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Internal Assessment Test 2 – Oct. 2019

Sub:	Management and Entrepreneurship Development				Sub Code:	15ES51	Branch:	ECE		
Date:	12-10-2019	Duration:	90 mins	Max Marks:	50	Sem / Sec:	5th sem / (A to D)		OBE	

Answer any FIVE FULL Questions	MARKS	CO	RBT
1 (a) Define Organizing. Explain the Process of Organizing.	[05]	CO1	L1,L2
(b) List and Discuss the Factors Governing the Span of Management?	[05]	CO1	L1,L2
2 (a) Define Departmentalization. Discuss Departmentalization based on functions or business with merits and demerits	[04]	CO1	L1,L2
(b) Define Committees. Explain the types of committees along with weaknesses of committees.	[06]	CO1	L1,L2, L4
3 (a) Define Recruitment. Explain the various sources of Recruitment.	[05]	CO1	L1,L2
(b) Discuss the steps involved in Selection Process.	[05]	CO1	L1,L2,L4
4 (a) Define Directing. Discuss the Requirements of Direction.	[04]	CO1	L1, L2
(b) Discuss the Maslow's Need of Hierarchy of Motivation.	[06]	CO1	L2
5 (a) Explain the Autocratic and Democratic styles of Leadership with consequences.	[06]	CO1	L1,L2 ,L4
(b) Discuss the types and Basic techniques of Co-ordination.	[04]	CO1	L1,L2
6 (a) Explain the Steps needed in controlling process	[05]	CO1	L1,L2
(b) Define Social Audit. Discuss the benefits and limitations of Social audit.	[05]	CO3	L1,L2
7 (a) Discuss Social responsibilities towards Consumers and Community.	[05]	CO3	L2
(b) Classify Entrepreneurs based on Functional characteristics and development angle.	[05]	CO4	L1,L2 ,L4
8 (a) Explain the Entrepreneurship Development Cycle.	[05]	CO2	L1,L2
(b) Discuss the Myths of Entrepreneurship.	[05]	CO1, CO3	L1,L2

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Answer any FIVE FULL Questions

1 (a) Define Organizing. Explain the Process of Organizing. [05] CO1 L1,L2

<u>Organizing involves:</u>
1. Identifying and Grouping of activities of job/work.
2. Defining and Delegating the authority and responsibility.

<u>Processing of Organizing are as follows:</u>
1. Determining of Objectives.
2. Deciding of Organizational boundaries.
3. Grouping of activities into departments.
4. Identifying the key department.
5. Determining the different levels of Decision making.
6. Determining the span of management.
7. Setting up of co-ordination mechanism.

1. <u>Determining of Objectives:</u> The first step in Organizing is to know the Objective of enterprise. Objectives determine various activities which need to be performed and the type of organization which needs to be built for this purpose.
2. <u>Deciding of Organizational boundaries:</u> After consideration of objectives, next step is to decide what to do inside and outside boundaries of organization.
3. <u>Grouping of activities into departments:</u> The next step is to group all closely related and similar activities into departments and section.
4. <u>Identifying the key department:</u> Key department are those which are rendering key activities in essential for fulfillment of goals.
5. <u>Determining the different levels of Decision making:</u> After deciding the relative importance of various departments, the levels at which various major and minor decisions are to be made must be determined.
6. <u>Determining the span of management:</u> The next step to be taken in designing a structure is to determine the number of subordinates who should directly report to each executive.
7. <u>Setting up of co-ordination mechanism:</u> A direct consequence of departmentalization is the need to co-ordinate the independent activities of the member of the organization. Effective integration is as important as careful differentiation.

(b) List and Discuss the Factors Governing the Span of Management? [05] CO1 L1,L2

The following are some of the factors which influence the span of management:

(1) Ability of the manager: Some managers are more capable than others and hence can handle a large number of subordinates.

(2) Ability of the employees: If employees are more competent, less attention from the managers is required and a larger span of management can be used.

(3) Type of work: If employees are doing similar jobs, the span of management can be large. If their jobs are quite different, a small span may be necessary.

(4) Geographic location: If all subordinates are located at the same place span of management can be large. If subordinates are geographically distributed, a lower span is essential.

(5) Well-defined authority and responsibility: Clear-cut authority and responsibility helps a manager to supervise large number of subordinates.

(6) Level of management: The span of management is narrow at higher level of management, and span can be wider at lower levels.

(7) Economic considerations: Narrow the span, taller is the structure is more is the cost. On the other hand, wider span reduces the number of levels and cost.

2 (a) Define Departmentalization. Discuss Departmentalization based on functions or business with merits and demerits [04] CO1 L1,L2

In functional departmentalization, an organization is organized into departments based upon the respective functions each performs for the organization.

For example, a manufacturing company may create a production department, sales and marketing department, an accounting department, and a human resources department. Functional departmentalization may be advantageous because it can increase efficiency and expertise since all related activities are performed in one place by one group of people that specialize in that activity.

In functional departmentalization, departments are segregated i.e. separated from each other based on functions or tasks they perform.

Here; the word function is used to mean organizational functions such as finance and production, rather than the basic managerial functions, such as planning or controlling. Noted economist Oliver E. Williamson termed it as the 'U- form' (for unitary) design.

Functional departmentalization allows the organization to staff all important positions with functional experts and facilitates coordination and integration.

However; it also promotes tends to promote centralization. For the organization to operate efficiently in this design there must be considerable coordination across departments.

Advantages of functional departmentalization

➢ Provides logical reflection of functions maintains power and prestige of major functions.
➢ Follows principle of occupational specialization.
➢ Simplifies training and supervisor of the subordinates.
➢ Furnishes means of tight control at the top.
➢ Each department can be staffed by experts in that functional area.
➢ Coordination of activates within the departments is easy.

Disadvantages of functional departmentalization

➢ Decision making becomes slower and more bureaucratic.
➢ De-emphasis of overall company objectives.
➢ Accountability and performance become increasingly difficult to monitor.
➢ Overspecializes and narrows view¬points of key personnel.
➢ Reduces co-ordination between functions or departments.
➢ Responsibility for profits is at the top only.
➢ Slow adaptation to changes in the environment.
➢ Limits development of general managers.

(b) Define Committees. Explain the types of committees along with weaknesses of committees. [06] CO1 L1,L2, L4

A Committee is a group of person performing a group of task with the object of solving certain problems.

Committees are often set up where new kinds of work and unfamiliar problems seem to involve decisions responsibilities and powers beyond the capabilities of any one man or department.

Committees can be broadly classified into **advisory committees** and **executive committees.**

•**Advisory committees:**

Whenever committees are vested with staff authority they are known as **advisory committees.**

Advisory committee have only a recommender's role and cannot enforce implementation of their advice or recommendation.

The examples of advisory committees are work committees, finance committees etc.

•**Executive committees:**

Whenever committees are vested with line authority, they are called as executive committees.

Unlike advisory committee, executive committees not only take decisions but also enforce decisions and thus perform a double role of taking decision and ordering its executive.

The board of directors of a company is an example of an executive committee. Executive committees are further classified as **standing committees** and **ad-hoc committee**.

(i)Standing committees:

•They are formed to deal with current organizational problem.

•Example: finance committee in a company, loan approval committee in a bank etc.

•Members of this committee are chosen because of their title or position, instead of individual qualifications or skills.

(ii)Ad-hoc committees:

•Have a short duration, dissolved after the task is over, or the problem is solved and the members are chosen for their skills and experience.

Weaknesses of Committees

(1) In case a wrong decision is taken by committee, no one is held responsible which may results in irresponsibility among members.

(2) Committees delay action

(3) Committees are expensive form of organization.

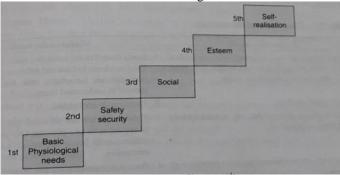(4) Decisions are generally arrived at on the basis of compromise and hence they are not best decision.

(5) As committee consists of large number of persons, it is difficult to maintain secrecy.

3 (a) Define Recruitment. Explain the various sources of Recruitment. [05] CO1 L1,L2

Recruitment is the process of identifying the sources for prospective candidates and to stimulate them to apply for the jobs. It is a linking activity that brings together those offering jobs and those seeking jobs.

Sources of Recruitment:

1. **Direct recruitment:** An important source of recruitment is direct recruitment by placing a notice on the notice board of the enterprise by specifying the details of the jobs available. This is also known as recruitment at Applicants at Gate.

2. **Unsolicited applications:** Many qualified persons apply for employment to reputed companies on their own initiative. Such applications are known as unsolicited applications.

3 .**Advertising:** Large enterprises particularly when the vacancy is for higher post or there are large number of applications use this source where advertisements are made in local and national level newspapers. This helps in informing the candidates spread over different parts of the country. The advertisement contains information about the company, job description, and job specialization etc.

4 .**Employment exchanges:** This is the good source of recruitment for unskilled and semiskilled jobs. In some cases, compulsory notification of vacancies of employment exchange is required by the law. The employment exchanges bring job givers in contact with job seekers.

5. **Educational institutions:** Many jobs in business and industries have become increasingly varied and complex which need a degree in that particular area. That is why many big organizations maintain a close liaison with the colleges, vocational institutes and management institutions for recruitment of various jobs.

6.**Labour Unions:** Often unskilled and semiskilled workers are recruited through labour contractors.

7. **Recommendations / References :** Applicants introduced by friends, relatives and employees of the organization may prove to be a good source of recruitment. Many employers prefer to take such persons because something about their background is known.

(b) Discuss the steps involved in Selection Process. [05] CO1 L1,L2 ,L4

The typical selection procedure is as follows;

(1) **Application Blank:** Filling up of application blank by the candidate is a preliminary step of selection process. The applications give preliminary idea of the candidates like age, qualifications, experience etc., Standard forms make the application processing very easy.

(2) **Initial Interview:** Applications received from the candidates are screened by the screening committee and a list of candidates to be interviewed is prepared. Applicants can be called for interviews on some specific criterion like sex, desired age group experience and qualification. The number of candidates to be called for interview is five to seven times the number of vacant positions to be filled.

(3) **Employment tests:** Employment tests help in matching the characteristics of individuals with the vacant jobs so as to employ the right kind of people. Intelligence tests, Aptitude tests, proficiency tests, personality tests, interest tests may be used for this purpose.

(4) **Checking References:** The employer can contact his friends residing in the locality of the candidate or may contact present or former employer after the candidate is found satisfactory at the interview.

(5) **Medical or physical examination:** This test has three objectives:

(1) It serves to ascertain applicant's capabilities to meet the job requirement.

(2) It serves to protect organization against the unwarranted claims under worksman compensation.

(3) It helps to prevent communicable deceases entering the organization.

(6)Final Interview: After a candidate has cleared all the hurdles in the selection procedure, he is formally appointed by issuing him an appointment letter or by concluding with him a service agreement. The appointment letter contains the terms and conditions of employment, pay scale and other benefits associated with the job.

4 (a) Define Directing. Discuss the Requirements of Direction. [04] CO1 L1, L2

Directing consists of the process and techniques utilized in issuing orders and making sure that the operations that are carried out are in order and par with the original plan.

The two main functions involved in direction are:

1) Assigning work to the employees
2) Leading, supporting and motivating

Requirements for effective direction:

1) Harmony of objectives:
❖ Every organization as well as individuals have their own objectives. The management

should be able to co-ordinate and align the objectives of the individuals to that of the gorganization for smooth working.

2) Unity of direction or command:
❖ Assignment of work has to be done by ONE superior only. If there are instructions from various superiors, the individual employee will loose his/her mind on the confusion created.

3) Direct supervision:
❖ The superiors should have direct contact and relationship with their corresponding employees. In person communication will enable a sense of belonging and ensure success.

4) Effective communication:
❖ Communication is the key to a successful organization. The superiors must ensure that plans, policies and responsibiliteies are thoroughly understood.

5) Follow through:
Directing is a continuous process. The mere action of issuing orders or assigning work is not enough. A general follow-up is necessary. The superiors have to take responsibility to make sure their corresponding employees aren't facing any issues in carrying out their respective jobs efficiently.

(b) Discuss the Maslow's Need of Hierarchy of Motivation. [06] CO1 L2

A.H. Maslow has identified five categories of need which are arranged in hierarchy as shown.

(1) Physiological needs:
•These are the basic needs for sustaining human life itself, such as food,water, shelter and sleep.
•Maslow took the position that until these needs are satisfied to the reasonable degree necessary to maintain life, other needs will not motivate people.

(2) Security or safety needs:
•People want to be free of physical danger and of the fear of losing job,property or shelter.

(3) Social needs:
•Since people are social being, they need to belong, to be accepted by others.

(4) Esteem needs:
•Once people begin to satisfy their need to belonging, they tend to want to be held in esteem both by themselves and by others.
•This kind of need produces such satisfaction as power,prestige and status.

(5) Self-actualization needs:
•It is desire to become what one is capable of becoming to maximize one's potential and to accomplish something.
•According to Maslow, people attempt to satisfy their physical need first. As long as the needs are unsatisfied, they dominate behaviour. As they become reasonably satisfied, they lose their motivational power and the next level i.e., security needs become the dominant motivational force.

5 (a) Explain the Autocratic and Democratic styles of Leadership with consequences. [06] CO1 L1,L2,L4

Autocratic leadership: An autocratic leader is one who dominates and drives his subordinates through coercion, command and the instilling of fear in his followers. An autocratic leader alone determines policies, plans and makes decisions. He demands strict obedience. Such leaders love power and love to use it for promoting their own ends. They never like to delegate their power for they fear that they may loose their authority.

The merits of this type of leadership is that, it can increase efficiency, save time, and get quick results under emergency conditions, chain of command and division of work are clear.

The demerits are people are treated machine-like cogs without human dignity, one way communication without feedback and the leader receives little or no input from his sub-ordinates for his decision-making which is dangerous in the current dynamic environment.

Democratic leadership: This style of leadership is also known as participator leadership. As the name itself indicates, in this style, the entire group is involved in goal setting and achieving it.

A democratic leader follows the majority opinion as expressed by his group. Subordinates have considerable freedom of action.

The leader shows greater concern for his people's interest, is friendly and helpful to them. He is always ready to defend their subordinates individually and collectively. This type of leadership encourages people to develop and grow, receives information and ideas from his subordinates to make decisions, and boosts the morale of employees.

The demerits of this type of leadership are
- Some leaders may use this style as a way of avoiding responsibility,
- Can take enormous amount of time for making decisions.

Free-rein: In this type of leadership, the leaders exercise absolutely no control. He only provides information, materials and facilities to his subordinates. This type of Directing and Controlling leadership is employee centered and the subordinates are free to establish their own goals and chart out the course of action.

This type of leadership can be disaster if the leader does not know well the competence and integrity of his people and their ability to handle this kind of freedom.

(b) Discuss the types and Basic techniques of Co-ordination. [04] CO1 L1,L2

Types of Co-ordination:
- Internal and External co-ordination (with in the department or organisation and between the departments or organisation).
- Horizontal and Vertical co-ordination (co-ordination at same level and co-ordination in a hierarchy)
- Procedural and Substantive co-ordination. (specification based and content based co-ordination)

Techniques of Coordination:

I. Basic co-ordinating techniques:

- Rules, Procedures and Policies.
- Planning
- Hierarchy.

II. Increasing co-ordination potential:
- Direct Contact
- Task force
- Committees
- Induction
- Incentives
- Workflow

III. Reducing need of co-ordination
- Autonomous work teams
- Matrix organisation.

6 (a) Explain the Steps needed in controlling process [05] CO1 L1,L2

The four steps in the control process are:
*Establish standards to measure performance
*Measure actual performance.
*Compare performance with the standards.
*Take corrective actions.

1:-Establish standards to measure performance. Within an organization's overall strategic plan, managers define goals for organizational departments in specific, operational terms that include standards of performance to compare with organizational activities.

2:- Measure actual performance. Most organizations prepare formal reports of performance measurements that managers review regularly. These measurements should be related to the standards set in the first step of the control process. For example, if sales growth is a target, the organization should have a means of gathering and reporting sales data.

3:- Compare performance with the standards. This step compares actual activities to performance standards. When managers read computer reports or walk through their plants, they identify whether actual performance meets, exceeds, or falls short of standards. Typically, performance reports simplify such comparison by placing the performance standards for the reporting period alongside the actual performance for the same period and by computing the variance—that is, the difference between each actual amount and the associated standard.

4:- Take corrective actions. When performance deviates from standards, managers must determine what changes, if any, are necessary and how to apply them. In the productivity and

quality-centered environment, workers and managers are often empowered to evaluate their own work. After the evaluator determines the cause or causes of deviation, he or she can take the fourth step—corrective action. The most effective course may be prescribed by policies or may be best left up to employees' judgment and initiative.

(b) Define Social Audit. Discuss the benefits and limitations of Social audit. [05] CO3 L1,L2

A social audit is a systematic study and evaluation of the organization's social performance as distinguished from its economic performance. The term Social performance refers to any organizational activity that effects the general welfare of society.

Benefits of Social Audit:

1. It supplies data for comparison with the organizations social policies and standards.

2. It develops a sense of social awareness among all employees.

3. It provides data for comparing the effectiveness of different types of programmes.

4. It provides data about the cost of social programmes, so that the management can relate this data to budgets, available resources, company objectives, etc.

5. It provides information for effective response to external groups which make demands on the organization.

Limitations of Social Audit:

A social audit is process audit rather than an audit of results.

An audit of social results is not made because:

1. They are difficult to measure.

2. Their classification under good or bad is not universally accepted.

3. Most of them occur outside the organization, making it difficult for the organization to secure data from these outside sources.

7 (a) Discuss Social responsibilities towards Consumers and Community. [05] CO3 L2

Towards consumer and the community:

1. Production of cheap and better quality goods and services by developing new skills,innovations and techniques.

2. Levelling out seasonal variations in employment and production through accurate forecasts, production scheduling and product diversification.

3. Deciding priorities of production in the country's interest and conserving natural resources.

4. Providing for social audit.

5. Honouring contracts and following honest trade practices.

6. Making real consumer needs as the criterion for selecting messages to be given by product advertisements.

7. Preventing the creation of monopolies.

8. Providing for after-sale servicing.

9. Ensuring hygienic disposal of smoke and waste and voluntarily assisting in making the environment aesthetically satisfying.

10. Achieving better public relations (creating a more favourable attitude towards the enterprise) by giving to the community, true, adequate and easily intelligible information about its working.

(b) Classify Entrepreneurs based on Functional characteristics and development angle. [05] CO4 L1,L2,L4

Classification of Entrepreneurs:

I. Based on Functional characteristics:

- **Innovative entrepreneur:** This category of Entrepreneur is characterized by the ability of their innovativeness. This type of Entrepreneur, sense the opportunities for introduction of new ideas, new technology, discovering of new markets and creating new organizations.
- **Adoptive or imitative entrepreneur:** Such entrepreneurs imitate the existing entrepreneur and set their enterprise in the same manner. Instead of innovation, may just adopt the technology and methods innovated by others.
- **Fabian entrepreneurs**: Fabian entrepreneurs are characterized by great caution and skepticism, in experimenting any change in their enterprises. They imitate only when it becomes perfectly clear that failure to do so would result in a loss of the relative position in the enterprises.
- **Drone entrepreneurs**: Such entrepreneurs are conservative or orthodox in outlook. They always feel comfortable with their old fashioned technology of production even though technologies have changed.

- **Prime mover**: One who always in motion with sequence of development, expansion and diversification.
- **Manager:** One who does not initiate expansion , but content with business operations.
- **Minor Innovator:** One who find better use of existing resources or innovation.
- **Sattelite:** One who assume's supplier role and slowly move towards productive enterprise.
- **Local Trading:** One who limits his business to the local market.

8 (a) Explain the Entrepreneurship Development Cycle.   [05]   CO2 L1,L2

Entrepreneurship Development Cycle is Generating entrepreneurial awareness in the community through well planned publicity. Identifying and selecting potential entrepreneurs. Helping them through training to raise their motivational level. Improving their skills in modern management methods. Developing technical competence relevant to the product selected. Helping them to develop project report. Making available techno-economic information and project profiles. Helping entrepreneurs to select new products. The 3'S of development cycle is elaborated as

SIMULATORY PHASE:
- Training and education in Entrepreneurship.
- Publicising entrepreneurial opportunities.
- Making available techno-economic information.
- Creation of forum for entrepreneurs.
- Easy availability of information.
- Offering Incentives and recognition **.**

SUPPORTING PHASE:
- Obtaining fund.
- Getting land, shed and utilities.
- Acquiring Machine and Equipment.
- Facilities Procuring raw materials.
- Marketing linkages .
- Management Consultancy.
- Providing common facilities
- Technology flow and Adoption
- Availing information.

SUSTAINING PHASE:
- Facility for growth and expansion
- Refinancing facilities.
- Diagnostic and consultancy services.
- Legal and policy modification.
- Deferred Repayment Interest.

(b) Discuss the Myths of Entrepreneurship.   [05]   CO1, L1,L2
                                                                                                          CO3
1. Entrepreneurs are born not made:
2. A great idea is the only ingredient in a recipe for success:
3. Having no boss is great fun:
4. All you need is money to be an entrepreneur:
5. I'll definitely become wealthy:
6. All you need is luck to be an entrepreneur:
7. Life will be much simpler if I work for myself:
8. Having no boss is great fun:
9. .My best friend will be a great business partner:
10. Entreprenuers are Academic and Social misfits: