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Internal Assessment Test 1 – June 2024

Sub:	TIME (Technological Innovation Management & Entrepreneurship)				Sub Code:	21EC61	Branch:	ECE	
Date:	03-06-2024	Duration:	90 minutes	Max Marks:	50	Sem/Sec:	6 th (A,B,C,D)		OBE
<u>ANSWER ANY 5 FULL QUESTIONS</u>							MARKS	CO	RBT
1	Explain the various functions of management. Discuss how Management and Administration are different.					10	CO1	L2	
2	Explain the various roles of a Manager with example.					10	CO1	L2	
3	What is planning? Explain various steps and limitation of planning.					10	CO1	L1, L2	
4	Define the principle of organizing and explain the process of organizing.					10	CO2	L2	
5	Explain the Span of management and the factors governing it.					10	CO2	L2	
6	Explain Centralization and Decentralization of authority and responsibility.					10	CO2	L2	
7	Explain Committees and the different types of Committees.					10	CO2	L2	

Course Instructor

Chief Course Instructor

HOD

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Q1) Solution :

The various functions of management are :

- **Planning.**
- **Organizing (Staffing)**
- **Directing**
- **Controlling**
- **Innovation**
- **Representation**

Planning:

- Planning is the **Primary function** of management.
- It is **looking ahead** and preparing for the **future**.
- It **determines in advance** what should be **done**.
- It is **conscious** determination of **future** course of **action**.
- **Involves** determining **why** to take **action? What action? How to take action? When to take action?**
- Planning is **performed** by managers **at all levels – top, middle and lower levels**.

Organizing:

- It is the **distribution of work** in group-wise or section wise for **effective performance**
- **Once** the managers have **established objectives** and developed **plans to achieve them**
- Must **design and develop a human organization** that will be able to **carry out those plans successfully**.
- Involves **dividing work** into **convenient tasks or duties**,
- grouping of such **duties** in the form of **positions**,
- grouping of various **positions** into **departments and sections**,
- **assigning duties** to individual **positions** and **delegating authority**

Staffing:

- Involves **managing** various **positions** of the **organizational structure**.
- Involves **selecting and placing** the **right person** at the **right position**.
- **Includes**
 - **identifying** the **gap** between **manpower required** and **available**,
 - **identifying** the **sources** from where people will be **selected**,
 - **selecting** people, **training** them, **fixing** the **financial compensation** and **appraising** them **periodically**.
- **Success** of the **organization** **depends** upon the **successful performance** of **staffing** function.

Directing:

- Planning, organizing and staffing **preliminary work** of organizational objectives.
- This function can be called by various names namely “**leading**”, “**directing**”, “**motivating**”, “**activating**” and so on.
- **Directing** involves **three sub functions**:
 - **Communicating**: It is the process of **passing information** from one person to another.
 - **Leading**: It is a process by which a manager **guides and influences** the work of his subordinates.
 - **Motivating**: It is **arousing desire** in the **minds of workers** to give their best to the enterprise.

Controlling:

- To **ensure** that the **achieved** objectives **conforms** to the **pre-planned objectives**.
- It is the **process of checking** to determine **whether or not** proper **progress** is being made
- Also, **acting** if necessary **to correct** any **deviations**.
- Control involves **three** elements:
 - **Establishing standards** of performance.
 - **Measuring** current **performance** and **comparing** it against the **established standard**.
 - **Taking action** to **correct** any performance that does not meet those **standards**.

Innovation:

- Innovation means **creating new ideas** which may be either results in the **development of new products** or finding **new uses for the old ones**.
- A manager who invents new products is an **innovator**.
- **A salesman who persuades Eskimos to purchase refrigerator is an innovator.**
- **Innovation is not a separate function but a part of planning.**

Representation:

- **Representing the organization** before various groups which have some **stake** in the organization.
- A manager has to be act as **representative** of a company.
- He has dealings with **customers, suppliers, government officials, banks, trade unions and the like**.
- It is the duty of every manager to have **good relationship with others**.

Management Vs Administration

Basis of difference	Administration	Management
1. Level of organization	Top Level	Middle and Lower Level
2. Major focus	Policies formulation and objective determination	Policies execution for objectives achievements
3. Nature of function	Determinative	Executive
4. Scope of functions	Broad & Conceptual	Narrow & Operational
5. Factors affecting decision	Mostly external	Mostly internal
6. Employer – Employee relation	Entrepreneurs & Owners	Employee
7. Qualities required	Administrative	Technical

Q2) Solution:

➤ **Interpersonal roles**

➤ **Information roles**

➤ **Decisional roles**

Interpersonal role: It is concerned with his interacting with people both organizational members and outsiders.

There are three types of interpersonal roles:

- (1) **Figure head role:** In this role manager has to perform duties of ceremonial nature {attending social functions of employees, taking an important customer to lunch and so on}.
- (2) **Leader role:** Manager's leader role involves leading the subordinates motivating and encouraging them.
- (3) **Liaison:** In liaison role manager serves as a connecting link between his organization and outsiders.

Information roles: It involves communication.

There are three types of informational roles:

- (1) **Monitor:** In monitoring role, manager continuously collects information about all the factors which affects his activities. Such factors may be within or outside organization.
- (2) **Disseminator:** In the disseminator role, manager possesses some of his privileged information to his subordinates who otherwise not be in a position to collect it.
- (3) **Spokesperson:** As a spokesperson manager represents his organization while interacting with outsiders like customers, suppliers, financiers, government and other agencies of the society.

Decisional roles: Decisional role involves **choosing most appropriate alternative** among all for achieving organizational objectives efficiently.

In decisional role manager perform **four roles:**

1. **Entrepreneur:** As an entrepreneur, a **manager assumes certain risks** in terms of outcome of an action. A manager **constantly looks out for new ideas and seeks to improve.**
2. **Disturbance handler:** In this role manager works like a **fire-fighter manager** contains **forces and events** which **disturb normal functioning** of his organization. {employee complaints and grievances, strikes, shortage of raw materials etc.}
3. **Negotiator:** In this role of negotiator, **manager negotiates** with **various groups** in the organization. {employees, shareholders and other outside agencies}
4. **Resource Allocator:** In this role, manager must **divide work and delegate authority**, it is deciding **who get what.**

Q3) Solutions :

- **Co-ordination:** Planning co-ordinates the what, who, how, where and why of planning. Without co-ordination of all activities, we cannot have united efforts.
- **Limiting Factors:** A planner must recognize the limiting factors (money, manpower etc) and formulate plans in the light of these critical factors.
- **Flexibility:** The process of planning should be adaptable to changing environmental conditions.

Steps in Planning :

- *Establishing goals/objectives:*
- *Establishing planning premises:*
 - (1) Internal and External premises.
 - (2) Tangible and Intangible premises.
 - (3) Controllable and non-controllable premises.
- *Deciding the planning period:*
 - The factors which influence the choice of a period are:
 - (a) Lead time in development and commercialization, (b) Time required for recovering capital(c) Length of commitment already made
- *Identification of alternatives:*
- *Evaluation and selection of alternative:.*
- *Developing derivative/supportive plans:*
- *Measuring and controlling the process:*

Limitations of Planning

- Planning is an **expensive and time consuming** process.
- Planning **curbs innovations by** restricting to rational way of working.
- Planning **scope is limited** to organisations with rapidly **changing situations**.
- Planning makes **administration inflexible** by advanced thinking.
- It is very much **difficult** to formulate accurate Planning **premises**.
- Planning may have to **face resistance** from the followers.

Process of Organizing

- 1.Consideration of objectives - know the objective of organization and various activities**
- 2.Deciding organizational Boundaries - decide what to do inside and outside boundaries of organization.**
- 3. Grouping of activities in to Departments- group all closely related and similar activities in to departments and sections.**
- 4.Deciding which departments will be the key department-rendering key activities in essential for fulfilment of goals.**
- 5.Determining levels at which various types of decisions are to be made- levels at which various major and minor decisions are to be made.**
- 6.Determining the span of management- determine the number of subordinates who should directly report.**
- 7.Setting up a coordination mechanism- Effective integration is as important as careful differentiation (Grouping).**

Principles of Organizing

- 1)Objectives: influence the organization structure and hence the objectives have to be clearly defined.**
- 2)Specialization: Effective organization must promote specialization.**
- 3)Span of control: proper number of subordinates answerable to a manager.**
- 4)Exception: managers are required to go through the exceptional matters only.**
- 5)Scalar principle: This is also known as chain of command.**

- 6) **Unity of command:** only one supervisor whose command he has to obey.
- 7) **Delegation:** Proper authority should be delegated at the lower levels
- 8) **Responsibility:** A superior should be held responsible for the acts of his subordinates.
- 9) **Authority:** authority of each manager must be clearly defined. authority and responsibility must be co-extensive.
- 10) **Efficiency:** able to attain the mission and objectives at the minimum cost.
- 11) **Simplicity:** structure should be as simple as possible with minimum number of levels.
- 12) **Flexibility:** should be flexible, should be adaptable to changing circumstances, permit expansion and replacement without dislocation and disruption of the basic design.
- 13) **Balance:** must be balance in the formal structure as regards to factors having conflicting claims.
- 14) **Unity of direction:** one objective and one plan for a group of activities
- 15) **Personal abilities:** need for proper selection, placement and training. must ensure optimum use of human resources.
- 16) **Acceptability:** The structure of the organization should be acceptable to people who constitute it.

- **span of control** indicates the **number of subordinates** who can be successfully **directed** by a **supervisor**.
- It is often referred to as **span of management, span of supervision, span of authority**
- Span of management is important because of **two reasons**
 1. It **affects** the efficient **utilization of managers** and the effective **performance** of the **subordinates**.

wide span - managers are **overburdened** and subordinates receive **little guidance**.

narrow span - managers are **under utilized** and subordinates are **over controlled**.

2. **there is relationship** between **span of management** and **organization structure**.

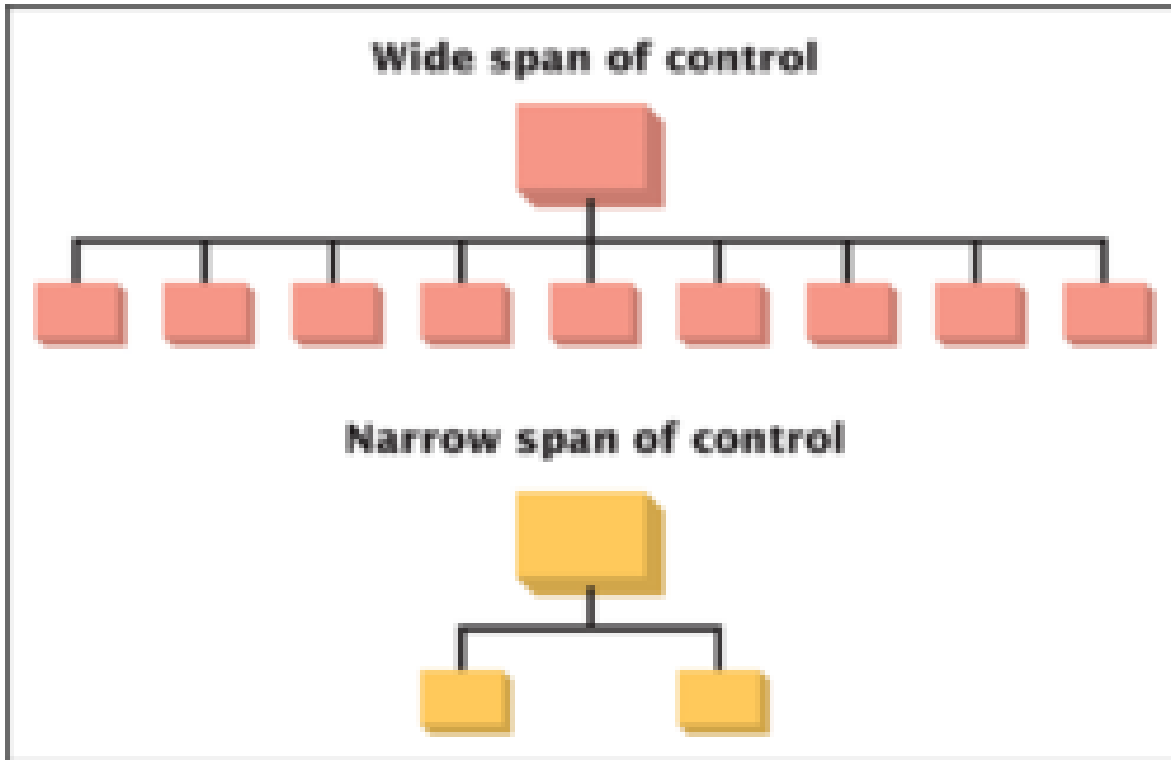
wide span - results in **flat organization, fewer management levels between top and bottom, reduced communication and cost problems**

narrow span - results in **tall organization, many levels of supervision creates communication and cost problems**.

Factors Governing the Span of Management

- (1) **Ability of the manager:** capable can handle a large number of subordinates.
- (2) **Ability of the employees:** less attention from the managers is required and a **larger span of management** can be used.
- (3) **Type of work:** **similar jobs** - large span of management, **different jobs** - a small span may be necessary.
- (4) **Geographic location:** subordinates **located** at the **same place** span of management can be **large** and **lower span** is essential **subordinates are geographically distributed**

- (5) **Well-defined authority and responsibility:** Clear-cut authority and responsibility helps a manager to supervise large number of subordinates.
- (6) **Level of management:** 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, Wider span reduces the number of levels and cost.



Centralization Vs Decentralization of Authority and Responsibility:

advantages of delegation of authority.

- (1) It relieves the manager of his heavy work load.**
- (2) It leads to better decision, as subordinates are closest to the situation.**
- (3) It speeds up decision-making.**
- (4) It helps to train the subordinates and builds moral.**
- (5) It helps to create formal organization structure.**

Centralization

- **systematic reservation of authority at central points within the organization.**
- **It means retention or concentration of managerial authority in few key managerial positions at the nerve centre of an organization i.e., at the top level.**
- **centralization reduce the subordinate's role in decision making.**

Decentralization

- **dispersal of decision-making power to lower levels of the organization.**
- **Authority to command and responsibility for the results is localized as far down in the organization.**
- **large number of decision, important decisions in are made consulting few people.**

Advantages in decentralization:

(1) **eases the burden of top** level managers. (2) permits **quicker and better** decision making.(3) **capable managers** can be developed (4) **Promotes participation** in decision making and **improves morale and motivation**. (5) **facilitates diversification** of products.

Disadvantages of decentralization:

(1) It **increases administrative expenses.**, (2) may **create problems** in bringing **coordination** among various units.(3)may bring about **inconsistencies** in the company, because **uniform procedures** may not be followed for the same type of work.

Q7) Solutions :

- It is a **group of persons** performing a **group task** with the **object** of solving **certain problems**.
- Its **area of operation** of a committee is determined by **its constitution**.
- **formulate** plans, **review** the performance of certain units or may only have the power to make **recommendation**.
- **help** in taking **corrective decision**, **coordinating** the affairs of different departments and meeting **communication requirements** in the organization.
- Committees can be **broadly classified** into **advisory** committees and **executive** committees.

Advisory committees

- Performs **recommender's role** and **cannot enforce implementation** of their advice or recommendation.
- (examples: **works** committees, **finance** committees etc.,)

Executive committees

- committees are **vested with line authority**.
- **not only** take decisions but also **enforce decisions** (taking decision and ordering its execution). (ex: board of directors)
- **Executive committees** are further classified as **standing** committees and **ad-hoc** committee.

Standing committees:

- **Are formed** to deal with **current** organizational **problem**.
- (**Example: finance** committee in a company, **loan approval** committee in a bank **etc**).
- **Members** are **chosen** because of their **title or position**, **instead of** individual qualifications or skills.

Ad-hoc committees:

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

Advantages of Committees

- provide a **forum** for the **pooling of knowledge** and **experience** of many **persons** of different **skills, ages and backgrounds**.
- excellent means of **transmitting information** and **ideas** both **upward and downward**.
- **impersonal in action** and **decisions** are generally **unbiased** and are based on **facts**.
- **Members** get an **opportunity to understand** each others problems and hence **improve coordination**.

Disadvantages

- **no one** can **held responsible** for incorrect decision
- **delays** action and **expensive** form of organization.
- **Decisions** based of **compromise** and hence they are **not best decision**.
- As large **number of persons**, it is **difficult** to **maintain secrecy**.

*******END*******