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Internal Assessment Test 1 – Nov. 2022

Sub:	Technological Innovation Management And Entrepreneurship				Sub Code:	18ES51	Branch:	ECE	
Date:	04-11-2022	Duration:	90 Minutes	Max Marks:	50	Sem / Sec:	5/A,B,C,D		OBE
<u>Answer any FIVE FULL Questions</u>							MARKS	CO	RBT
1 (a)	Define management. Explain the functions of management.					[10]	CO1	L1,L2	
2 (a)	What are the differences between management and administration?					[05]	CO1	L2	
2 (b)	“Management as a profession” – Elaborate on this statement.					[05]	CO1	L3	
3 (a)	Describe the levels of Management.					[05]	CO1	L1,L2	
3 (b)	Draw the diagram of skill-mix at different managerial levels and explain.					[05]	CO1	L1,L2	
4	Discuss various steps involved in planning. Discuss limitations of planning.					[10]	CO1	L1, L2	
5 (a)	List and explain in brief: Standing plans and single use plans.					[06]	CO1	L2	
5 (b)	List out the differences between policy and procedure.					[04]	CO1	L1	
6	Explain in detail the types of decisions.					[10]	CO1	L2	
7	Discuss in detail steps involved in rational decision making.					[10]	CO1	L2	

Scheme & Solution-IAT-1

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<u>Answer any FIVE FULL Questions</u>					MARKS	CO	RBT
1 (a)	<p>Define management. Explain the functions of management.</p> <p><u>Solution</u> Management is a wide term. It is described as an “activity”, a “process”, and a “group of people” vested with the authority to make decisions. ✓ According to Mary Parker Follett, management is the “art of getting things done through people.” ✓ According to George R.Terry, management as a process” consist of planning, organising, actuating and controlling, performed to determine and accomplish the objectives by the use of people and resources”. ✓ According to Louis Allen, “Management is what a manager does”. ✓ According to Henry Fayol, “to manage is to forecast and plan, to organise, to command, to coordinate, and to control”. ✓ According to James D.Mooney and Allan C.Reiley, “management is the art of directing and inspiring people”. ✓ According to Harold Koontz, “Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals and can co-operate towards attainment of group goals”. Management is the process of reaching organizational goals by working with and through people and other organizational resources.</p> <p>There are five essential and well accepted functions of management they are: a. Planning. b. Organizing. c. Staffing. d. Directing (leading). e. Controlling.</p> <p>a. Planning:</p> <ul style="list-style-type: none"> • Planning is the function that determines in advance what should be done. • It is a process of deciding the business objectives and charting out the methods of attaining those bjectives. • Planning is done not only for the organization but for every division, department or sub-unit of the organization. • Thus planning is a function that is performed by managers at all levels –top level, middle level and supervisory. • Plans made by top level management may cover as long as five or ten years. 				[10]	CO CO1	L1,L2

	<ul style="list-style-type: none"> • Plans made by middle level may cover for shorter period. • For ex: two hours meeting to take place in a week. <p>b. Organizing:</p> <ul style="list-style-type: none"> • To organize a business is to provide those personnel (employees), raw materials, tools, capital etc... • This is divided into two organization human organization and material organization. • Once managers have established objectives, they must design and develop human organization that is required to carry out the plans successfully. <p>c. Staffing:</p> <ul style="list-style-type: none"> • Staffing is considered as an important function in building human organization. • In Staffing, manager attempts to find the right person for each job. • Manager recruits enough manpower to fill the various positions needed in the organization. • Staffing involves the selection and training of future managers and suitable system of compensation. <p>d. Directing:</p>			
	<p>After planning, organizing and staffing the next important function of management is directing or leading the people towards the defined objectives.</p> <ul style="list-style-type: none"> • Directing involves three sub-functions –communication, leadership and motivation. • Communication the process of passing information and understanding from one person to another. • Leadership is the process by which a manager guides and influences the work of his subordinates. • Motivation means arousing desire in the minds of employees of an organization to perform their best. • There are two kinds of motivation: Financial and Non-financial. Financial motivation is in the form of salary, bonus, profit sharing rewards etc..... • Non-financial motivation is job security, promotions, praise, felicitation etc..... <p>e. Controlling:</p> <ul style="list-style-type: none"> • Controlling is measuring and correcting if activities of sub-ordinates to make sure that the work is going on as per the plans. • These involve these elements: Establishing standards of performance. Measuring performance and comparing with established standards. Taking corrective action to meet the set standards. 			
2 (a)	<p>What are the differences between management and administration?</p> <p>Solution</p> <p>Administration involves “thinking”. It is a top level function which centres on the determination of plans, policies and objectives of a business enterprise. Management involves “doing”. It is a lower level function which is concerned with the execution and direction of policies and operations. Figure shows that, at top level more time is spent in administrative activity and as one moves down in the organization more time is spent in managerial activity. Upper level management is called administrative management and lower level management is known as operative management.</p>	[05]	CO1	L2

The difference between administration and management are listed below.

CHARACTERISTIC	ADMINISTRATION	MANAGEMENT
1.Main function	Planning ,organizing & staffing	Leading, motivating & controlling
2.Status	Acts as owner	Acts as an agency
3.Skills	Requires good administrative skills	Requires good Technical skills
4.Levels in the Organisation	Top level	Lower level
5.Position	Managing Directing owner, CEO Etc...	Managers, supervisor, Foreman etc...
6.Objectives	Makes the policies, Objectives and Goals to be Achieved	Implements the plans And policies
7.Involvement	No direct involvement In production or Services	Directly involves in the execution of plans and achieving goals

2 (b) “Management as a profession” – Elaborate on this statement.

[05]

CO1

L3

Solution

Management as a profession:

- A Profession is calling that, requires specialized knowledge and often long intensive academic preparation.
- The essential features of profession are:
 - Well defined body language.
 - Restricted entry.
 - Service motive.
 - Code of conduct.
 - Representative professional association

3 (a) Describe the levels of Management.

[05]

CO1

L1,L2

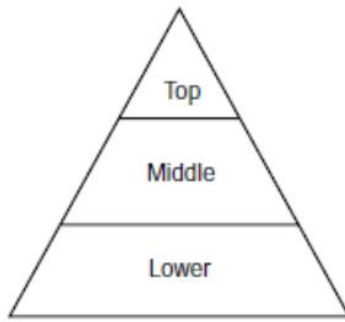
Solution

People in an organization are arranged in an hierarchy and they all have the relationship of superior-subordinates. Every manager in an organization performs all five management functions. The relative importance of these functions varies along the managerial levels. There may be as many levels in the organization as the number of superiors in a line of command. Some of these levels are merged into one on the basis of nature of functions performed and authority. Management levels can be classified in to three categories – Top Management, Middle Management and Supervisory/Lower Level.

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 welldefined and specified premises.



Board of Directors, Chairman, Chief Executive

Department Heads, Divisional Heads, Section Heads

Senior Supervisor, Front Line Supervisors

3 (b) Draw the diagram of skill-mix at different managerial levels and explain.

[05]

CO1

L1,L2

Solution

Managers at every level in the management hierarchy must exercise three basic types of skills: technical, human, and conceptual. All managers must acquire these skills in varying proportions, although the importance of each category of skill changes at different management levels.

Manager should possess 3 major skills:

TOP MANAGEMENT—CONCEPTUAL SKILL

MIDDLE MANAGEMENT—HUMAN RELATION SKILL

SUPERVISORY LEVEL—TECHNICAL SKILLS

The skill is an individual's ability to perform physical or mental tasks with a specified outcome.

CONCEPTUAL SKILL:

- ✓ Conceptual skills involve the ability to see the whole organization and the interrelationships between its parts.
- ✓ These skills refer to the ability to visualize the entire picture or to consider a situation in its totality.
- ✓ These skills help the managers to analyze the environment and to identify the opportunities.
- ✓ Conceptual skills are especially important for top-level managers, who must develop long-range plans for the future direction of their organization.

It is the ability of a manager to conceptualize the environment, the organization & his own job, so that he can set appropriate goals. For his organization, for himself & his team this skill seems or increase in importance as manager moves up to higher positions of responsibility in the organization.

TECHNICAL SKILL:

- ✓ Technical skills refer to the ability and knowledge in using the equipment, techniques and procedure involved in performing specific tasks.
- ✓ These skills require specialized knowledge and proficiency in the mechanics of a particular.
- ✓ Technical skills lose relative importance at higher levels of the management hierarchy, but most top executives started out as technical experts. It is manager understands of the nature of job that people under him have to perform. It refers to person's knowledge and proficiency in any type of process or technique. This skill is important at lower levels of

management. As manager moves to higher positions, the conceptual Component becomes more important & technical component becomes less important.

HUMAN RELATIONS SKILL:

- ✓ Human skills refer to the ability of a manager to work effectively with other people both as individual and as members of a group
- ✓ Human skills are concerned with understanding of people.
- ✓ These are required to win cooperation of others and to build effective work teams.

It is the ability to interact effectively with people at all levels. This skill helps manager. To judge the possible reactions to & outcomes of various course of action he may undertake to recognize the feelings & sentiments of others. To examine his own concepts & values, this will enable manager to develop more useful attitudes about him. This skill is important to managers at all levels. At top level technical skill becomes least important.



4 Discuss various steps involved in planning. Discuss limitations of planning.

[10]

CO1

L1,
L2

Solution

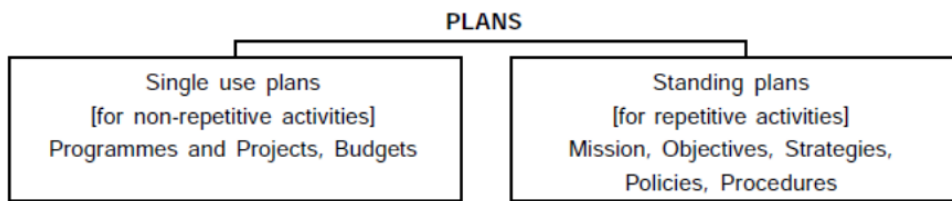
The steps generally involved in planning are as follows:

(1) **Establishing goals/objectives:** The first step in planning process is to determine the enterprise objectives. These are set by upper level managers after number of objectives has been carefully considered. The objective set depends on the number of factors like mission of the organization.

(2) **Establishing planning premises:** This is the second step in planning which involves establishing planning premises that is the conditions under which planning activities will be undertaken. Planning premises are planning

	<p>assumptions— the expected environmental factors, pertinent facts and information relating to the future such as general economic conditions, population trends, competitive behaviour.</p> <p>The planning premises can be classified as below:</p> <p>(1) Internal and External premises.</p> <p>(2) Tangible and Intangible premises.</p> <p>(3) Controllable and non-controllable premises.</p> <p>(3) Deciding the planning period: Once the long term objectives and planning premises are decided, the next task is to decide the period of the plan.</p> <p>The factors which influence the choice of a period are:</p> <p>(a) Lead time in development and commercialization of a new product.</p> <p>(b) Time required for recovering capital investment or the pay back period.</p> <p>(c) Length of commitment already made: The plan period should be long enough to enable the fulfillment of already made commitments.</p> <p>(4) Identification of alternatives: The fourth step in planning is identifying alternatives. A particular objective can be achieved through various actions.</p> <p>(5) Evaluation and selection of alternative: Once the alternatives are identified the next step is to evaluate the alternatives in the light of the premises and goals and to select the best course or courses of action.</p> <p>(6) Developing derivative/supportive plans: Once the plan is selected, various plans are derived so as it support the main plan.</p> <p>(7) Measuring and controlling the process: One should not allow plan to run on its own without monitoring its progress. Managers need to check the progress of their plans so that remedial action can be taken to make plan work or change the plan if it is unrealistic.</p> <p>Planning is an expensive and time consuming process. It includes money, energy and risk, but gives no assurance of the fulfilment of organisation’s objectives. Planning restricts the organisation to risk-free opportunities. Planning forces manager to operate within the limits, planning cause delay in decision making.</p> <ul style="list-style-type: none"> • For industries producing fashionable articles or for industries engaged in a publication of textbooks, working on a day-to-day basis is more economical than on a planned basis. • Establishment of advance plans may make administration inflexible. When unforeseen changes in the environment such as business recursion, crop failure take place then original plan loses its value and fresh plan need to be done. • There is difficulty in formulating accurate premises, because future cannot be known with accuracy. • Planning May sometimes face people’s resistance to do it. 			
5 (a)	<p>List and explain in brief: Standing plans and single use plans.</p> <p>Solution</p> <p>Plans are classified into standing plans and single use plans as shown in fig</p> <p>Standing plans provide guidelines for further course of action and are used over a period of time. Standing plans are designed for situations that recur often enough to justify standardize approach. For example a bank designs a standing plan to process a loan application. Using this standing plan the bank manager decides whether to approve or not a loan application depending upon the details furnished by the applicant. Once formulated these plans are in operation for a long period unless there is change in these plans. Examples of such plans are organizational mission, long term objective, strategies, policies, procedures and rules. On the other hand single use plans are designed for specific end; when that end is reached, the plan is dissolved or formulated again for next</p>	[06]	CO1	L2

end. Examples of such plans are project, budgets, quotas, targets etc. Single use plans are generally derived from standing plans. Organization set their mission and objectives, out of which strategic actions are determined. In order to put these actions into operations, projects, budgets etc., are prepared for specific time period.



5 (b) **List out the differences between policy and procedure.**

[04]

CO1

L1

Solution

• **Policies:** setting up boundaries that supply the general limits & direction in which managerial action will take place - "Terry"

- A policy is a *general guideline for decision making*.
- It *sets up boundaries* around decisions.
- It *channelizes the thinking* of the organization members.
- According to George R. Terry, "policy is a *verbal, written or implied overall guide, setting up boundaries* that supply the general limits and direction in which managerial action will take place."
- Policies provide a *framework* within which decisions must be made by the management in different spheres.
- Objectives are end points of planning while *policies channelize decisions to these ends*.
- Examples: ***Recruitment policy, advertisement policy***

• **Procedures:** are detailed guidelines that are used to carry out the policies.

- Procedures are more detailed guidelines to carry out policies.
- A procedure provides detailed set of instructions for performing a sequence of actions involved in doing a certain piece of work.
- The same steps are followed each time that activity is performed.
- Examples:
- The procedure for purchasing the raw material
- The procedure for the recruitment of personnel
- The procedure for conducting meetings of directors and share holders
- Granting sick leaves to the employees

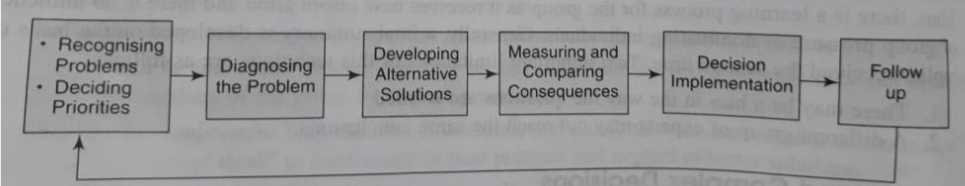
Policy

1. General guides to both thinking and action of people

Procedure

1. General guides to action only usually for people at lower

6	<p>Explain in detail the types of decisions.</p> <p>Solution</p> <p>Programmed and non-programmed decision.</p> <ul style="list-style-type: none"> • Major or minor decision. • Routine and strategic decision. • Individual and group decision. • Simple and complex decision. <p>Programmed and non-programmed decision</p> <ul style="list-style-type: none"> • Programmed decisions are those that are made in accordance with some policy, rule or procedure and they do not have to be handled each time they occur. They are repetitive routine. Example: determining salary payment to employs who have been ill. • Non programmed decisions are natural and non repetitive. If a problem has not arisen before then it must be handled by a non-programmed decision. Example: What to do about a failing product line, how community relations should be improved etc... • In programmed decision, each manager is guided by some set of rules and policies. Therefore it is not possible for two different managers to arrive at different solution. • In case of non programmed decisions, each manager will be his own personal beliefs, attitudes and value judgment to bear on decision process. Therefore two different managers can arrive at two different solutions. <p>Summary: Programmed decisions are routine and repetitive and are made within the framework of organizational policies and rules. These policies and rules are established well in advance to solve recurring problems in the organization. Programmed decisions have short-run impact. They are, generally, taken at the lower level of management.</p> <p>Non-programmed decisions are decisions taken to meet non-repetitive problems. Non-programmed decisions are relevant for solving unique/unusual problems in which various alternatives cannot be decided in advance. A common feature of non-programmed decisions is that they are novel and nonrecurring and therefore, readymade solutions are not available. Since these decisions are of high importance and have long-term consequences, they are made by top level management.</p> <p>Major or minor decision</p> <p>Degree of futurity of decision</p> <ul style="list-style-type: none"> • How long a decision in future will commit the company? .A decision which has long range impact like replacement of men by machinery must be rated as major decision. • How to store raw materials may be taken as minor decision. <p>Impact of the decision on other functional areas</p> <ul style="list-style-type: none"> • If a decision affects only one function then it is a minor decision else it is a major decision. <p>Qualitative factors that enter the decision</p> <ul style="list-style-type: none"> • A decision which involves certain subjective factors is an important decision • Example: Subjective factors are basic principles of conduct, ethical values etc <p>Recurrence of decision</p> <ul style="list-style-type: none"> • Decisions which are rare considered as major decisions and decisions which 	[10]	CO1	L2

	<p>occur very often is minor decision.</p> <p>Routine and strategic decisions</p> <ul style="list-style-type: none"> • Routine and tactical or housekeeping decisions are those which are supportive. They relate to the present. • Their purpose is to achieve as high degree of efficiency possible in companies ongoing activities <p>Example: providing Air conditioning (ac), better lighting etc. Lowering price of product, changing the product line are strategic decisions.</p> <p>Individual and group decisions</p> <ul style="list-style-type: none"> • Decision may be taken as either by an individual or by a group. Individual decisions are taken where problem is of routine nature • Important and strategic decisions may result in some change in organization is a group decision 			
7	<p>Discuss in detail steps involved in rational decision making.</p> <p><u>Solution</u></p> <p>The following steps are involved in the process decision making.</p> <ol style="list-style-type: none"> (1) Recognizing the problem. (2) Deciding priorities among the problems. (3) Diagnosing the problem. (4) Developing alternative solutions or courses of activities. (5) Measuring and Comparing Sequences. (6) Decision implementation. (7) Follow up.  <pre> graph LR A["• Recognising Problems • Deciding Priorities"] --> B[Diagnosing the Problem] B --> C[Developing Alternative Solutions] C --> D[Measuring and Comparing Consequences] D --> E[Decision Implementation] E --> F[Follow up] F --> A </pre> <p>(1) Recognizing the problem: When a manager makes a decision it is in effect the organization's response to a problem. Hence it is necessary to search the environment for the existence of a problem. A problem is said to exist;</p> <ol style="list-style-type: none"> (a) When there is deviation from past experience. (b) When there is deviation from plan. (c) When competitors outperform. (d) When people bring problems to the manager, <p>(2) Deciding priorities among problems: A manager might have identified a number of problems. All these problems vary in their importance. He may find that some of the problems are such that they can be solved by their subordinates because they are closest to them. All such problems should be passed on to them. Some problems may need information available only at higher level or affecting other departments. Such problems are referred to higher level managers. And those problems which can be best solved by him are to be focused.</p> <p>(3) Diagnosing the problems: Symptoms of the problem that are observed by the manager may sometimes mislead him. The symptom may lead manager to suspect one part when the defect may lie hidden in another part. For diagnosing the problem a manager should follow the systems approach. He should study all the sub-parts of his organization which are</p>	[10]	CO1	L2

connected with the sub-part in which the problem seems to be located.

(4) **Developing alternative solutions or courses of action:** A problem can be solved in several ways; however all the ways cannot be equally satisfying. If there is only one way of solving a problem, then no question of decision arises. Therefore decision maker must identify various alternatives available in order to get most satisfactory result of a decision.

A decision maker can identify alternatives using his own experience, practices followed by others and using creative technique. A decision maker using past experience takes into account the action taken by the decision maker in the past with the difference between former challenges and the present one. The successful action of the past may become an alternative for the future.

(5) **Measuring and comparing consequences:** Once various alternatives are developed, the next step is to measure and compare their consequences of alternatives using quality and acceptability. The quality of a decision must be determined considering both tangible and intangible consequences. Tangible consequences are those which can be quantitatively measured or mathematically demonstrated. Intangible consequences cannot be measured quantitatively. Acceptability of solution is also important.

(6) **Decision Implementation:** This step involves communication of decisions to the employees. Decision must be communicated in clear and unambiguous terms. All necessary efforts should be made to secure employees participation in some stages of decision making.

Association of employees in decision making not only enhance the acceptability, but also improves the quality of decision. Sometimes due to non-availability of data, a manager may not take correct decision.

(7) **Follow up:** As a safeguard against incorrect decision, the manager while converting a decision into effective action should institute a system of follow-up so that he can modify or alter his decision at the earliest opportunity