Internal Assessment Test 1 – November 2022

Question paper and Answer Scheme

18CS51 - Management and Entrepreneurship for IT industry

**Question Paper**

USN

| Sub: | Management and Entrepreneurship for IT industry | | | | Sub Code: | 18CS51 | Branch: | ISE | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Date: | 04/11/2022 | Duration: | 90 min's | Max Marks: | 50 | Sem/Sec: | V A, B & C | | OBE | |
| **Answer any FIVE FULL Questions** | | | | | | | | MARKS | CO | RBT |
| 1) | a. Define MBO and MBE. | | | | | | | 5 | 1 | L1 |
| | b. Explain the levels of management with suitable examples and a neat diagram. | | | | | | | 5 | 1 | L2 |
| 2) | Consider a product marketing management system. Apply the different functions of management for this system. | | | | | | | 10 | 1 | L3 |
| 3) | a. Explain the contributions of Hawthrone experiments. | | | | | | | 5 | 1 | L2 |
| | b. Explain any two modern management approach? | | | | | | | 5 | | L2 |
| 4) | a. State the differences between strategic and logical planning. | | | | | | | 4 | 1 | L2 |
| | b. What is standing plan? Explain in detail the techniques used in it. | | | | | | | 6 | 1 | L2 |
| 5) | Explain the principles of organization in detail. | | | | | | | 10 | 1 | L2 |
| 6) | What are the different sources of recruitment. Explain them in detail. | | | | | | | 10 | 1 | L2 |

Faculty Signature                    CCI Signature                    HOD Signature

**Answer scheme**

1. **a. Define MBO and MBE.**                                **[5 marks] [CO1] [RBT-L1]**

**MBO – Management by Objective:**
Management by objectives calls for regulating the process of managing in terms of meaningful, specific and variable objectives at different levels of management hierarchy. MBO moulds planning, directing and controlling in a number of ways. It stimulates meaningful action of better performance and higher accomplishment.

**MBE – Management by Exception:**
Management by exception (MBE) is a management strategy in which managers will only step in when there are significant deviations from planned outcomes. These can be either operational or financial outcomes.

**b. Explain the levels of management with suitable examples and a neat diagram.**
                                                 **[5 marks] [CO1] [RBT-L2]**

Top management of an organization consists board of directors, chairman and chief executive officer. Top level management determines goals and objectives. It performs overall planning, organizing, staffing, directing and controlling. It integrates organization with environment, balances the interest groups and is responsible for overall results. Middle management stands between top management and supervisory management level. Middle level management establishes programs for department and carries out functions for achieving specific goals. The other functions of middle level management are training and development of employees, integrating various parts of the department. Supervisory management is concerned with efficiency in using resources of the organization. A supervisor is an executor of policies and procedures making a series of decisions with well-defined and specified premises.



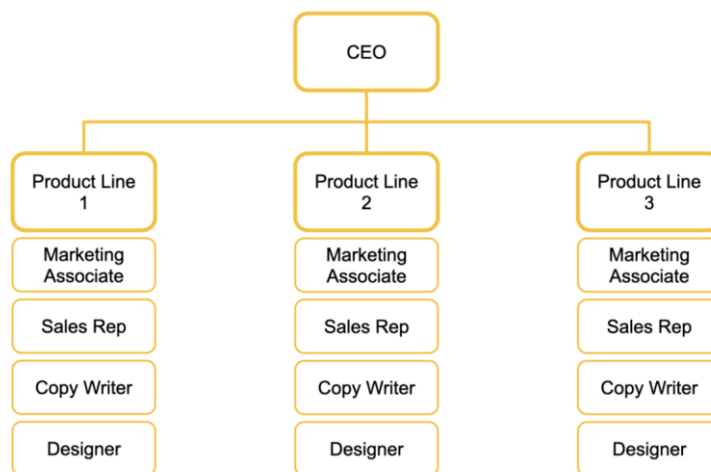2. **Consider a product marketing management system. Apply the different functions of management for this system.**              **[10 marks] [CO1] [RBT-L3]**

The following are the functions of management:
1. Planning
2. Organizing
3. Staffing
4. Directing and
5. Controlling

With respect to product marketing management system the functions of management can be explained as follows:

- Planning:
  Planning is decidingdeciding in advance what to do, how to do it, when to do it and who is to do it. For product marketing we need to decide when the product needs to be marketed, in what and all ways the product can be marketed to get maximum profit and where to market the product. By planning all this in advance we can have a good profit for the organization.
- Organizing:
  An organization can be defined as a social unit or human grouping deliberately structured for the purpose of attaining specific goals.
  A sample example of production marketing management organization structure is given below:



- Staffing
  Staffing is selecting the right and qualified person for the specific position. Proper positioning and fixing salaries are done in staffing. With respect to product marketing management, we have to select the right person for each level of the organization. The product line head must be people who have more experience in this marketing field. Similarly, each sector like marketing associative, sales representative, copy writer and designer are selected with people who have specialization in that sector either by their educational qualification or experience.
- Directing
  Directing is where the managers have good communication with his/her subordinate. The product line manager should guide the marketing subordinate to get the maximum and efficient work done from the subordinate. Similarly, all the employees at the higher level must provide proper guidance or motivation so that they can attain maximum sales of the product.
- Controlling
  Product marketing management is not a single process. Time to time controlling need to be done so that the level of marketing the product is good and they get a maximum profit. The manager must monitor the sales rate of the product from time

to time and provide extra guidance if the productivity of the organization is decreasing.

**3. a. Explain the contributions of Hawthrone experiments.**

**[5 marks] [CO1] [RBT-L2]**

The following points as a result of Hawthorne experiments.
**(1) Social system:** The organization in general is a social system composed of numerous interacting parts. The social system defines individual roles and establishes norms that may differ from those of formal organization.
**(2) Social environment:** The social environment of the job affects the workers and is also affected.
**(3) Informal organization:** The informal organization does also exist within the frame work of formal organization and it affects and is affected by the formal organization.
**(4) Group dynamics**: At the workplace, the workers often do not act or react as individuals but as members of group. The group plays an important role in determining the attitudes and performance of individual workers.
**(5) Informal leader:** There is an emergence of informal leadership as against formal leadership and the informal leader sets and enforces group norms.
**(6) Non-economic reward:** Money is only one of the motivators, but not the sole motivator of human behaviour. Man is diversely motivated and sociopsychological factors act as important motivators

**b. Explain any two modern management approach     [5 marks] [CO1] [RBT-L2]**

**(Any 2)**
**Behavioural Approach**
The behavioral approach has laid down the following conclusions.
(1) Decision-making is done in a sub-optimal manner, because of practical and situational constraints on human rationality of decision-making. The behaviourists attach great weight age on participative and group decision-making.
(2) Behavioral Scientists encourage self direction and control instead of imposed control.
(3) Behavioral Scientists consider the organization as a group of individuals with certain goals.
(4) In view of behavioural scientists the democratic-participative styles of leadership are desirable, the autocratic, task oriented styles may also be appropriate in certain situation.
(5) They suggest that different people react differently to the same situation. No two people are exactly alike and manager should tailor his attempts to influence his people according to their needs.
(6) They recognize that organizational conflict and change are inevitable.

**Quantitative Approach**
The focus of quantitative approach is on decision making, and to provide tools and techniques for making objectively rational decisions. Objective rationality means an

ability and willingness to follow reasonable, unemotional and scientific approach in relating means with ends and in visualizing the totality of the decision environment. This approach facilitates disciplined thinking while defining management problems and establishing relationships among the variables involved. This approach is widely used in planning and control activities where problems can be defined in quantitative terms.

**Systems Approach**

A system is a set of interdependent parts which form a unit as a whole that performs some function. An organization is also a system composed of four independent parts namely, task, structure, people and technology. The central to the system approach is 'holism' which means that each part of the system bears relation of interdependence with other parts and hence no part of the system can be accurately analyzed and understood apart from the whole system. A system can be open or closed system. In open system, a system interacts with surrounding. An organization is open system because it interacts with it.

**Contingency Approach**

According to this approach, management principles and concepts have no general and universal application under all conditions. There is no best way of doing things under Management. Methods and techniques which are highly effective in one situation may not give the same results in another situation. This approach suggests that the task of managers is to identify which technique in a situation best contribute to the attainment of goals. Managers therefore have to develop a sort of situational sensitivity and practical selectivity. Contingency views are applicable in designing organizational structure, in deciding degree of decentralization, in motivation and leadership approach, in establishing communication and control systems, in managing conflicts and in employee development and training.

4. **a. State the differences between strategic and logical planning.**

**[4 marks] [CO1] [RBT-L2]**

| Strategic planning | Logical planning |
|---|---|
| Long term planning | Short term planning |
| Done by top level management | Done by low level management |
| Major goals of management | Minor goals of management |
| Less detailed focus on major goals | More detailed |
| More uncertain | Less uncertain |

**b. What is standing plan? Explain in detail the techniques used in it.**
**[6 marks] [CO1] [RBT-L2]**

Standing plans are designed for situations that recur often enough to justify a standardize approach.

The following are the techniques used in standing plan:

1) **Policies:** A policy is a general guideline for decision making. It sets up boundaries around decisions. Policies channelize the thinking of the organization members so that it is consistent with the organizational objectives.

2) **Procedures:** Policies are carried out by means of more detailed guidelines called procedures. A procedure provides a detailed set of instructions for performing a sequence of actions involved in doing a certain piece of work.

3) **Methods:** A method is a prescribed way in which one step of procedure is to be performed. A method is thus a component part of procedure. It means an established manner of doing an operation.

4) **Rules:** The rules are the simplest and most specific type of standing plans. Every organization attempts to operate in an orderly way by laying down certain rules. Rules are detailed and recorded instructions that a specific action must or must not be performed in a given situation.

5. **Explain the principles of organization in detail.   [10 marks] [CO1] [RBT-L2]**

**1) Objectives:** The objectives of the enterprise influence the organization structure and hence the objectives of the enterprise should first be clearly defined. Then every part of the organization should be geared to the achievement of these objectives.

**2) Specialization:** Effective organization must promote specialization.
The activities of the enterprise should be divided according to functions and assigned to persons according to their specialization.

**3) Span of control:** As there is a limit to the number of persons that can be supervised effectively by one boss, the span of control should be as far as possible, the minimum. That means, an executive should be asked to supervise a reasonable number of subordinates only.

**4)Exception:** As the executives at the higher levels have limited time, only exceptionally complex problems should be referred and routine matters
should be dealt with by the subordinates at lower levels. This will enable the executives at higher levels to devote time to more important and crucial issues.

**5) Scalar Principle:** This Principle is sometimes known as the "chain of command". The line of authority from the chief executive at the top to the first-line supervisor at the bottom must be clearly defined.

**6) Unity of command:** Each subordinate should have only one superior whose command he has to obey. Multiple-subordination must be avoided for it causes Uneasiness, disorder, indiscipline and undermining of authority.

**7) Delegation:** Proper authority should be delegated at the lower levels oh manager of the organization also. The authority delegated should be equal to responsibility that is each manager should have enough authority to accomplish the task assigned to him. Inadequate delegation often results into multiplication of staff and service
activity.

**8) Responsibility:** The superior should be held responsible for the acts of his subordinates. No superior should be allowed to avoid responsibility by delegating authority to his subordinates.

**9) Authority:** The authority is the tool by which a manager is able to accomplish the desired objective. Hence, the authority of each manager must be clearly defined. Further, the authority should be equal to responsibility.

**10) Efficiency:** The organization structure should enable the enterprise to function efficiently and accomplish its objectives with the lowest possible cost.

**11) Simplicity:** The Organization structure should be as simple as possible and the organization levels should as far as possible, be minimum. A large number of levels of organization means difficulty of effective communication and coordination. Too many committees and excessive procedures Also unduly complicate the structure.

**12) Flexibility:** The organization should be adaptable to changing circumstances and permit correction of demonstrated deficiencies in the existing structure without dislocation and disruption of the basic design.

**13) Balance:** There should be a reasonable balance in the size of various departments, between centralization and decentralization, between the principle of span of control and the short chain of command, and among all types of factors such as human, technical and financial.

**14) Unity of direction:** There should be one objective and one plan for a group of activities having the same objective. Unity of direction facilitates unification and coordination of activities at various levels.

**15) Personal Ability:** As people constitute an organization, there is need for proper selection, placement and training of staff. Further the organization structure must ensure optimum use of human resources and encourage management development programs.

**6. What are the different sources of recruitment. Explain them in detail.**

**[10 marks] [CO1] [RBT-L2]**

The various sources of recruitment are divided into two categories:

(1) Internal Sources.

(2) External Sources.

**Internal sources:**

Internal sources involve transfer and promotion.

- Transfer involves the shifting of an employee from one job to another.

- Many companies follow the practice of filling higher jobs by promoting employees who are considered fit for such positions.

Filling higher positions by promotion motivates employees, promotes employee's morale.

**External sources:**

- **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.

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

- **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.,

- **Employment agencies:** 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.

- **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.

- **Labour contractor:** Often unskilled and semiskilled workers are recruited through labour contractors.

- **Recommendations:** 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.