

## **Business studies**

### **Class-12<sup>th</sup>**

### **CH- 1**

#### **Nature and significance of management**

##### **Question 1**

'Management provides judgement and vision.' Explain.

**Answer:** Management perpetuates to adjust to the complex and changing external surroundings. It assists in making wise decisions. It envisions the future and the apt course of action and accurate decisions become feasible. Hence, its insight furnishes vision and judgement.

##### **Question 2**

A company manufacturing laptops is facing the problems of decreasing sales in the market. You can imagine any product about which you are familiar with. What steps, each level of management should take to give effect to this decision?

**Answer:** Modernisation of the product is required to raise its market share. Hence, to modernise the product, each level must work as follows:

##### **Top level management**

- Concentrate on research and development and add new features to their products or begin a new product line
- Drafting sales plan, sales targets and sales incentives
- Increase promotional and marketing pursuits

##### **Middle-level management**

- Implementation of the plans that are outlined by the top level
- Recruiting candidates with required qualifications
- Continuously assess all the activities and take corrective actions for any deviations and keep the top level management informed

##### **Lower or Supervisory level**

- Analysis of targets and plans to the workforce of an enterprise
- Assign the task relying upon the qualification and efficiency of the employees

- Maintain the stability of the quality of work and decrease wastage by efficient utilisation of the obtainable resources

### Question 3

State any 2 points that prove that the management is a multi-dimensional.

**Answer:**

- Management of work
- Management of people

### Question 4

How does coordination integrate group efforts? State briefly.

**Answer:** Coordination integrates group efforts by unifying distinct interests hereby giving them a common focus to assure that the performance is according to the plans and strategies.

**Question 5.** Co-ordination is the essence of management. Do you agree? Give reasons.

**Answer :** Co-ordination plays a vital role as it binds all the other functions of management. It is the common thread of all activities such as purchase, production, sales etc that runs through. Some of the basic features are as follows

1. **Integrates Group Efforts** Co-ordination brings unity to all. It gives a common focus to group efforts.
2. **Ensures Unity of Actions** It acts as a binding force between departments and ensures that all action is aimed at achieving the goals of the organisation.
3. **It is a Continuous Process** Co-ordination is not a one time function but a continuous process. It begins at the planning stage and continues till controlling.
4. **It is an All Pervasive Function** Co-ordination is required at all levels of management due to the interdependent nature of activities of various departments. It integrates the efforts of different departments and different levels.
5. **It is the Responsibility of All Managers** All managers need to co-ordinate something or the other. A manager of production department needs to co-ordinate the work within his department and also with the other departments at the same time.
6. **It is a Deliberate Function** Whatever the managers are doing in an organisation they are doing it knowingly. Co-ordination is one of the most important functions of all managers. Thus co-ordination is also done deliberately. Whatever the managers do, they do it deliberately to achieved the predetermined goals and objectives.

Thus, we can say co-ordination is the essence of management after analyzing these points.

**Question 6.** “A successful enterprise has to achieve its goals effectively and efficiently:’ Explain.

**Answer :** “A successful enterprise has to achieve its goals effectively and efficiently”. Thus, management has to see that task are completed and goals are achieved with the minimum resources.

Management is thus getting things done with the aim of achieving goals effectively and efficiently. Being effective or doing work effectively basically means finishing the given

task. It is concerned with end result, it is achieved or not. Efficiency means doing the work correctly and with minimum cost. If by using less resources more benefits are derived then efficiency has increased. It is thus essential for any organisation to focus on efficiency as well as effectiveness. It is not only important to complete the work correctly but equally important to complete it with minimum cost. In the same manner, it is not only important to reduce cost but equally important to complete the work correctly.

**Question 7.** Management is a series of continuous inter-related functions. Comment.

**Answer :** Management is a series of continuous inter-related functions. Each one of them performed to guide and direct the efforts of others.

1. **Planning** Planning is the primary function which runs through all other functions. It is the process of thinking before doing. It bridges the gap between where we are and where we want to go.
2. **Organising** It is the process of defining the formal relationship among people and resources to accomplish the desired goals. It involves
  - (a) Identification and division of work
  - (b) Departmentalisation
  - (c) Assigning of duties
  - (d) Establishing reporting relationships
3. **Staffing** Organisational goals can be achieved only through human efforts. It is the duty of management to make the best possible use of this resource. Thus, placing the right person on the right job is very important. Staffing helps management to motivate, select and place the right person on the right job.
4. **Directing** Directing involves leading, influencing and motivating employees to perform the tasks assigned to them. This requires establishing an atmosphere that encourages employees to do their best. Directing comprises of four elements; supervision, motivation, leadership and communication.
5. **Controlling** Controlling is the management function of monitoring organisational performance towards the attainment of organisational goals. The task of controlling involves
  - (a) Establishing standards of performance
  - (b) Measuring current performance
  - (c) Comparing this with established standards
  - (d) Taking corrective action