



BUSINESS STUDIES

BOOKS - ARIHANT BUSINESS STUDIES (HINGLISH)

PRINCIPLES OF MANAGEMENT

Check Point 1

1. How are management principles different

from techniques of management?



2. How do management principles fulfil social responsibility?



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3. Why do professional courses like MBA teach principles in their curriculum?



Check Point 2

1. What does principle of 'order' emphasise?



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2. Violation of which principle of management lead to confusion regarding work amongst employees.



3. Why is 'Equity' important in the organisation?



4. Define Initiative.



5. I should be replaced with 'we'. To which principle of management is this related?



Check Point 3

1. What is the function of a 'Disciplinarian?



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2. How does fatigue study help a worker?



3. Why is workers' training essential according to Taylor?



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4. Why is selection of 'One-best method' important?



5. Where does scientific management find application?



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Ncert Folder Multiple Choice

1. Principles of management are not

A. universal

B. flexible

- C. absolute
- D. behavioural

Answer: C



- **2.** How are principles of management formed?
 - A. In a laboratory
 - B. By experiences of managers
 - C. By experiences of customers

D. By propogation of social scientists

Answer: B



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3. The principles of management are significant because of

A. increase in efficiency

B. initiative

C. optimum utilisation of resources

D. adaptation to changing technology.

Answer: A



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4. Henri Fayol was a

A. social scientist

B. mining engineer

C. accountant

D. production engineer

Answer: B



- **5.** Which of the following statement best describes the principle of 'Division of work
 - A. Work should be divided into small tasks
 - B. Labour should be divided
 - C. Resources should be divided among jobs
 - D. It leads to specialisation

Answer: A



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6. She/he keeps machines, materials, tools etc., ready for operations 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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7. 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: B



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8. Management should find One best way to perform a task. Which technique of scientific management is defined in this statement?

A. Time study

B. Motion study

C. Fatigue study

D. Method study

Answer: D



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9. 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: A



- **10.** Which of the following statements is false about Taylor and Fayol?
 - A. Fayol was a mining engineer whereas

 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 management whereas Taylor's principles are applicable at the shop floor

Answer: B



Ncert Folder Short Answer

1. How is the principle of Unity of Command useful in management? Explain briefly



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2. Define scientific management. State any three of its principles.



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



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4. Explain any four points regarding significance of principles of management.



5. Explain by giving any five reasons, why principles of management are needed.



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6. Explain by giving any five reasons, why proper understanding of management principles is necessary.



7. Explain the principle of scalar chain and gang plank



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Ncert Folder Long Answer

1. Explain the principles of scientific management given by Taylor



2. Discuss in brief Taylor's principles of scientific management.



- **3.** Explain the following principles of management given by Fayol.
- (i) Unity of Direction
- (ii) Equity
- (iii) Esprit De Corps
- (iv) Order

(v) Centralisation and Decentralisation



(vi) Initiative

4. Explain the technique of 'functional foremanship and the concept of 'mental revolution as enunciated by Taylor.



- **5.** Discuss the following techniques of scientific work study
- (i) Time Study
- (ii) Motion Study
- (ii) Fatigue Study
- (iv) Method Study
- (v) Simplification and Standardisation of Work



6. Explain any five techniques, which facilitate application of the principles of scientific management



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7. Mention briefly the techniques of Taylor's scientific management.



8. Discuss the differences between the contributions of Taylor and Fayol.



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Ncert Folder Case Problems

1. 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 sreulting in declining efficiency. The divisions that were prviously working on one

prodoct 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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2. F Ltd was engaged in the business of food processing and selling 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 for processed food was increasing. New players were also coming to cash in 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 were also made to work on two or more products. This resulted in a lot of overlapping and wastage. The workers were becoming indisciplined. The spirit of teamwork, which had characterised the company previously, was beginning to wane. Workers were feeling cheated and initiative was declining. 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. Explain these principles in brief (i)Division of work (ii) Unity of command

- (iii) Unity of direction
- (vi) Discipline
- (v) Order
- (vi) Initiative
- (vii) Remuneration
- (viii) Esprit de corps



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3. F Ltd was engaged in the business of food processing and selling 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 for processed food was increasing. New players were also coming to cash in 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

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take in relation to the above principles to restore the company to its past glory?



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4. F Ltd was engaged in the business of food processing and selling 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 for processed food was increasing. New players were also coming to cash in 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 were also made to work on two or more products. This resulted in a lot of overlapping and wastage. The workers were becoming indisciplined. The spirit of teamwork, which had characterised the company previously, was beginning to wane. Workers were feeling cheated and initiative was declining. 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.

Discuss the relevance of Taylor and Fayol's contribution in the contemporary business environment.



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5. F Ltd was engaged in the business of food processing and selling 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 for processed food was increasing. New players were also coming to cash in 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 were also made to work on two or more products. This resulted in a lot of overlapping and wastage. The workers were becoming indisciplined. The spirit of teamwork, which had characterised the company previously, was beginning to wane. Workers were feeling cheated and initiative was declining. 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.

Taylor's principles of scientific management and Fayol's principles of management are mutually complementary. Do you agree? Give reasons in support of your answer.



6. The management of company F Ltd now, realised its folly. In order to rectify the

situation, it appointed a management consultant M consultants' to recommend a restructure plan to bring the company back on the rails. M consultants undertook a study of the production process at the plant of the company F Ltd and recommended the following changes:

management with regard to production

2. Production planning including routing, scheduling, dispatching and feedback should be implemented 3. In order to separate planning from operational management,

1. The company should introduce scientific

- functional foremanship' should be introduced.
- 4. Work study should be undertaken to optimise the use of resources.
- 5. Standardisation' of all activities should be implemented to increase efficiency and accountability.
- 6. To motivate the workers differential piece rate system should be implemented.
- 7. The above changes should be introduced apart from the steps recommended in case problem (as an answer to question number 3 of that case problem)

 It was expected that the changes will bring

about a radical transformation in the working of the company and it will regain its pristine glory.

Do you think that introduction of scientific management as recommended by 'M consultants will result in intended outcome?



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 It was expected that the changes will bring

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of the company and it will regain its pristine glory.

What precautions should the company undertake to implement the changes?



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Chapter Practice Multiple Choice

1. Which of the following are the statement of fundamental truth, which serve as guidelines for decisions and actions of managers?

- A. Values of management
- B. Principles of management
- C. Techniques of management
- D. None of the above

Answer: B



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2. Management principles are..... whereas values are ethical

- A. technical
- B. common
- C. organised
- D. Both (a) and (b)

Answer: A



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3. Management principles help in thoughtful decision-making because they are based on

- A. blind faith
- B. intuition
- C. logic
- D. None of these

Answer: C



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4. Management principles are to serve the demands of the society, with respect to significance

- A. irrelevant
- B. developed
- C. under developed
- D. None of these

Answer: B



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5. Identify the reason from the following, why principles of management do not provide

readymade solution to all managerial decisions?

A. Because they provide general guidelines to the managers

B. Because they are evolved or developed

by personal experiences of the managers

C. Because management principles are ethical in nature

D. All of the above

Answer: A

- 6. The main objective of 'motion study' is
 - A. to save cost of labour and machines
 - B. to determine and eliminate the unnecessary movements
 - C. to represent a clear picture of management
 - D. to plan and execute day-to-day work

Answer: B



- **7.** Which technique of scientific management suggests that, a disciplinarian should be appointed under the planning incharge, in order to maintain discipline among workers?
 - A. Harmony, not discord
 - B. Cooperation not individualism
 - C. Functional foremanship

D. None of the above

Answer: C



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8. Under which system of wage payment, wages are paid on the basis of work done?

A. Functional foremanship

B. Motion study

C. Time study

D. Differential piece wage system

Answer: D



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9. Name the principle of scientific management which emphasised that there should be complete harmony between the management and workers.

A. Harmony, not discord

- B. Cooperation, not individualism
- C. Science, not rule of thumb
- D. Development of each and every person to his/her greatest efficiency

Answer: A



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Identify the technique of scientific 10. management in which a specialist supervises each worker.

- A. Science, not rule of thumb
- B. Mental revolution
- C. Functional foremanship
- D. None of the above

Answer: C



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11. The goals are achieved after integrating the efforts of different individuals who are working in an organisation to satisfy their own

personal needs. Identify the principle of management

A. Subordination of individual interest to general interest

B. Remuneration of employees

C. Unity of direction

D. None of the above

Answer: A



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12. An organisation should strive to achieve proper balance between centralisation and decentralisation. Which principle of management is highlighted here?

- A. Unity of command
- B. Centralisation and decentralisation
- C. Remuneration of employees
- D. Mental revolution

Answer: B



13. Why is stability of tenure of personnel important in an organisation?

A. It reduces employee turnover and reduces productivity

B. It increases employee turnover and increases productivity

C. It reduces employee turnover and increases productivity

D. None of the above

Answer: C



- 14. What does principle of initiative indicates?
 - A. It indicates that employee at all levels should be encouraged
 - B. It indicates that employee at only lower level should be encouraged

C. It indicates that no employee should be encouraged for the task

D. None of the above

Answer: A



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15. Which principle of management states that each group having same objectives must have one head and one plan?

- A. Principle of equity
- B. Principle of unity of command
- C. Principle of unity of direction
- D. Principle of authority and responsibility

Answer: C



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Chapter Practice Very Short Answer

1. Define principles of management.



2. What is meant by 'principles of management?



3. State how the management principles are flexible.

4. Give any one reason why principles of management are not rigid prescriptions



5. Do you agree that management principles are rigid? Why?



6. Which principle of scientific management states that work must be carried on in cooperation with each other?



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7. Name the principle of scientific management which emphasises on the study and analysis of methods rather than estimation.



8. What do you mean by universality of management principles?



9. Why it is said that management principles are universal in application?



10. Give two points, which depict the features of management principles

11. State any two points, which highlight the nature of principles of management



12. Give any one reason why principles of management do not provide readymade solution to all managerial decisions



13. Why is it said that management principles are less than perfect?



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14. Give any one reason why principles of management are called contingent.



15. Give any one reason why management principles are required



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16. State any one reason why principles of management are important.



17. How management principles ensure optimum utilisation of resources?



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18. Management principles aim at influencing behaviour of human beings. State the feature of management principle mentioned here



19. State one difference between management principles and techniques.



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20. Why have management principles gained importance these days?



21. State the principle of Fayol which suggests that communication from top to bottom should follow the official lines of command



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22. In a company, different departments are formed for looking after production, sales, marketing and finance. Identify the principle of management applicable here.



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



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24. Why is stability of tenure of personnel important in an organisation?



25. Fayol points out the danger of increased turnover and recruitment costs in one of his principles. Identify the principle.



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26. What does principle of initiative indicate?



27. Why did Fayol introduce the concept of gang plank' in the principle of 'scalar chain'?



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28. Who has developed general principles of management?



29. Which principle of management focuses on specialisation?



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30. Which concept helps subordinates of the same level of different departments to communicate each other directly in case of emergency?



31. What does 'Gang Plank in 'Scalar Chain' indicate about nature of management principles?



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32. Name the theory which is associated with both FW Taylor and Henry Fayol.



33. Who was the first to identify functions and principles of management?



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34. Give an example of decentralisation at national level



35. What is the basis of formation of scientific management?



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36. List any two principles of 'scientific management' formulated by FW Taylor for managing an organisation scientifically.



37. What involves a change in the attitude of workers and management towards one another from competition to cooperation?



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38. What does mental revolution aim at?



39. What did Taylor want to communicate through 'Mental revolution"?



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40. Which technique of Taylor differentiates between an efficient and inefficient worker?



41. Which technique of Taylor separates "planning and execution functions?



42. State one principle of scientific management.



43. How do Japanese workers present an example of "Mental Revolution" in their working?



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44. What is the main objective of motion study?



45. Why did Taylor develop the technique of differential piece wage system?



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46. State any two causes of fatigue.



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47. What is the main objective of Fatigue study'?



48. What is the main objective of time study"?



49. What is determined by time study?



50. What is the objective of 'method study as a technique of scientific management?



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51. What is the main objective of simplification in Scientific management?



52. How is Taylor's perception different from Fayol's ?



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53. How is Taylor's concern different from Fayol's?



54. State the role of 'speed boss in functional foremanship



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55. State the role of gang boss in functional foremanship



56. State the role of 'inspector in 'functional foremanship



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57. State the role of 'route clerk' in functional foremanship.



58. "The principles of management are different from those of pure sciences. State any one difference



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59. Give any one difference between management principles and values.



60. Rajat, the production manager of Auto India Ltd, passes on instructions regarding his departments freely and indiscriminately. Which management principle is violated here?



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61. Managers have to take several decisions in a day, but the best decision is to, use available resources in a cost effective manner. Identify the approach behind this decision.



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62. Management principles help the managers to learn from their mistakes and take effective decisions on time. Mention the importance of principles of management highlighted in the given statement



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63. It has been observed that prevailing 'situation in an organisation is due to the

violation of principle of 'order. What might be your observation?



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64. Which principle of management aims at securing the loyalty and devotion of the employees by giving them fair and just treatment?



65. Sales person is asked to finalise a deal with a customer. The marketing manager allows him to give a discount upto 10% but the finance manager allows him to give discount of 5% only. Which principle is violated here?



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66. Which principle of management is violated, if a subordinate is asked to receive orders from two or more superiors?



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67. Reena and Meena are working in the same organisation. They have similar experience and are performing same task However, they are paid at different rate Which principle of management is violated?



68. Following which principle of management, will minimise need of using penalties, but if

not followed, will result in loss of coordination



69. Once selected, employee should be kept at their position for a minimum fixed tenure! Which principle of management is highlighted in the statement?



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70. Workers should be encouraged to develop and carry out their plans for development'. Identify the principle of management formulated by Fayol.



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Chapter Practice Short Answer Type Questions

1. State three reasons as to why study of management principles is necessary

2. State some of the significance of management principles.



3. The principles of management are established on cause and effect relationship. This helps to analyse and predict the probable result of applying a particular principle in a

given situation. How does it prove to be helpful to business organisations



4. How are principles of management derived?



5. Discuss the following features of management principles.

- (i) Contingent
- (ii) Mainly Behavioural



6. What is the significance of management principles in the context of environmental changes?



7. Explain briefly unity of direction and 'order's principles of general management



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8. Explain briefly 'initiative and esprit de corps' as principles of general management.



9. Explain briefly 'remuneration of employees and 'scalar chain' as principles of general management.



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10. Explain 'unity of command' and 'equities principles of general management.



11. Which principle of management envisages that each group of activities having the same objective, must have one head and one plan? Explain the principle with suitable example



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12. Explain the meaning of the 'Principle of unity of direction'. State its two positive and negative effects



13. What do you mean by subordination of individual interest to general interest?



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14. Illustrate the principle of 'stability of tenure through a suitable example.



- **15.** In each of the following cases, which principle of Fayol is being violated
- (i) When the manager contracts with his cousin for supply of material, knowing that such materials are defective.
- (ii) When chalks are kept in library and books in office
- (iii) A worker receiving orders from two bosses(iv) When no department has a separate planof action
- (v) A subordinate habitually contacts higher authorities passing over his superior

(vi) Tools are not found in their right place(vii) The manager grants three leaves to a subordinate with pay and one leave with pay to another(viii) When the sales manager is not allowed to

give discounts, to generate significant sales



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16. if an organisation follows the following principles of management, state some of their positive effects on the organisation

- (i) Esprit De Corps
- (ii) Initiative



17. What is meant by principle of centralisation
?



18. State three techniques that have been developed through research and refinement of

View Text Solution 19. What are the objectives of technique of standardisation? **View Text Solution** 20. How does the technique of time study help in improving the efficiency level?

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management principles.

21. How does the technique of motion study help in improving the efficiency level?



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22. Name and explain the technique of scientific management, which helps in establishing interchangeability of manufactured parts and products



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23. Which technique of scientific management helps in eliminating superfluous varieties and making economical use of machines and tools? Identify and discuss it briefly



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- 24. Discuss in brief Taylor's principles of
- (i) Science, not rule of thumb
- (ii) Harmony, not discord



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25. Which technique of Taylor suggests that each worker should be supervised by specialists? Briefly discuss any two of its designations suggested by Taylor.



26. Develop an imaginary plan of differential piece rates to be introduced for the workers, engaged in making furniture.

27. On the basis of comparative study of Taylor and Fayol, state some of its similarities and dissimilarities.



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28. Fayol's principles of management are very effective. Can you draw a table which shows the traditional and present implications of any four principles of management?



29. State and explain the principle depicted in the following picture :



Also explain its positive impact.



30. Distinguish between unity of command and unity of direction

31. D and D Ltd Co is a large manufacturing unit. Recently, the company had conducted the time and motion studies and concluded that on an average, a worker could produce 120 units per day However, it has been noticed that average daily production of a worker is in the range of 80-90 units What steps will you suggest to ensure that

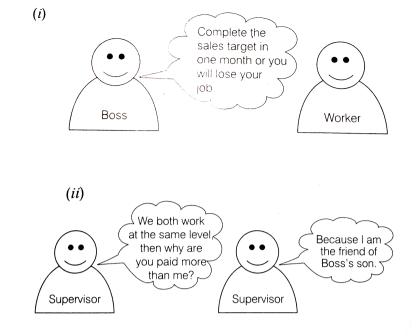
the actual performance is in accordance with

the performance as per time and motion studies?



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32. Identify and explain the principle violated in the following picture cases. Also explain the negative effects of violating each principle





33. The Production Head of Maruti Udyog Ltd instructs his foreman to go slow in producing the product but the Sales Manager wants

more production in order to increase the sales of the company. Thus, he forced the production foreman to go fast. Which principle of management is being violated in this case? State the consequences which can occur.



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34. The production manager of an automobile company asked foreman to achieve a target production of 200 scooters per day. But he did

and 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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35. Arnav, a manager of Micro Ltd, does not distribute the work amongst his subordinates, according to the capabilities He has given the

work on the basis of favouritism. Which principle is overlooked? Give some of its violating effects.



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36. Taylor's techniques are universally applicable Defend or refute.



Chapter Practice Long Answer

- **1.** Explain how principles of management provide
- (i) Useful insights into reality.
- (ii) Thoughtful decision-making.



2. Describe nature of Principles of management with the help of any four points.



3. Explain any five characteristics, which reflect the nature of principles of management.



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4. Explain any six points, which Explain any four points that highlight the nature of principles of management.



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- **5.** Identify the principles of management violated in the following cases and explain them.
- (i) Manay, a manager, speaks to people at all levels, including his as well as other departments
- (ii) Manav, a manager, expects his subordinates to work for personal satisfaction and contentment, without any monetary reward
- (iii) Manav, a manager, expects that his subordinate produces instant results, without

giving him sufficient time to settle in the new environment.

(iv) Manav, a manager, is not strict with his employees regarding timings and targets of work



6. Explain Fayol's principle of equity and order with examples



- **7.** Explain the following principles of Fayol with the help of one example for each.
- (i) Discipline
- (ii) Unity of Command
- (iii) Scalar Chain
- (iv) Stability of Tenure of Personnel



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8. Manav Agro Industries has lately expanded its business, due to an increasing demand of processed foods. As a result of this increasing

demand, new players entered the market leading to increased competition. To cope up with increasing competition and to improve supplies, the company forced its work force to work overtime, without additional incentives. Subordinates had to work for more than one superior resulting in declining efficiency. The divisions that were working on one product were made to work on multiple projects, leading to wastages. Identify the principles violated by the management and their effects.



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9. Identify the technique of scientific management, in which planning and production departments are segregated Discuss in brief



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10. Explain, in detail, 'work study' under scientific management.



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11. 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.



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



13. Karan Nath took 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 one best method to maximise efficiency. He also felt that once the method is developed, the workers of the company should

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 right from deciding the sequence of operations, place for men, machines and raw materials till the delivery of the product to the customers. This methods 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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Case Studies

- **1.** Toyota follows certain well-defined business principles guiding its functioning. These are:
- 1. Honour the language and spirit of law of every nation and undertake open and fair corporate activities to be a good corporate

- citizen around the world.
- 2. Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in local communities
- 3. To provide clean and safe products and to enhance the quality of life everywhere.
- 4. Create and develop advanced technologies and provide outstanding products and services that fulfil the needs of customers worldwide.
- 5. Foster a corporate culture that enhances individual creativity and teamwork value, while

honouring mutual trust and respect between management and labour.

- 6. Pursue growth and harmony with global community through innovative management.
- 7. Work with business partners in research and creativity to achieve stable, long-term growth and mutual benefits and be open to new partnerships. These principles, will guide the company in its global vision 2010. This global vision envisages continuous innovations in future, use of environment friendly technologies, respecting and working with different sections of society and establishing

an interactive relationship with society.

Indentify any three features of management principle that has helped Toyota Motor Corporation to achieve their objectives



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- **2.** Toyota follows certain well-defined business principles guiding its functioning. These are:
- 1. Honour the language and spirit of law of every nation and undertake open and fair corporate activities to be a good corporate

- citizen around the world.
- 2. Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in local communities
- 3. To provide clean and safe products and to enhance the quality of life everywhere.
- 4. Create and develop advanced technologies and provide outstanding products and services that fulfil the needs of customers worldwide.
- 5. Foster a corporate culture that enhances individual creativity and teamwork value, while

honouring mutual trust and respect between management and labour.

6. Pursue growth and harmony with global community through innovative management.

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an interactive relationship with society.

How does management principles help an organisation to achieve its goals?



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3. The story of Dr Kiran Mazumdar Shaw is very inspiring. She foresaw the tremendous potential of biotechnology when no one dared to think about it. She started her own company Biocon India in her garage with a meagre capital of 10,000 in collaboration with

Biocon Biochemicals limited of Ireland, When she wanted to take loans no financial institution was willing to help her because of three reasons biotechnology was a new area of operation, her company lacked assets and thirdly women entrepreneurs were a rarity at that time in 1978. She even faced problems recruiting people. The initial operation of the company consisted of extracting an enzyme from papaya. Now Biocon limited is an integrated biotechnology enterprise focused on the development of biopharmaceuticals, custom research, clinical research and

enzymes. It delivers products and solutions to partners and customers in over 50 countries. According to the company's website, "At Biocon our success has been our ability to develop innovative technologies and products and to leverage them to adjacent domains. This unique integrated innovation approach has yielded a host of patented products and technologies that have enabled multilevel relationships with our global clientele". It has two subsidiary companies. The first one is Syngene International Private limited, which provides chemistry and molecular based

custom research services in early stage drug discovery and development. The second subsidiary company is Clinigene International Private Limited, which conducts longitudinal research in diabetes and offers a wide range of comprehensive services in drug development and clinical trials. Biocon was the first biotechnology company of India to receive ISO 9001 certification Biocon Limited is what it is today due to adherence to the principles underlying good management practices. Do you think innovativeness expressed in the

above case can be linked to the nature of management principles?



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4. Shri Mahila Griha Udyog Lijjat Papad Combining Business with Social Responsibility (An Organisation of the women, By the women and For the women) The story of Shri Mahila Griha Udyog lijjat Papad is very inspiring for would be managers, It shows how an organisation can combine business with social

responsibility and make its stakeholders selfreliant. The stakeholders are various women who numbering over 40,000, are given the task of making lijjat papads, which are famous for their quality throughout the world. The organisation which started with a modest loan of 80 now has a turnover of over 301 crore. Its exports exceed 10 crore. The profits are distributed to the stakeholders in proportion to their contribution. It has struck to its core values for over 40 years. It has shown how it is possible to combine Gandhian values with business. The company has at least 61

branches. Any woman subscribing to the core values can become a member of the organisation.

According to the website of the organisation www.lijjat.com, Shri Mahila Griha Udyog Lijjat Papad is synthesis of three different concepts (core values) namely:

- 1. The concept of business
- 2. The concept of family
- 3. The concept of devotion All these concepts are completely and uniformly followed in this institution. As a result of this synthesis, a peculiar Lijat way of thinking has developed

therein. The institution has adopted the concept of business from the very beginning. All its dealings are carried out on a sound and pragmatic footing-production of quality goods and at reasonable prices. It has never and nor will it in the future accept any charity, donation, gift or grant from any quarter. On the contrary, the member-sisters donate collectively for good causes from time to time according to their capacity. Besides the concept of business, the institution along with all its members sisters has adopted the concept of mutual family affection, concern

and trust. 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. But the most important concept adopted by the institution is the concept of devotion. 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, work is worship. The institution is open to everybody who has faith in its basic concepts

Which point of significance of principles of management has been stressed upon in this case? Explain



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5. Shri Mahila Griha Udyog Lijjat Papad Combining Business with Social Responsibility (An Organisation of the women,By the women and For the women) The story of Shri Mahila Griha Udyog lijjat Papad is very inspiring for would be managers, It shows how an

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in its basic concepts

List out the areas where this organisation has fulfilled its social responsibility



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6. Shivalik Ltd is facing crisis in business. A detailed analysis of operations reflected that the workers of the production department were not satisfied with the behaviour of production manager, as they had to work for long hours without rest. Further, it was

decided to carry out a detailed analysis of every aspect of work Planning and operations departments were separated to facilitate specialisation

Identify the techniques of scientific management, reflected in the above case



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7. Shivalik Ltd is facing crisis in business. A detailed analysis of operations reflected that the workers of the production department

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he analysts also emphasised mutual understanding and cooperation between workers and managers is also essential identify the principles emphasised here



8. Sanket, after completing his entrepreneurship course from U.S.A. returned to India and started a coffee shop Fiona Coffee in a famous mall in Mumbai. The speciality 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 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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9. In Atlans Ltd, no importance had been attached to the suggestions given by the subordinates. In 2009, the company appointed Mr, Franco as its Chief Executive Officer. He was an MBA degree holder with an experience of a decade. After assuming the charge of his office, he started a campaign in which he collected more than 10,000 suggestions from employees out of which 1,500 were selected and implemented in different fields This campaign fetched the company an additional profit of Rs.150 crore

Which principle of management was opted by Mr Franco and why?



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10. In Atlans Ltd, no importance had been attached to the suggestions given by the

subordinates. In 2009, the company appointed Mr. Franco as its Chief Executive Officer. He was an MBA degree holder with an experience of a decade. After assuming the charge of his office, he started a campaign in which he collected more than 10,000 suggestions from employees out of which 1,500 were selected and implemented in different fields This campaign fetched the company an additional profit of Rs.150 crore State two positive and two negative effects of this principle Watch Video Solution

11. Voltech India Ltd. Is manufacturing LED ulbs to save electricity running under heavy losses. To revive from the losses, the management thought of shifting the unit to a backward area where labour is available at a low cost. The management also asked the workers to work overtime without any additional payment and promised to increased to wages of teh workers after achieving its mission. Within a short peiod the company started earing profits because both the management and the

workwers honoured their commitments.

State the principle of management described in the above para.



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12. Sapna opens a garments showroom in Jaipur after completing a course in textile designing. She has employed person in her showroom. For greater productivity she divides the work into small tasks and each employee is trained to perform his/her

specialised job. The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas the decision to give any further discount rests with Sapna as the final authority. In the earlier days of starting of the business, four of her employees were asked to put in extra hours of work. In return, she had promised to give them a special incentive within a year. Therefore, after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her commitment. However, when it comes to settling the

conflicts among her employees, she tends to
be more biased towards her female
employees. In context of the above case:
Identify and explain one principle of
management that is being applied by Sapna
by quoting lines from the paragraph.



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13. Sapna opens a garments showroom in Jaipur after completing a course in textile designing. She has employed person in her

showroom. For greater productivity she divides the work into small tasks and each employee is trained to perform his/her specialised job. The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas the decision to give any further discount rests with Sapna as the final authority. In the earlier days of starting of the business, four of her employees were asked to put in extra hours of work. In return, she had promised to give them a special incentive within a year. Therefore, after six months when the business was doing

well, she awarded a cash bonus to each of these employees to honour her commitment. However, when it comes to settling the conflicts among her employees, she tends to be more biased towards her female employees. In context of the above case: Identify and explain the principle of management which is being violated by Sapna by quoting lines from the paragraph.



14. Sapna opens a garments showroom in Jaipur after completing a course in textile designing. She has employed person in her showroom. For greater productivity she divides the work into small tasks and each employee is trained to perform his/her specialised job. The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas the decision to give any further discount rests with Sapna as the final authority. In the earlier days of starting of the business, four of her employees were asked to put in extra hours of work. In return, she had promised to give them a special incentive within a year. Therefore, after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her commitment. However, when it comes to settling the conflicts among her employees, she tends to be more biased towards her female employees. In context of the above case: State any one effect of the violation of the principle of management by Sapna as identified in part (2) of the question

15. Harpreet is desirous of setting up a small factory to manufacture different kinds of ecofriendly packaging materials. He proposes to adopt a logical approach to his business rather than hit and trial method as he knows that this can result in tremendous saving of human energy as well as wastage of time and materials. He plans to adopt paternalistic style of management in practice in order to avoid any kind of class-conflict that may emerge

between him and the workers. Moreover, he plans to seek the opinion of his workers before taking any important decisions and also offers incentives to them for providing valuable suggestions for the business.

In context of the above case: Identify and explain the various principle of scientific management that Harpreet plans to apply in his business.



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16. Karan is running a mega mart in Kanpur to provide various types of products of daily use under one roof to the buyers, the employee turnover in his business is very high and he is perpetually on a look out for new staff. The fact of the matter is that he lacks managerial skills and assigns work to his employees on adhoc basis without letting them settle down in a specific work. This approach of his creates a sense of insecurity among the employees and they tend to leave the job very quickly. However, he is a very God fearing person and

offers fair wages to his employees so they can afford a reasonable standard of living. In context of the above case:

Identify and explain the principle of management which Karan is unable to apply and is perpetually on a look out for new staff.



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17. Karan is running a mega mart in Kanpur to provide various types of products of daily use under one roof to the buyers. the employee

turnover in his business is very high and he is perpetually on a look out for new staff. The fact of the matter is that he lacks managerial skills and assigns work to his employees on adhoc basis without letting them settle down in a specific work. This approach of his creates a sense of insecurity among the employees and they tend to leave the job very quickly. However, he is a very God fearing person and offers fair wages to his employees so they can afford a reasonable standard of living. In context of the above case: He is a very good fearing person and offers

fair wages to his employees so they can afford a reasonable standard of living." Name and explain the relevant principle of management will has been brought into effect by Karan



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Self Assessment Multiple Choice

1. Identify the positive effects of principle of equity.

- A. It ensures loyalty among the workers
- B. Cordial relation between workers and managers
- C. Congenial atmosphere within the organisation
- D. All of the above

Answer: D



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2. Identify the similarities of Taylor and Fayol.

A. Both stressed on good industrial relations

B. Both stressed on achievement of objectives

C. Both emphasised on division of labour and specialisation

D. All of the above

Answer: D

3. Which principle means that an employee should receive orders from one superior only?

A. Coordination

B. Unity of command

C. Discipline

D. Unity of direction

Answer: B



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4. Which of the following techniques rely on operation research and process charts to minimise the cost ofproduction and maximise the quality of product and satisfaction of customer?

A. Fatigue study

B. Time study

C. Method study

D. Motion study

Answer: C



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5. Which of the following statements is false about Taylor and Fayol?

A. Fayol's principles are applicable in specialised situations whereas Taylor's principles have universal applicability

- B. Fayol was a mining engineer whereas
 - Taylor was a mechanical engineer
- C. Fayol's principles are applicable at the top level of management whereas

 Taylor's principles are applicable at the

shop floor

D. Fayol's principles were formed through

personal experience whereas Taylor's

principles were formed through

experimentation

Answer: A



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Self Assessment Very Short Answer

1. State two principles of management which help an organization in fulfilling their social responsibility.



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2. Distinguish between principles of management and principles of pure science in one line.



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3. Name the technique of scientific management which is not based on equality



4. What is the objective of standardisation in scientific management.



5. What is determined by time study?



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6. What is the objective of 'method study as a technique of scientific management?



7. What is meant by 'Principles of Management'?



8. What is meant by 'Universal applicability of principles of management?



Self Assessment Short Answer Type Questions I

1. What contradiction do you find in the principle of unity of command and the technique of functional foremanship and why?



2. State and explain the two principles of Taylor, one of which is a corollary of another



Self Assessment Short Answer Type Questions Ii

1. Explain, giving example, which technique of Taylor motivates workers for higher productivity and how?



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2. How does the technique of time study help to improve the efficiency of workers? Give three points in support of your answer.



Self Assessment Long Answer Type Questions I

1. Explain briefly the nature of principles of management with suitable examples



2. Explain the components of work study in scientific management.



Self Assessment Long Answer Type Questions Ii

1. Heena and Reena are two typists in a company having same experience and same educational background. But Heena is getting Rs.5,000 per month for her work and Reena is getting Rs. 2,000 per month Which principle of management is violated? Discuss it briefly and state some of its consequences



2. The principles of management derive their significance from their utility. Explain any four such utilities



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Cbse Examinations Archive Very Short Answer

State the role of 'route clerk in functional foremanship



2. What is determined by time study?



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3. State the objective of time study



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4. What is the objective of method study as a technique of scientific management?

5. What is meant by 'Principles of management?



6. What is meant by 'Universal applicability of principles of management'?



7. What is meant by the statement principles of management are flexible'?



8. Give any one reason why principles of management are not rigid prescriptions?



9. What is meant by the statement principles of management are contingent?



10. Give any one reason why principles of management are called contingent?



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11. What is meant by Fayol's principle of 'Esprit de corps' ?



12. Give the meaning of mental revolution as suggested by FW Taylor



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13. Which revolution involves a change in the attitude of workers and management towards one another from competition to cooperation?



14. State any one principle of scientific management



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15. Name the principle of scientific management which emphasises on study and analysis of methods rather than estimation



16. Name the principle of scientific management which suggests the introduction of scientific investigation and analysis



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17. Give any one reason why principles of management do not provide readymade solution to all managerial problems



18. Which principle of management states that an employee should receive orders from one superior only?



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19. State the objective of motion study



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20. State the objective of fatigue study





21. Which technique of Taylor differentiates between an efficient worker and an inefficient worker?



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Cbse Examinations Archive Short Answer

- 1. Discuss in brief Taylor's principles of
- (i)Science, not rule of thumb

(ii) Harmony, not discord



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2. Name and explain the principle of management according to which a manager should replace I' with 'We in all his conversation with workers?



3. Explain 'harmony not discord' as a principle of scientific management?



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4. Explain Cooperation not individualism as a principle of scientific management ?



- 5. Explain how principles of management
- (i)help in optimum utilisation of resources and effective administration
- (ii) help the managers in meeting changing environment requirements



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6. Explain how principles of management (i)provide useful insight into reality and (ii)help in thoughtful decision-making



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7. Name and explain the technique of scientific management which helps in establishing interchangeability of manufactured parts and products



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8. Name and explain the principle of management which requires judicious application of penalties by the management

Cbse Examinations Archive Long Answer

1. Karan Nath took 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 one best method to maximise efficiency also felt that once the method is developed, the workers of the company should 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 right from deciding the sequence of operations, place for men, machines and raw materials till the delivery of the product to the customers. This methods 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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2. Explain any six points, which Explain any four points that highlight the nature of principles of management



3. Explain the technique of scientific managemente the extension of principle of division of work and specialisation



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4. Explain any two techniques of Taylor's scientific management



5. Explain the concept of 'Functional foremanship and 'Mental revolution in scientific management as enunciated by Taylor



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6. Explain Fayol's principles of equity and order with examples



7. Explain the following principles of Fayol with the help of one example for each Discipline



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8. Explain the following principles of Fayol with the help of one example for each

(i)Division of work

(ii)Unity of direction.



- **9.** Explain the following principles of Fayol with the help of one example for each
- (i)Scalar chain
- (ii) Stability of tenure of personnel



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10. Explain by giving any five reasons why principles of management are needed?



11. Explain any five characteristics which reflect

the nature of principles of management

