation, a worker cannot directly contact the CEO of the company. If at all he has to, then all the formal levels, i.e. foreman, superintendent, manager, director, etc. have to know about the matter. However, in an emergency it can be possible that a worker can contact CEO directly.

(a) Identify and state the principle of management highlighted above.

(b) State the device that can be used when in

an emergency a worker can contact CEO directly.



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5. Zoya Internation Ltd. is a multinational company in which people of various nationalities work together with a term spirit of unity and harmony in a discrimination free environment. Equal opportunities are available for everyone in the company. The pay and compensation of all the employees is just and

equitable.

(a) State the principle of management being followed by Zoya International Ltd.

(b) What benefit will Zoya International Ltd. derive by following the principles in part (a).



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6. Zaika Ltd. is a company manufacturing garments under the brand name 'Amol'. The management of the company does not give workers reasonable time to show results. Even

the management does not promote a team spirit of unity and harmony among the workers. The workers often have to work under two superiors at the same time.

(a) Identify and state the principles of management overlooked in the above case.

(b) State the consequences which Zaika Ltd. will have to face by not following the principles indentified in part (a).



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7. F' limited was engaged in the business of food processing and selling its products its products under a popular brand. Lately the business was expanding due to good quality and reasonable prices. Also with more people working the market processed food was increasing. New players were also coming to case jin on the new trend. In order to keep its market share in the short run the company directed its existing workforce to work overtime.

But this resulted in many problems . Due to

increased pressure of work the efficiency of the workers declined. Sometimes the subordinates had to work for more than one superior resulting in declining efficiency. The divisions that were previously working on one product superior resulting in declining efficiency. The divisions that were previously work for than one superior resulting in declining efficiency. The divisions that were previously working on one product were also made to work on two or more products.

This resulted in a lot overlapping and wastage.

The spirit of teamwork, which had

characterised the company, previously was beginning to wane. The quality of the products was beginning to decline and market share was on the verge of decrease. Actually the company had implemented changes without creating the required infrastructure.

Identify and explain briefly any three principles of management given by Henri Fayol that were violated by the company.



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8. The production manager of an automobile company asked foreman to achieve a target production of 200 scooters per day. But he did not give him the authority to requisition tools and materials from the stores department. Can the Production manager blame the foreman if he is not able to achieve the desired target ? Explain briefly principle relating to the situation.



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9. Nutan Tiffin Box service was started in Mumbai by Mumbai Dabbawalas. The Dabbawalas who are the soul of entire Mumbai aim to provide prompt and efficient services by providing tasty homemade tiffin to all office goers at right time and place. The service is uninterrupted even on the days of bad weather, political unrest and social disturbances. Recently they have started online booking system through their website 'mydabbawala.com'. Owing to tremendous popularity amongst the happy and satisfied customers and members, the dabbawalas were

invited as guest lecturers by top business schools. The Dabbawalas operate in a group of 25-30 people along with a group leader. Each group teams up with other groups in order to deliver the tiffin on time. They are not transferred on frequent basis as they have to remember the addresses of their customers. They follow certain rules while doing trade- No alcohol during working hours , No leave without permission, Wearing a white cap & carrying ID cards during business hours.

State the three principles of management given by Fayol from the above case.



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10. Aapka Vidyalaya' believes in holistic development of students and encourages team building through a mix of curricular, co-curricular and sports activities. On its founders day a stage performance had to be put up. A committee of ten prefects was constituted to plan different aspects of the function. They all decided to use recycled paper for decoration. There was a spirit of unity and harmony and all members planned

and executed. Kartik, one of the prefects realised that unknowingly the group had applied one of the principles of management while planning and executing the programme. HE was so inspired by the success of the function that he asked his father to apply the same principle in his business. His Identify and explain the principle of management applied for the success of the programme.



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11. Nikita and Salman completed their MBA and started working in a multinational company at the same level. Both are working hard and are happy with their employer. Salman had the habit of backbiting and wrong reporting about his colleagues to impress his boss. All the employees in the organisation knew about it. At the time of performance appraisal the performance of Nikita was judged better than Salman. Even then their boss, Mohammed Sharif decided to promote Salman stating than being a female Nikita will not be able to

handle the complications of higher post.

Identify and explain the principle of management which was not followed by this multinational company.



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12. Rajat joined as a CEO of Bharat Ltd, a firm manufacturing Computer hardware. On the first day he addressed the employees. He said that he believed that a good company should have an employee suggestion system and he

wished to minimise employee turnover to maintain organisational efficiency. He informed all employees that he would ensure that all agreements were clear, fair and there was judicious application of penalties. However, he said that he believed that personnel should be dealt with sternly to send the message that everyone was equal in the eyes of management.

Also that he would want to Promote a team spirit of unity and harmony among employees, which would give rise to spirit of mutual trust and belongingness among team members and

eventually minimise need for using penalties. He told all present that the interests of the organisation should take priority over the interests of any one individual employee. Identify and briefly explain any four principles of management given by Fayol, which Rajat highlighted in his address to the employees.



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13. Appar Foundation is a Non Government Organisation (NGO) working to improve the

lives of children with medical needs, the homeless and victims of natural disasters. Apart from donations in cash, they collect dry ration, old clothes, shoes, toys, books and medicines from donors. At Appar Foundation's office in Bhopal the material collected is segregated, classified and put in shelves and boxes that are labelled systematically. There is a specific place for each these items and volunteers put everything at their respective places.

The volunteer work is divided into specific jobs like fund raising, field visit, social media

updates and so on. Each volunteer is part of a particular team, depending on their competency and training. Each volunteer becomes specialised in their respective field, leading to efficient utilisation of human effort.

(i) Identify and explain two principles of management adopted by Apaar Foundation.

(ii) State two values Apaar Foundation is displaying and promoting in society through their work.



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14. Sigma Ltd. Is a large company manufacturing electric motors. The company has several departments-Production, Marketing Finance and HR. Mr. Shashank, CEO of the company set a target sale of Rs. 10 crore in a month. To increase the sales, the marketing manager, Mr. Ishaan insists on offering 10 % discount to customers. But the finance manager, Mr. Mohak does not approve such discount as it would mean loss of revenue. Because of dual subordination, the sales manager, Mr. Anshik could not achieve the sales target.

(a) Which concept of management Sigma Ltd. is lacking ?

(b) Which principle of management has been overlooked by this company ? Explain.



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15. Deewan Ltd. Is a multinational consulting company with its head headquarters at Washington D.C. It hires young people from different countries of the world. It is a company in which people dream to work

because of its work-environment, pay and growth prospects. The company has a culture of open communication and people of various nationalities work together in a discrimination free environment. The behaviour of managers of Deewan Ltd. emphasizes kindliness and justice which ensures loyalty and devotion of workers.

It also promotes mutual trust and belongingness among team members. In this way managers of Deewan Ltd. are following some principles of management.

Identify and explain any two such principles.



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16. Mohan Ltd. is producing different lines of products viz. cosmetics, medicines, confectionary items, etc.

All activities of the company like purchase, production, sales, accounting, etc. share common Purchase, Production, Sales and Accounts departments. As a result, there is chaos and ineffective working of the organisation. No department is able to set specific targets related to each type of

product and is unable to give justice and full concentration to each product line. Moreover, employees remain confused regarding provision of their focus and attention to a particular product line. Identify the principle of management violated here.



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17. According to Taylor, there are various ways of doing the job. To determine the best way there are several parameters. Right from

procurement of raw materials till the final product is delivered to the customer every activity is part of it. For designing a car, the assembly line production would entail deciding the sequence of operations, place for men, machines and raw materials, etc. All this is part of this technique of scientific management. Ford Motor Company used this concept very successfully.

Even now auto companies are using it.

Taylor also demonstrated that productivity increased to about four times by following his another technique. On close examination of

body movements, He used stopwatches and various symbols and colours to indentify different movements. Through this technique, Taylor was able to design suitable equipment and tools to educate workers on their use.

Identify and explain the two techniques of scientific management highlighted above.



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18. Factory system of production implies that managers serve as a link between the owners

and the workers. Since as managers they had the mandate to 'get work done' from the workers, there always existed the possibility of a kind of class-conflict, the managers versus workers. Taylor recognised that this conflict helped none, the workers, the managers or the factory owners. Both should realise that each one is important. In such a situation even trade unions will not think of going on strike, etc. According to Taylor, Scientific management has for foundation the firm conviction that the true interests of the two are one and the same, that prosperity of the

business cannot exist for a long time unless it is such a situation. In Japanese companies, paternalistic style of management is in practice. There is complete openness between the management and workers. If at all workers go to strike they wear a black badge but work more than principle of scientific management highlighted in the above paragraph.

(b) To achieve a state like that of Japanese work culture, Taylor called for called an important concept.

Identify and explain that concept.



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19. Taylor's prescription for efficiency depends to a large extent on personnel competencies. To increase efficiency, workers should be given the requires training. Efficient employees will product more and earn more. Efficiency also requires the search for one best method of doing the job. The best method chosen must lead to determination of a fair day's work. There must be a compensation system that differentiates those who are able to result of the joint efforts of the managers and the

workers. Thus, rather than quarrelling over the share in the resultant surplus, the workers and managers should work in harmony for maximising the output rather than restricting it.

Identify and explain the principles/techniques of scientific management as given by Taylor discussed above.



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20. Karan Nath over 'D' north Motor Company' from his ailing father three months ago. In the past the company was not performing well. Karan was determined to improve the company's performance. He observed that the methods of production as well as selection of employees in the company were not scientific. He believed that there was only best method to maximise efficiency. He also felt that once the method is developed, the workers of the company should be trained be trained to learn that 'best method'.

He asked the Production Manager to develop the best method and carry out the necessary training. The Production Manager developed this method using several parameters eight from deciding the sequence of operations, place for men, machines and raw materials till delivery of the product to the customers. This method was implemented throughout the organisation. It helped in increasing the output, improving the quality and reducing the cost and wastage.

Identify and explain the principles and the technique of scientific management followed

by the

Production Manager in the above case.



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21. Sanchit, after completing his entrepreneurship course from Sweden returned to India and started a coffee shop 'Aroma Coffee Can' in a famous mall in New Delhi. The speciality of the coffee shop was the special aroma of coffee and a wide keen to find out the reason. He appointed Sandhya, an

neither Profitable nor popular. Sanchit was keen to find out the reason. He appointed Sandhya, an MBA from a reputed college, as a manager to find out the causes for the same. Sandhya took feedback from the clients and found out that though they loved the special unique aroma of coffee but were not happy with the long waiting time being taken to process the order. She analysed and found out that there were many unnecessary obstructions in between which could be eliminated. She fixed a standard time for processing the order.

She also realised that there were some flavours whose demand was not enough. So, she also decided to stop the sale of such flavours. As a result within a short period Sandhya was able to attract the customers.

Identify and explain any techniques of scientific management used by Sandhya to solve the problem.



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22. Taylor's techniques of management are universally applicable. Do you agree ? Give reasons in support of your answer.



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Understanding Based Questions

1. The principles of management are significant because of

(a) Increase in efficiency

(b) Initiative

(c) Optimum utilisation of resources

(d) Adaptation to changing technology



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2. How do principles of management help in meeting changing environment requirements ? What nature of principles of management does this highlight ?



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3. In an organisation, a sales person is asked to clinch a deal with a buyer and is allowed to give 10 % discount by the marketing manager. But finance department tells him not to offer more than 5 % discount. Which principle of management is missing in the above case and how this can be avoided ?



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4. In a company, management and labour union have entered into an agreement

whereby workers have agreed to put in extra hours without any additional payment to revive the company out of loss. In return the agreement, the workers worked overtime and within two months, the company's losses were wiped out. Soon the company started earning high profits. All this was due to the hard work and commitment of the workers. But the company denied to increase wages of the workers as per the agreement.

State the principle of management violated in the above case.

5. Kushal Ltd. is a leading automobile company in which the various department are setting up their own objectives without paying any interest to the organisational objectives.

Identify the principle of management which has been overlooked by this organisation.



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6. An organisation follows the principles of management. What are the positive effects of each of the following principles of management on the organisation ?

(i) Order , (ii) Unity of direction , (iii) Division of work



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7. The manager of an organisation knows that one of the newly appointed workers belongs

to the reserved category and he always undermines the employees' performance. Identify the principle of management violated by the manager.



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8. Anand was continuously shifted from one job to another in the organisation without giving him adequate time to principle of management overlooked here.



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9. Name the principle of management which requires judicious application of penalties by the management.



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10. A manager should have the right to punish a subordinate for wilfully not obeying a lenitimate order but only after sufficient opportunity has been given to his/her case.

Identify the principle of management highlighted here.



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11. Following this principle of management will minimise the need for using penalties, but following it may result in a loss of coordination. Identify the principle.



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12. The production manager of Harsh Ltd. instructs a salesman to go slow in selling the product, whereas the marketing manager is insisting on fast selling to achieve the target. Which principle of management is being violated in this case ?



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13. Kanika and Priyanka are typists in company having the same educational qualifications.

Kanika is getting Rs. 16,000 per month and Priyanka Rs. 10,000 per month as salary for the same working hours. Which principle of management is violated in this case ?



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14. Rishabh, a manager, very often speaks to people at all levels, passing on instructions regarding his department and also the other departments. Which principle of management is being overlooked ?



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15. Name the principle of management according to which a manager should replace 'I' with 'We' in all his conversations with the workers.



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16. In each of the following cases which principle of management as given by Henri Fayol is being violated

(a) When no division of the company has a separate plan of action.

(b) When a manager awards contract for supply of raw material to a particular party, which happens to be owned by his relative ignoring other parties, who can supply the same at cheaper rate.

(c) When a subordinate habitually contacts higher authorities in the company by passing his/her immediate superior.

(d) When the manager grants one month medical leave to a supervisor with pay and only one week medical leave to accountant.



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17. For the last two years, Tulip Industries is not functioning smoothly and systematically. The relations between management and employees are becoming bitter day-by-day. After a complete analysis, it was observed that employees are not working effectively and efficiently and management is not fulfilling its commitment of increments and promotions. Which management principle is being ignored in the given case ?



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18. Arun is a salesman in Sunrise Ltd. He did an aggressive research on a new cost saving advertisement technique and suggested the same to his sales manager. However, the sales manager did not any attention to his suggestion. Which principle of management is being violated by the sales manager ?



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19. Fast Cool Industries (AC manufacturing company) asked its employees to work overtime in order to meet growing demand of AC in the summer season. However, the employees were not paid overtime wages for extra time worked by them. As a result, the employees always felt dissatisfied and it led to unhealthy relationships between the employees and management. Identify the principle of management not observed by Fast Cool Industries.



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20. Mr. Prakash Chopra, General Manager of *M/s* Kwality Enterprises (Leather bags manufacturing company) retains complete authority over all activities of the business. No decision-making power is given to the subordinates. As a result, Mr. Prakash is always engaged in day-to-day operational activities and is unable to concentrate on core issues of the company. Identify the management principle violated by Mr. Prakash Chopra.



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21. Wizard Digitek Enterprises imports various computer parts from China and assembles them to make a complete computer. The total work involves three different tasks : assembling labelling and packing of computer. Each employee of the company independently performs these tasks. As a result, no employee is to gain specialisation in a particular field and the company is unable to fulfil the orders on time. Identify the principle of management

which can be followed by Wizard Digitek Enterprises to overcome this problem.



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22. Mr. Kapoor, Finance manager of ABC Ltd. applied for leave to attend a family function in Amritsar. The director of the company requested him to cancel his leave as there is an important meeting scheduled on that date. Mr. Kapoor immediately agreed and cancelled his trip as he thought that attending the

meeting was more important for company's benefit. Which principle of management is highlighted in this case ?



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23. A worker directly contacts the CEO of the company with a complaint regarding working conditions in the factory. Which of the following principles is being violated here ?

- (a) Unity of Command , (b) Unity of Direction
(c) Scalar Chain , (d) Discipline



24. According to Taylor, scientific method should be used to analyse methods of production prevalent under the rule of thumb. The best practices can be kept and further refined to develop a standard which should be followed throughout the organisation. These are the benchmarks, which must be adhered to during production. Its objective is to reduce a given line or product to fixed types, sizes and characteristics, and to establish interchange

ability of manufactured parts and products. Scientific management also aims at eliminating unnecessary diversity of products. Most large companies like Nokia, Toyota and Microsoft etc. have successfully implemented this technique of scientific management. This is evident their large share in their respective markets.

Identify the technique of scientific management highlighted in the above paragraph.



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25. According to Taylor, management should not close its ears to any constructive suggestions made by the employees. They should be rewarded for their suggestions which results in substantial reduction in costs. They should be part of management and, if any important decisions are taken, workers should be taken into confidence. At the same time, workers should desist from going on strike and making unreasonable demands on the management. Both should realise that they need each other. In fact, when will be

open communication system and good will there will be need for even a trade union. Paternalistic style of management, whereby the employer takes care of the needs of employees, would prevail as in the case of Japanese companies.

Identify the principle of scientific management highlighted in the above paragraph.



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26. In the factory set-up/system, Taylor concentrated on improving the performance of the managerial figure with whom the workers are in face-to-face contact on a daily basis. He is the pivot around whom revolves the entire production planning, implementation and control. In fact, Taylor identified a list of qualities of that person such as intelligence, education, tact, grit, judgement, special knowledge, manual dexterity, and energy, honesty and good health. Taylor found that no single person

could fit them all. This prompted him to suggest a technique of scientific management which is an extension of the principle of division of work and specialisation to shop floor. This concept was extended to the lowest level of the shop floor.

Identify the technique scientific management discussed in the above paragraph.



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27. Mr. Karan, HR Manager of a company, selects each person scientifically, assigns work to each employees according to her/his physical and, mental and intellectual capabilities, He also gives them the required training so that they may produce more and earn more. This will ensure their prosperity for both company and workers.

Identify the principle of management highlighted in the above case.



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28. In order to set up standard target of performance for workers, it was necessary for Shiv Ltd. To fix standard time for workers to perform a particular job. For this Mr. Ganesh, the Production Manager of the company observed the workers when they were performing the job. He used a stopwatch in hand and noted down the average time taken by workers for completion of the job. He repeated the same observation for 100 times and then calculated average time for the performance of the job. This was fixed as the

standard time on the basis of which efficient and inefficient workers were distinguished.

Identify the technique of scientific management followed by Mr. Ganesh.



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29. According to Taylor, even a small production activity like loading pigd of iron into boxcars can be scientifically planned and managed. This can redult in tremendous saving of human energy as well as wastage of

time and materials. The more sophisticated the processes, greater would be the savings. In the present context, the use of internet has brought about dramatic improvements in internal efficiencies and customer satisfaction. Identify the principle of management highlighted above.



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30. She/he keeps machines, materials, tools etc. ready for operation by concerned workers'.

Whose work is described by this sentence
under functional foremanship ?

A. Instruction Card Clerk

B. Repair Boss

C. Gang Boss

D. Route Clerk

Answer: C



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31. Which of the following statements best describes 'Mental Revolution' ?

A. It implies change of attitude.

B. The management and workers should not play the game of one upmanship.

C. Both management and workers require each other.

D. Workers should be paid more wages.

Answer: C



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32. Sitaram, the production manager of X Ltd., wants to increase the speed of packaging. In order to identify and eliminate unnecessary and unproductive movements of workers in packaging, he installed a CCTV camera in the factory. Which technique of scientific management is adopted by Sitaram ?



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33. Name the technique of scientific management which is the strongest motivator for a worker to reach standard performance.



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34. Why did Taylor introduce Differential piece wage system ?



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35. Identify the technique of scientific management which helps in eliminating unnecessary diversity of products and thus results in saving cost.



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36. Identify the techniques of scientific management, which are described by the statements given below.

(a) Each specialist is to assigned work

according to her/his qualities. For example, those with technical mastery, intelligence and grit may be given planning work. Those with energy and good health may be assigned execution work.

(b) Devising new varieties instead of the existing ones and eliminating unnecessary diversity of products.

(c) Fixing the standard time taken to perform a well-defined job so as to determine the number of workers to be employed, frame suitable incentive schemes and determine labour costs.

(d) Finding out one way of doing the job to minimise the cost of production and maximise the quality and satisfaction of the customer.



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37. Ram Kishan is the owner of a shoe manufacturing factory. He follows the traditional practice of fixing standard time of work based on his own past experiences. He could not MBA from FMS joined the business and suggested to fix the standard time by

analysing the work scientifically. The production increased and supply could match the demand. Which principle of scientific management of Taylor is highlighted in above case ?



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38. Same battery can be used in different mobile phones of a particular brand. This is an example of which of the following techniques of scientific management ?

A. Standardisation

B. Simplification

C. Method Study

D. Functional Foremanship

Answer: A



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39. Which of the following statement is FALSE about Taylor and Fayol ?

A. Fayol was a mining engineer where as Taylor was a mechanical engineer.

B. Fayol's principles are applicable in specialised situations whereas Taylor's principles have universal application.

C. Fayol's principles were formed through personal experience whereas Taylor's principles were formed through experimentation.

D. Fayol's principles are applicable at the top level of management whereas Taylor's principles are applicable at shop floor.

Answer: B



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40. Name any two new management techniques developed on the basis of principles of management.



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Brain Teaser

1. Flavours Ltd. Was engaged in the business of making handmade chocolates. Lately, the business was expanding due to good quality and reasonable prices. As the demand was increasing, Flavours Ltd. Decided to explore bakery products as well. In order to make bakery products the company directed its workforce to work overtime but this resulted

in multiple problems.

Due to increased pressure the efficiency declined and the workers had to take orders from more than one superior. Workers were overburdened and their health was also affected.

Gradually the quality of the products began to decline and market share also went. The company realised that had implemented changes without waiting for required infrastructure.

Identify and explain the principle/technique of Taylor/Fayol referred to in the above para.



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2. Raghav, a manager, expects his subordinates to adapt to the new environs and working conditions without giving them time to settle down.

Identify the principle of management overlooked by the manager.



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3. Pranav, a manager, expects his subordinates to work for the happiness and pleasure of being in the organisation.

Identify the principle of management violated by the manager.



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4. What light does the idea of 'Gang Plank' show about the nature of principles of management ?





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5. Which concept of management is the basis of principles and techniques of scientific management ?



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6. Principles of Taylor and Fayol are mutually complementary. One believed that management should not close its ears to constructive suggestions made by the

employees, while the other suggested that a good company should have an employee suggestion system, whereby suggestions which result in substantial time or cost reduction should be rewarded.

Identify the principles of Taylor and Fayol referred in the above para.



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7. Principles of Taylor and Fayol are mutually complement. One believed that the

management should scientifically select the person and the work assigned should suit his/her physical and intellectual capabilities, while the other suggested that the work can be performed more efficiently if divided into specialised tasks.

Identify and explain the principles of Fayol and Taylor referred to in above para.



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8. Beena, a student of management, likes to relate what she learnt in class to real life situations.

She observed many situations while watching educational programmes on television that remind her of concepts of scientific Management. In one such programme, factories manufacturing parts for products like automobiles, computers and mobile phones were being telecast.

Name the technique of Scientific management

that should be adhered to while manufacturing parts for such products.



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9. The sales manager assigned a target of selling 40 RO Water Purifiers in a month to a group of 10 sales executives. They mutually decided to sell 4 purifiers each. However, after selling 1 purifier, kshitij (one of the sales executive) met with an accident. The other sales executives did not pay any attention to

the remaining target of Kshitij and concentrated on their individual sales target. At the end of the month, only 37 purifiers could be sold. Identify the principle of management violated in the given case ?



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10. A company, Toyo Motor Ltd. Follows certain well-defined business principles guiding its functioning. These are : To provide clean and safe products and to enhance the quality of

life everywhere, to create and develop advanced technologies and provide outstanding products and services that fulfil the needs of customers worldwide and to foster a corporate culture that enhances individual creativity to develop and carry out their plans and teamwork value, while honouring mutual agreement and complete harmony and cooperation between management and labour, etc.

(a) Identify and explain any two principles of general management and two principles of scientific management followed by Toyo Motor

Ltd.

(b) Identify and explain the objective of management Toyo Motor Ltd. is fulfilling.



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11. Gopal, a manager of A Ltd. believes that the degree of concentration of authority or its dispersal will depend upon the situations of management is highlighted in the above case ?

(b) Which principle of management is highlighted here ? Explain.



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12. Fayol, in one of his principle, insists that employees deserve fair just wages or salary. But what is just and fair is determined by multiple factors, such as contribution of the employee, paying capacity of the employer and also prevailing wage rate for the occupation under consideration.

(a) Identify and state the feature of principles of management highlighted above.

(b) Identify and explain the principle of Fayol highlighted above.



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13. In today's dynamic businesses environment, companies are specialising in their core competency and divesting non-core businesses. In this context, one may cite decision of Hindustan Unilever Limited in

divesting non-core businesses of chemicals and seeds. Some companies are outsourcing their non-core activities like share-transfer management and advertising to outside agencies. So much so, that even core processes such as R&D, manufacturing and marketing are being outsourced today. Thus, significance of 'Business Process Outsourcing' (BPO) and 'Knowledge Process Outsourcing' (KPO) has increased.

(a) Identify the significance of principle of management highlighted above.

(b) Identify and explain the principle of

management followed by the companies which are outsourcing their non-core and core activities.



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Self Evaluation Test 1

1. Pawan is working as a 'production manager' in CFL Ltd. Engaged in manufacturing of CFL bulbs. There is no class conflict between the management and workers. The working

conditions are very good. The company is earning huge profits. As a policy matter, management is sharing the gains with the workers because they believe that prosperity of the company cannot exist for a long time without the prosperity of the employees.

Identify the principle of management described in the above para.



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2. Shreya, a manager feels that the employees should get enough time to adapt to a new environment to slow results. By doing so she is following a principle of management. Name and explain the principle.



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3. How is the Principle of 'Unity of Command' useful to management ? Explain briefly.



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4. Namita and Aslam completed their MBA and started working in a multinational company at the same level. Both are working hard and are happy with their employer. Aslam had the habit of backbiting and wrong reporting performance appraisal the performance of Namita was judged better than Aslam. Even then their boss, Saleem Khan decided to promote Aslam stating that being a female, Namita will not be able to handle the complications of a higher post.

Identify and explain the principle of management which was not followed by this multinational company.



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5. Explain 'order' and 'initiative' as principles of general management.



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6. Explain any three points regarding significance of principles of management.



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7. Briefly explain work study techniques that help in developing standards to be followed throughout the organisation.



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1. Which principle of management aims at securing the loyalty and devotion of the employees by given them kind, fair and just treatment ?



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2. How do principles of management help managers in taking decisions scientifically ?
State.



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3. If an organisation does not provide the right place for physical and human resources in an organisation, which principle principle is violated ? What are the consequences of it ?



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4. Distinguish between 'Unity of command' and 'Unity of direction' principle of

management on the basis of :

(i) Meaning (ii) Aim (iii) Implications



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5. Sanket, after completing his entrepreneurship course from U.S.A. returned to India and started a coffee shop 'Fioma Coffee' in a famous mall in Mumbai. The specialty of the coffee shop was the special aroma of coffee and a wide variety of flavours to choose from. Somehow, the business was neither profitable

nor popular.

Sanket was keen to find out the reason. He appointed Riya, an MBA from a reputed management institute as a manager to find out the causes of the business not doing well. Riya, took a feedback from the clients and found out that though they loved the special unique aroma of coffee but were not happy with the long waiting time being taken to process the order. She analysed and found out that there were many unnecessary obstructions which could be eliminated. She fixed a standard time for processing the order.

She also realised that there were many flavours whose demand was not enough. So, she also decided to discontinue the sale of such flavours. As a result, within a short period Riya was able to attract the customers.

Identify and explain any two techniques of scientific management used by Riya to solve the problem.



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6. State any three characteristics of principles of management.



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7. Explain the technique of 'Functional Foremanship' and the concept of 'Mental Revolution' as enunciated by Taylor.



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8. Explain the following principles of Scientific Management :

(a) Science, not rule of thumb

(b) Co-operation, not Individualism



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9. Discuss any four differences between the contributions of Taylor and Fayol.



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10. Principles of Taylor and Fayol are mutually complementary. One believed that management should share the gains with the workers, while the other suggested that employees compensation should depend on the earning capacity of the company and should give them a reasonable standard of living.

Identify and explain the principles of Fayol and Taylor referred to in the above para.



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