

**Internal Assessment Test 1 – March 2017-SCHEME OF EVALUATION**

|              |                                 |                  |         |                   |    |             |              |                |     |
|--------------|---------------------------------|------------------|---------|-------------------|----|-------------|--------------|----------------|-----|
| <b>Sub:</b>  | Management and Entrepreneurship |                  |         |                   |    |             | <b>Code:</b> | 10AL61         |     |
| <b>Date:</b> | 27/ 03/2017                     | <b>Duration:</b> | 90 mins | <b>Max Marks:</b> | 50 | <b>Sem:</b> | VI           | <b>Branch:</b> | ISE |

**Note:** Answer any five questions:

|   |   |            |
|---|---|------------|
| 1 | <p><b>a) Define Management. Explain the functions of management? (6M)</b></p> <p><b><u>Definition-</u> (1M)</b><br/> “Management is conduct of affairs of business moving towards its objectives through a continuous process of improvement and optimization of resources”<br/> (or)<br/> “Management is the process of designing and maintaining an environment in which individuals working together in groups effectively”</p> <p><b><u>Functions of management</u> (5M)</b><br/> There are 5 essential functions of Management –</p> <ol style="list-style-type: none"> <li>1. Planning</li> <li>2. Organising</li> <li>3. Staffing</li> <li>4. Directing(Leading)</li> <li>5. Controlling</li> </ol> <p><b><u>Planning</u></b><br/> Planning is an executive function that is referred to as decision making.</p> <ul style="list-style-type: none"> <li>▶ Setting short and long term goal for organization</li> <li>▶ Selecting objectives , strategies and policies for accomplishing the planned goals</li> <li>▶ Deciding in advance what to do, how to do, who has to do, when to do, where to do.</li> <li>▶ Planning bridges the gap from where we are now to where we want to be in future.</li> </ul> <p><b><u>Organising</u></b></p> <ul style="list-style-type: none"> <li>▶ It is a part of management that involves in establishing an structure of roles for people to fill in an organization.</li> <li>▶ Determination of activities required to achieve objectives.</li> <li>▶ Grouping these activities into departments</li> <li>▶ Assigning such groups of activities to managers.</li> <li>▶ Making provision for coordination of activities.</li> </ul> <p><b><u>Staffing</u></b></p> <ul style="list-style-type: none"> <li>▶ Staffing is an important function which makes provision for man power to fill different positions.</li> <li>▶ Finding the right person for right job</li> <li>▶ Placement, Training and developing new skills required for present and future jobs.</li> <li>▶ Creating new positions</li> <li>▶ Apprising the staff and planning their growth and promotion etc</li> </ul> <p><b><u>Directing (Leading)...</u></b></p> <ul style="list-style-type: none"> <li>▶ Next important function of management is directing or leading the people towards the defined objective.</li> <li>▶ Directing sub functions are –</li> <ol style="list-style-type: none"> <li>1. Communication</li> <li>2. Leadership</li> <li>3. Motivation</li> </ol> </ul> | <b>10M</b> |
|---|---|------------|

## Controlling

- ▶ Controlling is measuring and correcting of activities of subordinates to make sure that the work is going on as per the plan.
- ▶ Establishing standards of performance
- ▶ Measuring performance and comparing with established standards
- ▶ Taking necessary corrective action to meet the set standards.



### **b) List the types of planning (4M)**

#### **Types of planning –( Any 4 each carries 1 mark)**

- ▶ **Strategic plan** - It consists of major task and policies of an organization resources and facilities to accomplish the objectives
- ▶ Used by community groups, government departments, organizations and businesses to develop blueprint for action and change
- ▶ Defines mission, vision & values
- ▶ Establishes realistic objectives
- ▶ Ensures effective use of resources
- ▶ Provides base to measure progress
- ▶ Develops future direction
- ▶ Solves major problems
  - ▶ Mission -Core purpose of your organization
  - ▶ Presented in a clear, short statement that focuses on attention in one clear direction by stating purpose of the group's uniqueness.
  - ▶ Vision-What is your organization's vision of excellence
  - ▶ Has to be realistic and not something impractical
  - ▶ Values-What are the principles, standards, and actions considered worthwhile in the organization

- ▶ Includes how people treat each other, how groups conduct business and what is most important to the organization

- ▶ **Tactical plan** - Its a short time planning

- ▶ Tactical plan are immediate decisions based on the executive’s judgment and experience in facing an actual situation

- ▶ It consists of use of facilities and resources

- ▶ It is day-to-day operation and activities of the organization

- ▶ At lower level management

- ▶ **Single use plan - Single Use plans**

- Developed to carry out a course of action that is not likely to be repeated in future

- Ex: Schedules, Projects, Budgets

- ▶ **Standing Plans**

- Developed for activities that occur regularly over a period of time

- Ex: Objectives, Policies, Procedures, Rules

| <b>Long range plan</b>  | <b>Point of distinction</b> | <b>Short range plan</b>                                 |
|---|-----------------------------|---|
| Covers many years & affects many departments of an organization | Meaning                     | Covers less than one year and is more specific & detail |
| 5 yrs or more   | Time                        | 2 to 5 Years  |
| Organizations linkage with external factors                     | Primary focus               | Linkage with various parts of an organization           |
| Mission ,long term objectives and strategies                    | Deals with                  | Current operations of organization                      |
| Top management  | Prepared by                 | Lower level executives                                  |

- ▶ **Proactive Plan - Proactive Planning:**

- Managers challenge the future, anticipating future and get ready with alternative routes for unseen circumstances

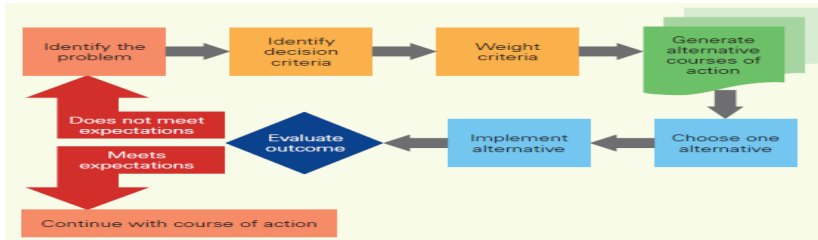
- ▶ **Reactive Plan - Reactive Planning:**

- Organizations react to events as and when they arise

2

**a) Explain the steps in Decision making with example. (6M)**

Decision making steps (4M)



Example(2M)

**(b) Discuss the purpose of Planning (4M)**

- ▶ Reduces uncertainty and risk
- ▶ Provides sense of direction
- ▶ Encourages innovation and creativity
- ▶ Guides decision-making
- ▶ Effective Control

10M

3

**Discuss the different management approaches.**

**Early Management Approach (5M)**

1. Psychological development (Before 17<sup>th</sup> century)
2. Scientific Management (18th – 19th century)
3. Administrative Management(1841-1925)
4. Human relations movement

**Modern management approach 5M)**

1. Behaviour Approach
2. Systems Approach
3. Quantitative Approach
4. Contingency Approach

10M

4

**a) Bring out the differences between Management & Administration. (6M)**

Answer any 6 differences -

| Characteristics           | Administration                    | Management                          |
|---------------------------|-----------------------------------|-------------------------------------|
| Main Function             | Planning ,Organising and staffing | Leading, Motivation & Controlling   |
| Status                    | Act as owner                      | Act as an agency                    |
| Skills                    | Good administrative skills        | More technical skills               |
| Level in the organization | Top level                         | Lower level                         |
| Position                  | MD, Owner, CEO                    | Manager, Supervisor, foremen etc... |

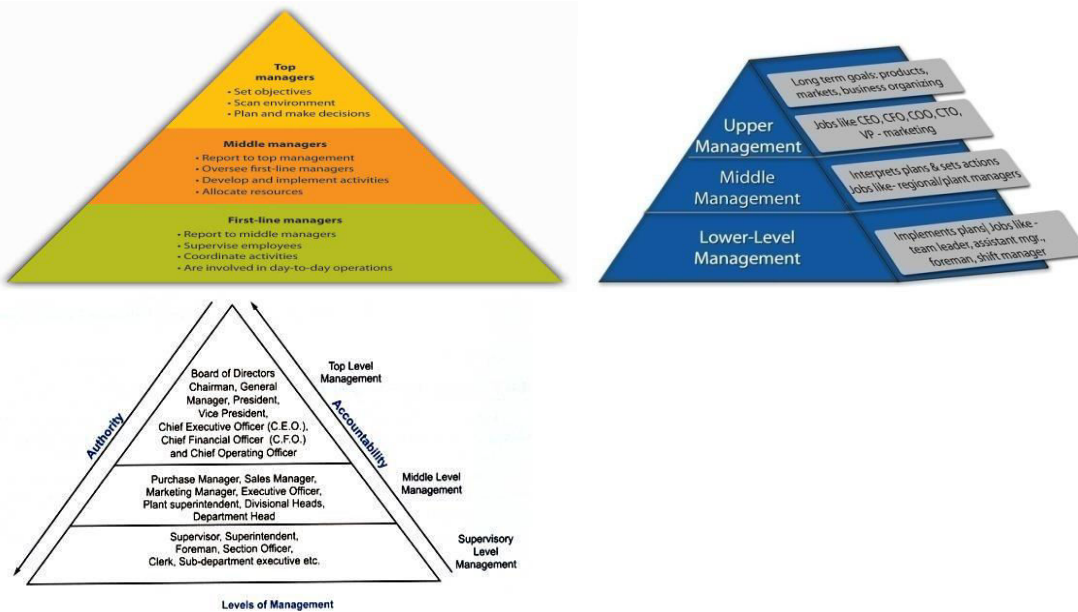
10M

|             |  |  |
|-------------|--|--|
| Objective   | Makes the policies & objective to be achieved  | Implements the plans and policies                                    |
| Involvement | No direct involvement in production or service | Directly involves in the execution of plans and achieving objectives |

**b) What are the various levels of Management (4M)**

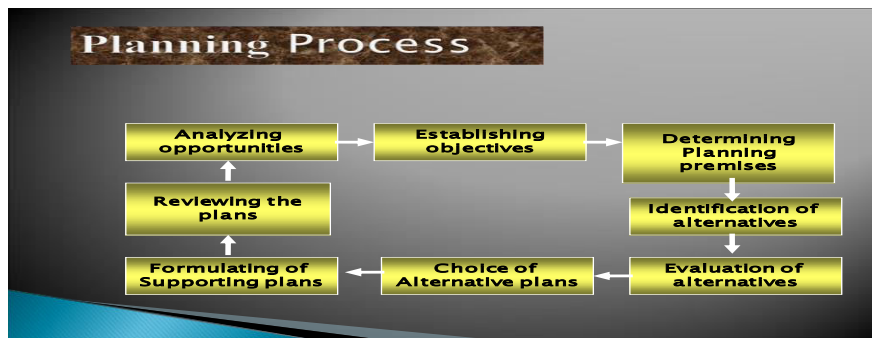
There are 3 levels of management –

1. Top level Management
2. Middle level Management
3. Lower level or first line Management



**5 Explain the steps in planning process**

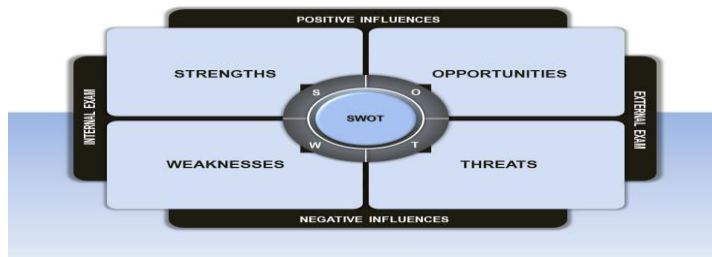
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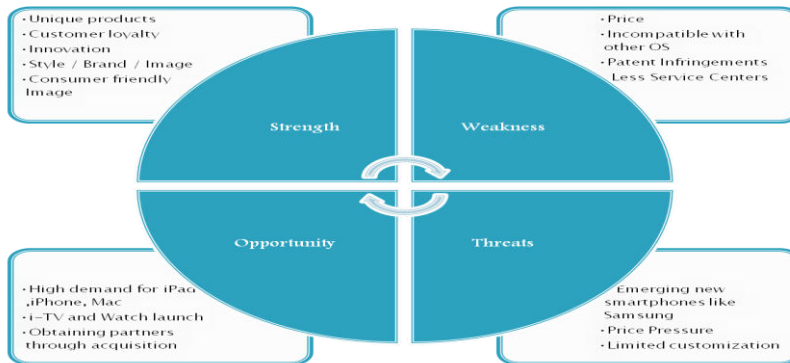
**1. Analyzing opportunities**

- Not a step of Planning, It is pre-step of planning.
- Essential to make a successful plan.

- SWOT analysis



- Strengths - the positive internal attributes of the organisation
- Weaknesses - the negative internal attributes of the organisation
- Opportunities - external factors which could improve the organisation's prospects
- Threats - external factors which could undermine the organisation's prospects



## 2. Establishing objectives

- First and real starting point of planning.
- Management has to define objectives in clear manner by considering organizational resources and opportunities because a minor mistake in setting objectives might affect in implementation of plan.
- Objectives must be specific, clear and practical.
- Objectives should be time bound

## 3. Determining Planning premises

- ▶ Premises are the assumptions about the future in which the planning is implemented.
- ▶ They provide environment and boundaries for the implementation of plan in practical operation.

### There are 3 types of planning premises

- ▶ Internal and external premises
- ▶ Tangible and intangible
- ▶ Controllable and uncontrollable
- ▶ *Internal premises* with in the organization ( Policies, investment, availability of

equipments, funds etc)

- ▶ **External premises** means out side the organization (Govt policies, Economic conditions, population , demand)
- ▶ **Tangible premises** are the measurable premises like population, investment, demand etc.
- ▶ **Intangible premises** are those which cannot be measured like business environment, economic conditions etc
- ▶ **Controllable premises** like technical man power , input technology, financial investment etc
- ▶ **Uncontrollable premises** like strikes, change of govt policies, wars etc.

#### **4. Identification of alternatives**

- ▶ It is essential to identify all the possible hidden alternatives.
- ▶ There must be search for the best alternative. The management must develop alternatives through the support of experienced and intellectual experts in management sectors.

#### **5. Evaluate the alternatives**

- ▶ Evaluate the alternatives from their expected cost and benefits. This is the logical step to evaluate each alternative from its plus and minus points.
- ▶ Each alternative is studied and evaluated in terms of some common factors such as risk, responsibility, planning premises, resources, technology etc.

#### **6. Formulating of Supporting plans**

- ▶ It is essential to formulate action of supportive plan for each step of work and to all departments of the organization.
- ▶ These action plans involve formulation of policies, rules, schedule and budget to complete defined objectives. Thus, formulation of supportive plans is an essential step in planning process.
- ▶ It is difficult to implement main plan without formulation of derivative plan.

#### **7. Implementation of Plan**

- ▶ Without this step, other this procedure of plan will remain as paper work.
- ▶ This step brings all the procedure of plan into action.
- ▶ For implementation plan, management has to take some steps such as to communicate with subordinates who initiate to plan into action; provide necessary instruction and guidance; make arrangement of all resources like materials, machines, money, equipments etc; make timely supervision and control over subordinates.

**6 (a) Examine management as science, art and profession. (6M)**

10M

Management is considered as both science as well as an art. It is science because it has universally accepted principles, it has cause and effect relationship etc, and at the same time it is an art because it requires personal skills, practical knowledge, creativity etc

**Why management is an art?**

Because it depends on the skills, aptitude & creativity of the manager.

- ▶ It is called an art because managing requires certain skills which are personal possessions of managers. Art deals with the application of knowledge and skills
- ▶ Art: Art is bringing about of a desired result through application of skill.
- ▶ Personal Skill
- ▶ Practical Knowledge
- ▶ Concrete Result-Oriented Approach
- ▶ Development through Practice
- ▶ Creative Power

**Management as a Science**

- ▶ Science: Science is a systematized body of knowledge which establishes relationship between cause and effect. It is considered as a science because it has an organized body of knowledge which contains certain universal truth.
- ▶ Science provides the knowledge
- ▶ Systematized Body of knowledge
- ▶ Based on collection of facts, Analysis and experiments
- ▶ Universal Application
- ▶ Cause and effect Relationship
- ▶ Verification of validity and Prediction of results possible
- ▶ Management combines features of both science as well as art.
- ▶ A manager to be successful in his profession must acquire the knowledge of science & the art of applying it. Therefore management is a judicious blend of science as well as an art because it proves the principles and the way these principles are applied is a matter of art.
- ▶ Science teaches to 'know' and art teaches to 'do'.

**Management as a Profession**

- ▶ Profession: Profession is that occupation in which one professes to have acquired specialized knowledge, which is used either in instructing, guiding or advising others.
- ▶ Body of Specialized knowledge and technique



- ▶ Formalized Methods of Acquiring Training and experience
- ▶ Establishment of representative professional Association-

**Functions to be performed:**

1. Regulate behavior
2. To create code of conduct
3. Support the image of its members

**b) Distinguish between policies and Rules (4M)**

| <b>Policies</b>   | <b>Rules</b>   |
|---|--|
| It provides the framework with in which decisions must be made by the management in different area's of organization. | Rules are related to policies as they guide action.  |
| Policy is general guideline for decision making   | Rules are detailed and recorded instruction that a specific action must or must not be done under the given instance |
| Policies are often made with out any study or analysis.   | Rule is different from policy, since it does not give guide to thinking  |
| Example – Password - Authentication   | Example: Creating password   |