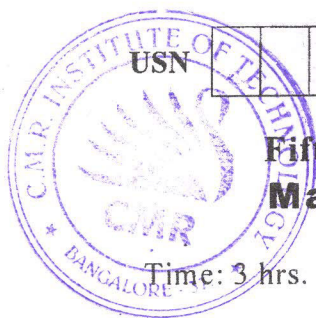


# CBCS SCHEME

15ES/EI51



## Fifth Semester B.E. Degree Examination, Dec.2018/Jan.2019 Management & Entrepreneurship Development

Time: 3 hrs.

Max. Marks: 80

**Note:** Answer FIVE full questions, choosing ONE full question from each module.

### Module-1

- 1 a. Classify management into three levels. (03 Marks)  
b. Summarize briefly three types of managerial skills. (06 Marks)  
c. Analyse management as science and also as an art. (07 Marks)

OR

- 2 a. Define planning. Explain any six limitations of planning. (07 Marks)  
b. Illustrate and explain different blocks of decision making process. (09 Marks)

### Module-2

- 3 a. Select and describe important steps in the process of organizing. (05 Marks)  
b. Explain the advantages and disadvantages of committees in an organization. (05 Marks)  
c. Summarize any six types of recruitment process. (06 Marks)

OR

- 4 a. What is direction in an organization? Explain any five techniques of co-ordination. (06 Marks)  
b. Explain the three basic steps in a control process. (06 Marks)  
c. List four important characteristics of leadership. (04 Marks)

### Module-3

- 5 a. Why is social audit required? (02 Marks)  
b. Illustrate the social responsibilities of business towards different groups. (08 Marks)  
c. List out the advantages of corporate governance. (06 Marks)

OR

- 6 a. Explain any four characteristics of successful entrepreneurship. (08 Marks)  
b. Summarize capacity building for entrepreneurship. (08 Marks)

### Module-4

- 7 a. Explain any four roles or importance of Small Scale Industries (SSI) in economic development. (08 Marks)  
b. Define Ancillary Industry and Tiny Industry. (04 Marks)  
c. Outline any four reasons for sickness in SSI sector. (04 Marks)

OR

- 8 Summarize any four state level or central level institutions that support small business enterprises. (16 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.  
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.

Module-5

- 9 a. List out any four characteristics of project. (04 Marks)  
b. Classify projects into different types based on various parameters. (05 Marks)  
c. What is project formulation? Explain the major steps involved in project formulation. (07 Marks)

OR

- 10 a. Mention various steps involved in the PERT analysis. (10 Marks)  
b. List out the advantages and limitations of CPM. (04 Marks)  
c. Show the relation between project design and network using block diagram. (02 Marks)

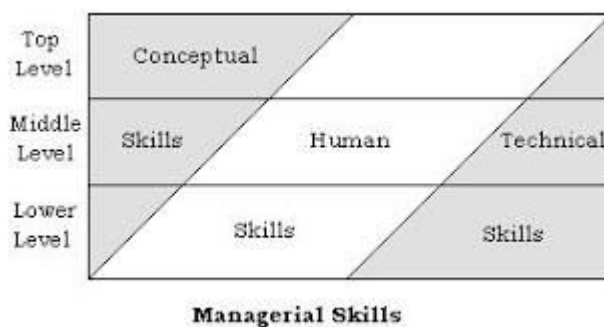
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1. (a)



(b)



Robert Katz identified three managerial skills that are essential to successful management

**Conceptual skills:** the ability to think about the future of an organization as a whole or the ability to think in the long run

**Human skills:** ability to interact or coordinate effectively with people

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|     | <p><b>Technical skills:</b> involves process or techniques of knowledge and proficiency</p> <p><b>Distributed skills to different levels of management</b></p> <p><b>Top management</b> Higher conceptual skills, equal human skills and lower technical skills</p> <p><b>Middle management</b> Conceptual skill is less than top management and higher than lower management with equal human skills and higher technical skills than top management and lower technical skills than lower management</p> <p><b>Lower management</b> Lower conceptual skills, equal human skills and most technical skills</p>  |
| (c) | <p><b>Elements of Art in Management</b></p> <ul style="list-style-type: none"> <li>▪ <b>Practical Knowledge:</b> Art requires practical knowledge, learning of theory is not sufficient. Art applies theory to the field. Art teaches the practical application of theoretical principles. For example-Learning how sing does not make you a musician; one must know all composition and be able to use them. Similarly, A person may have a degree that says he knows what a manager does but it doesn't know how to apply management knowledge in real life situations he will not be regarded as manager.</li> <li>▪ <b>Personal Skill:</b> A manager will not depend on his theoretical knowledge or solution alone. he or she must have some qualities that make him or her unique.</li> <li>▪ <b>Creativity:</b> An Artist's work is not limited to his practical knowledge. He thinks outside the box and creates things extraordinary. Management is also creative in nature like any other art. Management is all about finding a new way to be well different from other.</li> <li>▪ <b>Perfection through practice:</b> Every artist becomes better through item and practice. they learn from their mistakes. Similarly, managers become more expert as he spends more time in management thought.</li> <li>▪ <b>Goal-Oriented:</b> Art is result oriented. Management works are also a goal or result oriented. <b>Management takes steps for the attainment of the goal.</b></li> </ul> <p><b>How Management is a Science</b></p> <p>Science is obtaining information about a particular object by a systematic pattern of observation, study, practice, experiments, and investigation.</p> <p>Management process also follows the same pattern. Gathering data and facts, analyzing them and making a decision based on analysis, are the basic functions of the management.</p> <p>Management follows a systematic method to find the possible solution for a problem. It is true that the science underlying managing is inexact or a soft science at best.</p> <p>It is not as "Science" as physical sciences such as chemistry or biology which deal with non-human entities.</p> <p>The inclusion of the human element in managing makes this discipline not only complex but also debatable as a pure science.</p> <p>Human behavior is unpredictable; people think, act or react differently under identical circumstances.</p> <p>And so, management can never become as pure science. However, the study of the scientific foundations of management practice can definitely improve one's <b>management skills</b>.</p> <p>Managers who attempt to manage without management science have to trust their</p> |

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|    | <p>intuition or luck at their peril rather than their expertise or skill. Thus, they have to turn for meaningful guidance to the accumulated knowledge of managing.</p> <p><b>The Elements of Science in Managing</b></p> <p>Science presupposes the existence of organized knowledge. The essence of science is the application of scientific method to the development of knowledge that proceeds through the stages discussed below:</p> <ul style="list-style-type: none"> <li>▪ <b>Concepts:</b> Scientific approach requires a clear “concepts” of mental images of anything formed by generalization from particulars. Managing has concepts to deal with situations.</li> <li>▪ <b>Methods and principles:</b> “Scientific method” involves the determination of facts through observation. This leads to the development of “principles” which have value in predicting what will happen in similar circumstances. Similarly, <b>management requires observation and sets standard or principles according to it.</b></li> <li>▪ <b>Theories:</b> Any branch of science has theories. A ‘theory’ is a systematic grouping of interdependent concepts and principles that give a framework to, or ties together, a significant area of knowledge. Management studies over the years developed many proved theories for making management more realistic or scientific.</li> <li>▪ <b>Organized knowledge:</b> Science is organized Knowledge. If we compare, management at the present day is a distinct field of organized knowledge. Concepts, methods, principles, theories etc. are now the core of management.</li> <li>▪ <b>Practice:</b> The theories of managing are the results of practice, and the role of such theories is to provide a systematic grouping of interdependent concepts and principles that furnish a framework to, or ties together significant pertinent management knowledge. The theories of motivation, leadership, and so on may be cited/mentioned as examples. But it is to be borne in mind that concepts, methods, principles of management are not as rigid as those of the physical sciences. They may undergo revision and change under new sociopolitical and economic circumstances.</li> </ul> <p><b>Management is a Science as well as Art</b></p> <p>Science teaches us to know while art teaches us to do. In order to be successful, managers have to know and do things effectively and efficiently. This requires a unique combination of both science and art of managing in them. It may, however, be said that the art of managing begins where the science of managing stops. Since the science of managing is imperfect, the manager must turn to the artistic managerial ability to perform a job satisfactorily. Thus, it may be said that managing in practice is definitely an art but the body of knowledge, methods, principles etc. underlying the practice is science. Even some people might have a different opinion regarding this matter. But as matter of fact, the art and science of managing are not so much conflicting as complementary.</p> |
| 2. | <p>(a) <b>Planning</b> is the process of thinking about the activities required to achieve a desired goal.</p> <p>Limitations</p> <ol style="list-style-type: none"> <li>1. Planning Creates Rigidity</li> </ol>   |

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|     | <ol style="list-style-type: none"> <li>2. Planning Does Not Work in a Dynamic Environment</li> <li>3. Planning Reduces Creativity</li> <li>4. Planning Involves Huge Costs</li> <li>5. Planning is a Time-consuming Process</li> <li>6. Planning Does Not Guarantee Success</li> </ol>  |
| (b) | <p><b>Building Block One: Applying The Principles of Decision Making</b></p> <p>Judiciously applying specific decision making principles will more often than not make the difference between taking effective or ineffective action. These principles help ensure that all involved stay focused on their specific work-related duties as well as the overall objective the company is pursuing.</p> <p>When it comes to effective decision making, paying close attention to the organizational universe is not optional, but critical. The attributes contributing to good decisions can translate directly into tangible benefits when applied to the broader framework of business-related operations. Each decision made should serve as a learning experience, whether or not it proves wise.</p> <p>How is an effective decision made? Maintaining an understanding of the basic role of one's organization can support thoughtful planning and processes for decision making objectives, which tend to justify the future course of the company.</p> <p>There are 10 basic steps to follow when a decision has to be made. These include:</p> <ol style="list-style-type: none"> <li>1. Identify the purpose of the decision. What exactly is the problem to be addressed and why does it need to be solved?</li> <li>2. Gather information. What factors does the problem involve?</li> <li>3. Identify principles with which to judge the alternatives. What standards and judgment criteria should the solution meet?</li> <li>4. Brainstorm and list a wide variety of possible choices.</li> <li>5. Generate as many likely solutions as possible.</li> <li>6. Evaluate each choice in terms of its consequences, using predetermined standards and judgment criteria to determine the pros and cons of each alternative.</li> <li>7. Settle upon the best alternative. This becomes much easier once the above steps have been undertaken.</li> <li>8. Translate the decision into a specific action or plan of action steps.</li> <li>9. Carefully execute the plan.</li> <li>10. Evaluate the outcome of the decision and subsequent action steps. Within this process it is important to identify the lessons learned. This is an important step for further development of more effective decision making skills and judgment.</li> </ol> <p><b>Building Block Two: Creating an Objectives Hierarchy</b></p> |

The first step in the process is to identify the purpose of the decision making effort: What is the problem and why does it need to be solved?

In order to achieve this end it is important to generate, record and display an objectives hierarchy by creating a list in outline format. (Software applications are also available that allow individuals or groups to create organizational charts that work well in generating visually appealing objectives hierarchies.)

In establishing an objectives hierarchy it is essential to gather as much information as possible to identify the factors involved in the problem. Objectives should flow from “Why?” at higher levels to “How?” at lower levels. Higher-level objectives tend to be broad, inclusive, and even ambiguous, lower-level objectives more specific, which are mapped to real or actual organizational and workplace attributes or characteristics.

The objectives hierarchy should be inclusive, representing a mix of stakeholder views, and not make value judgments in respect to one objective over another.

### **Building Block Three: Designing Alternatives**

For each objective or group of objectives within the hierarchy, it is important to identify the types of actions that would yield the optimal effect.

When designing alternatives, various objectives should have been detailed and considered within the hierarchy. With enough specificity, some may be flagged for specific action or categorized as activity-driven.

Designing alternatives tends to occur in two phases: identifying the principles by which to judge the alternatives—i.e. the standards solutions should meet—and brainstorming, or listing actual potential solutions.

#### *Nine Steps for Identifying Alternatives:*

1. For each objective or group of objectives in the hierarchy, individuals identify the types of actions that would have the desired effect.
2. Causal pathways among identified variables are reviewed. How might favorable interventions occur in any of these pathways?
3. Two or more options for addressing each objective are defined. These may be different types of activities, different levels, strategies, or approaches for the same activity type, or modifications to ongoing related activities. If there is already a proposed action, the activities that comprise it are detailed in terms of how they align with the measured criteria in the objectives.
4. Specific actions are grouped into alternatives. If there are competing objectives (perhaps reflecting different stakeholder values), alternatives can be developed that favor different groupings of objectives. In other words, different balances are sought among objectives in each alternative.
5. Conversely, the same balance of objectives by different groupings of

actions can be striven for.

6. If based on the effects analysis a revision of alternatives is needed, it is wise to look for simple adjustments first. If major revisions are needed, the objectives hierarchy and decision making model should be revisited to determine whether erroneous or inconsistent logic led to problems.
7. An open mind should be maintained, with preconceptions about what is the “best choice” not allowed to limit any or all solution options.
8. For each alternative, specifics as to how, where, what, and when actions will occur should be outlined. Here it is important to make detailed assumptions about each modeled action early and explicitly in order to minimize confusion when placing this information into a structured decision making model.
9. Results are recorded and activities plotted on a decision making map where appropriate.

**Building Block Four: Evaluating Each Choice**

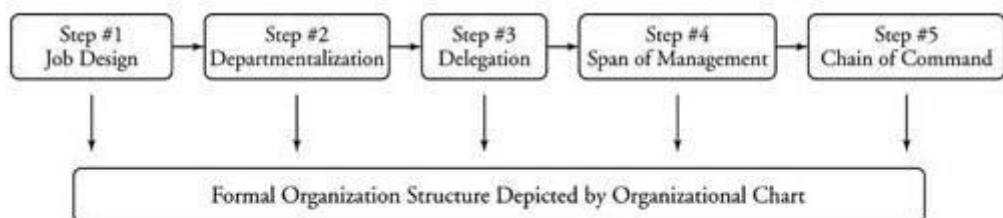
For each alternative, it is best to be as specific as possible in terms of how, where, what, and when actions will occur. An analysis of effects may suggest modification of one or more alternatives or the creation of additional alternatives. If the latter is the case it will be prudent to return to the first stage of the process.

It is important to apply standards and judgment criteria (a set of indicators) to determine the pros and cons of each alternative. When the best alternative is identified, a process overview of the selected option is conducted.

During this decision making and planning arena, it is important to make certain that an action or set of actions is specifically geared toward achieving the objectives identified.

Within the evaluation or overview stage, further details can come to light that can either be added to particular action steps or grouped into a different set of alternatives.

3. (a)



**Figure 1** The organizational process.



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|  | <p><b>(b) Advantages of Committee</b></p> <ul style="list-style-type: none"> <li>(a) Pooling of opinions</li> <li>(b) Improved cooperation</li> <li>(c) Motivation</li> <li>(d) Representation</li> <li>(e) Dispersion of power</li> <li>(f) Executive training</li> <li>(g) Continuity</li> <li>(h) Communication</li> </ul> <p><b>Disadvantages of Committees</b></p> <ul style="list-style-type: none"> <li>1. Time and cost</li> <li>2. Compromise</li> <li>3. Personal prejudice</li> <li>4. Logrolling</li> <li>5. Strain on interpersonal relations</li> <li>6. Lack of effectiveness</li> </ul>  |
|  | <p><b>(c)</b></p> <p><b>Recruitment</b> is the process of attracting, shortlisting, engaging, selecting and hiring employees. Many firms view recruiting as <u>acompetitive advantage</u> that is the foundation of innovation, productivity, reputation and commercial results. Such firms typically use multiple techniques to attract, discover and engage talent. The following are common types of recruitment.</p> <ul style="list-style-type: none"> <li>1. <u>Employer Branding</u></li> </ul> <p>Attracting talent by working on your reputation and <u>brand recognition</u> as an employer. In some cases, firms that have a reasonably attractive <u>corporate culture</u> aren't well known to candidates. The same techniques that are used to brand products such as <u>brand identity</u> can be applied to <u>employer branding</u>.</p> <ul style="list-style-type: none"> <li>2. Publication</li> </ul> <p>It is standard practice to publish available jobs in an open forum such as your website. This allows the public to see available jobs and creates an atmosphere of open competition for positions.</p> |

### 3. Databases

Accepting applications and employment inquiries through channels such as your website to build a database of interested candidates.

#### Internal Recruitment

Allowing your employees to apply for open positions. Tends to improve organizational culture as this provides opportunities for growth and change within a firm.

### 4. Employee Referral

Employees often have a large network of friends and former colleagues in the same profession. As such, employers commonly offer bonuses to employees who refer a successful candidate. This requires careful management as an executive who brings a large number of people from their former firm can result in a culture shift such as a bozo explosion.

### 5. Promotion

Using techniques such as social media and advertising to create awareness of open positions and your firm as an employer.

### 6. Events

Using industry conferences and career events to connect with talent.

### 7. Internships

Offering students a chance to obtain valuable work experience.

### 8. Graduate Recruiting

Establishing relationships with universities, colleges and other institutions to

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|                  | <p>recruit students. Many schools hold career events that are open to qualified employers. Alternatively, large firms may hold events that are open to students. Some firms have a culture of recruiting most employees as graduates and carefully retaining talent for the long term.</p> <p>9. Word of Mouth</p> <p>Communicating information in an interesting way to encourage word of mouth. For example, a job description that uses <u>storytelling</u> techniques to paint a picture of an exciting and rewarding mission.</p> <p>10. Recruiters</p> <p>External recruiters who are in the business of discovering talent and maintaining large networks of relationships.</p> <p>11. Passive Candidate Research</p> <p>Looking at candidates who aren't currently in the job market such as happily employed individuals and retirees. This requires research as such individuals aren't going to contact you. It is common to use external recruiters for this purpose to avoid retaliation from competitors.</p> |
| <p><b>4.</b></p> | <p><b>(a)</b> <b>Directing</b> is said to be a process in which the managers instruct, guide and oversee the performance of the workers to achieve predetermined goals. <b>Directing</b> is said to be the heart of management process.</p> <ol style="list-style-type: none"> <li>1. Direct Contact</li> <li>2. Group Meetings</li> <li>3. Organizational Structure</li> <li>4. Effective Communication</li> <li>5. Committees</li> <li><b>6.</b> Staff Meetings</li> </ol>  |

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|           | <p>(b)</p> <div style="text-align: center;"> <p><b>Steps in the Control Process</b></p> <pre> graph LR     A[Establish Standards and Methods for Measuring Performance] --&gt; B[Measure Performance]     B --&gt; C{Does Performance Match the Standards?}     C -- Yes --&gt; D[Do Nothing]     C -- No --&gt; E[Take Corrective Action and Re-evaluate Standards]     E --&gt; A </pre> </div> <p style="text-align: center;">**Log in to <a href="http://edu-article.blogspot.com">http://edu-article.blogspot.com</a></p>  |
|           | <p>(c)</p> <ol style="list-style-type: none"> <li>1. Leadership indicates the ability of an individual to influence others. Leadership tries to bring change in behaviour.</li> <li>2. Leadership shows interpersonal relationship between leader and followers.</li> <li>3. Leadership is to achieve common goal.</li> <li>4. Leadership is a continuous process.</li> </ol>   |
| <p>5.</p> | <p>(a)</p> <ul style="list-style-type: none"> <li>• In the course of a social audit, individuals and communities get empowered and politicised in a way that they experience the practical potential of participatory democracy.</li> <li>• Since more than 50% of the government’s budget goes towards welfare schemes, it’s important to track how, and how much, money is diverted away from intended recipients. Social audits serve as a better monitoring tool for these schemes.</li> <li>• The impact of continuous cycles of social audit in deterring potential corruption is beyond quantification. They serve as an important tool to detect corruption and influence redress.</li> <li>• The social audit process was recently endorsed by the public finance watchdog, the Comptroller and Auditor General of India. The CAG said: “All over the world, there is a growing perception among the supreme audit institutions that it is important to partner with civil society to ensure the latter’s participation in service delivery and public accountability.”</li> </ul> |
|           | <p>(b)</p> <ol style="list-style-type: none"> <li>1. Nation</li> <li>2. Society</li> <li>3. Customer</li> <li>4. Consumer</li> <li>5. Share holder</li> <li>6. Employees</li> <li>7. Community</li> </ol>   |
|           | <p>(c) <b>Advantages</b><br/> Improved Reputation<br/> Fewer Fines, Penalties, Lawsuits<br/> Decreased Conflicts and Fraud</p>  |

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|    |     | <p><b>Disadvantages</b></p> <p>Fiduciary Duty of Board</p> <p>Increased Costs</p> <p>Maintenance of Separation</p> <p>Principal Agent Conflict</p>   |
| 6. | (a) | <ol style="list-style-type: none"> <li>1. <i>Entrepreneurs Create New Businesses</i></li> <li>2. <i>Entrepreneurs Add to National Income</i></li> <li>3. <i>Entrepreneurs Also Create Social Change</i></li> <li>4. <i>Community Development</i></li> </ol>  |
|    | (b) | <ol style="list-style-type: none"> <li>1. Self-Motivation</li> <li>2. Understand What You Offer</li> <li>3. Take Risks</li> <li>4. Know How to Network</li> <li>5. Basic Money Management Skills and Knowledge</li> <li>6. Flexibility</li> <li>7. Passion</li> </ol>  |
| 7. | (a) | <ol style="list-style-type: none"> <li>1. Provide increased employment</li> <li>2. Easy to setup in rural areas</li> <li>3. Need small market</li> <li>4. Encourage growth of local entrepreneurship</li> <li>5. Create decentralized pattern of ownership</li> <li>6. Diversification of economic activities</li> <li>7. New products</li> <li>8. Standard of living</li> </ol>   |
|    | (b) | <p><b>A Tiny Unit</b></p> <p>A tiny unit is defined as an industrial enterprise whose investment in plant and machinery does not exceed Rs. 25 lakhs.</p> <p><b>Ancillary Units</b></p> <p>An industrial undertaking engaged in</p> <ol style="list-style-type: none"> <li>1. Manufacture of parts, components, subassemblies, tools</li> <li>2. Rendering services <ul style="list-style-type: none"> <li>– Supplying or rendering not less than 50% of its total production or services to other units.</li> <li>– Having a fixed investment of not more than <ul style="list-style-type: none"> <li>➤ ₹10 crore for manufacturing enterprise and ₹ 5 crore for service enterprise.</li> </ul> </li> </ul> </li> </ol> |
|    | (c) | <ol style="list-style-type: none"> <li>1. <b>Lack of Demand</b></li> <li>2. <b>Shortage of working capital</b></li> <li>3. <b>Non-availability of raw material</b></li> </ol>  |

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|           |            | <b>4. Power shortage</b>  |
| <b>8.</b> | <b>(a)</b> | <pre> graph TD     SSIs[SSIs] --&gt; Central[Central Level]     SSIs --&gt; State[State Level]     Central --&gt; SSI[SSI]     Central --&gt; KVIC[KVIC]     Central --&gt; SIDO[SIDO]     Central --&gt; NSIC[NSIC]     Central --&gt; NSTEDB[NSTEDB]     Central --&gt; NPC[NPC]     Central --&gt; NISIET[NISIET]     Central --&gt; NIESBUD[NIESBUD]     Central --&gt; IIE[IIE]     Central --&gt; EDI[EDI]     State --&gt; Dis[Dis]     State --&gt; DICS[DICS]     State --&gt; SFCs[SFCs]     State --&gt; SIDC[SIDC]     State --&gt; SSIDC[SSIDC] </pre> |
| <b>9.</b> | <b>(a)</b> | <p><b>Characteristics of a Project</b></p> <ol style="list-style-type: none"> <li>1. One-shot major undertaking</li> <li>2. Mission or objective</li> <li>3. Specific time</li> <li>4. Limited Resources</li> <li>5. Temporary</li> <li>6. Team</li> </ol>  |
|           | <b>(b)</b> | <pre> graph TD     Projects[Projects] --&gt; QN[Quantifiable and Non-Quantifiable]     Projects --&gt; TE[Techno-Economic]     Projects --&gt; SP[Sectoral Projects]     Projects --&gt; FI[Financial Institutions]     Projects --&gt; SPS[Services Projects] </pre>   |
|           | <b>(c)</b> | <b>Project Formulation</b>  |

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|     |     | <ul style="list-style-type: none"> <li>Feasibility Analysis</li> <li>Techno-Economic Analysis</li> <li>Project Design and Network Analysis</li> <li>Input Analysis</li> <li>Financial Analysis</li> <li>Cost-Benefit Analysis</li> <li>Pre-Investment Analysis</li> </ul> |
| 10. | (a) | <p><b>Steps in PERT</b></p> <ul style="list-style-type: none"> <li>Develop the project network</li> <li>Time estimation</li> <li>Critical path</li> <li>Develop the project schedule</li> <li>Calculate the probability</li> </ul>  |
|     | (b) | <p><b>Advantages of CPM:</b></p> <p><b>The important advantages of CPM technique are:</b></p> <ol style="list-style-type: none"> <li>1. It helps in ascertaining the time schedule of activities having sequential</li> </ol>   |

relationship.

2. It makes control easier for the management.

3. It identifies the most critical elements in the project. Thus, the management is kept alert and prepared to pay due attention to the critical activities of the project.

4. It makes better and detailed planning possible.

***Limitation of CPM:***

**The main limitations of the CPM are:**

1. CPM operates on the assumption that there is a precise known time that each activity in the project will take. But, it may not be true in real practice.

2. CPM time estimates are not based on statistical analysis.

3. It cannot be used as a controlling device for the simple reason that any change introduced will change the entire structure of network. In other words, CPM cannot be used as a dynamic controlling device.

(c)

## PROJECT DESIGN AND NETWORK ANALYSIS

