

CLASS – XII COMMERCE

SURE SHORT QUESTION FOR BUSINESS STUDIES

CHAPTER-1 NATURE AND SIGNIFICANCE OF MANAGEMENT

VERY SHORT ANSWER TYPE QUESTIONS (1 MARK)

1. “Planning, Organizing, Staffing, Directing and controlling” is the sequence of functions in a process. Name it.

Ans. Management

2. Production manager tries to produce goods with minimum costs. Name the concept which is being focused by management?

Ans. Efficiency

3. Hritik Ltd target is to produce 10,000 shirts per month at a cost of Rs. 150 per shirt. The production manager has achieved this target at the cost of Rs 160 per shirt. Do you think the production manager is effective?

Ans. He is effective as he has achieved the target but he is not efficient as he achieved the target by incurring higher cost

4. What do you mean by effectiveness?

Ans. It means completing the task or achieving the goals within stipulated time period.

5. In order to be successful, an organization must change its according to the needs of the environment. Which characteristic of management is highlighted in the statement?

Ans. Management is a dynamic function.

6. Your Grand Father has retired as the director of a manufacturing company. At what level of management was he working.

Ans. Top management.

SHORT ANSWER TYPE QUESTIONS (3 OR 4 MARKS)

1. ‘Management is multi-dimensional’. Explain?

Ans. Management is a complex activity and involves following three main dimensions -

i) Management of works

In each and every organisation, certain type of work is to be performed. In school, overall development of a child is to be done; in hospitals, patients are treated etc. Management converts these works into goals and devises the means to achieve them.

ii) Management of People.

Management is concerned with “getting things done through people”, which is a very difficult task. All the employees have different personalities, needs backgrounds and methods of work. Thus, it becomes management’s job to make them work as a group by giving common direction to their efforts.

iii) Management of operations.

In order to survive, each organisation has to provide certain goods or services. This involves production process thus, management of operations is inter linked with both the above dimensions viz., management of work and the management of people.

2. What are the personal objectives of the management?

Ans. Personal objectives refer to the objectives which are related to the employees of an organisation. They are as follows:

- i) Financial needs like competitive salaries, incentives and other monetary benefits.
- ii) Social needs like recognition in the organisation.
- iii) Higher level need which includes personal growth and development.

3. “Coordination is synchronization of group efforts to achieve organizational objectives.” Give definition and in the light of this statement highlight any three importance of coordination.

Ans. Definition of coordination

- i. Growth in size
- ii. Functional differentiation
- iii. Specialization

4. Explain the 'social objectives' of management.

Ans. Each organisation is a part of society and thus it has certain social obligations to fulfil.

Some of them are as follows:

- (i) To supply quality goods and services
- (ii) Providing basic amenities to the employees like schools and creches for their children, medical facilities etc.
- (iii) To generate employment opportunities especially for the backward classes.
- (iv) To provide environment friendly methods of production.
- (v) To provide financial support to society by donating for noble causes.
- (vi) To organize educational, health and vocational training programmes.
- (vii) To participate in social service projects of Government and Non – Governmental Organisations (NGOs)

Long answer type questions(5/6 marks)

1. ABC Ltd. sells Blood sugar testing equipment of three different brands viz Glunco, Onetouch and Oncall. There are three people in the dispatch department, five in sales department and two in purchase department. Of late, customers are complaining that the goods dispatched are as per the goods ordered. Many times quantity demanded is short or the products are of different brand. The sales department is also complaining that the goods are not in stock therefore they are not able to meet with the orders. Purchase department says that neither the store in-charge informs them about the stock levels nor the sales manager provides them with forecast sales. Each department is holding others responsible for the chaos.

Which quality of management is missing in ABC Ltd. Explain the role that this quality plays in improving the business performance?

ANS: Coordination

- Ensures unity of action
- Erases interdepartmental conflicts
- Promotes harmonious implementation of plans
- Helps in maintaining a high degree of morale amongst employees

2. Hindustan Entertainment Company is organizing circus shows internationally for the last thirty years. Their shows have been successful across the globe. Of late, their shows are not as popular as they were in the past. Therefore they are thinking of bringing necessary changes in their shows to regain their popularity. Identify which characteristic of management they reflect in their business. Give reasons. Suggest the necessary actions or decisions which should be taken at each level of management to improve business opportunities.

ANS: Dynamic: adapt to changes, follow new strategies to attract their viewers

Goal oriented: because they want to achieve their objective that they were in pursuit for last 30 years

At Top Level: analyse reason for downfall, see and learn from competitors, invest money and bring latest from the market & to promote innovation and coordinate efforts of all employees in this pursuit

At Middle Level: bring innovation, market their shows, advertise, implement the plans of top level, motivate the performers to adapt to changes and encourage initiative

At Lower Level: supervisors and workers must work in line with the policies of top level and middle level, open to changes, adapt and practice to the new innovations and initiate to bring innovative ideas.