

Very Short Answer Questions NCERT Business Studies Solutions Class 12 Chapter 2

1. What makes principles of management flexible?

Management principles are varied and not one rule can be applied for all cases. Thus, a manager has to assess the situation and then determine the best solution to the issue at hand. For this reason, management principles are flexible.

2. State the main objective of time study.

Time study was undertaken to determine a standard time that is required to complete a designated job. This time would then be set as the standard time for the job completion. The benefit of this process is that it will help employers to determine the number of resources required to complete a particular job and also determine their wages.

3. Name the principle that is an extension of the 'harmony, not discord'.

It is cooperation, not individualism which is the extension of the 'principle harmony, not discord'

4. State any two causes of fatigue that may create hindrance in the employee's performance.

Causes of fatigue that creates hindrance in performance of employees are:

1. Not having cordial relationship with the people in superior positions
2. Long working hours at the organisation

5. Sanaklal and Gagan started their career in Wales Limited (a printing press) after going through a rigorous recruitment process. Since they had no prior work experience, the firm decided to give them one year to prove themselves. Name the principle of management followed by Wales Limited.

Wales Limited followed the principle of 'Stability of Personnel'.

6. Which technique is used by Taylor for distinguishing efficient and inefficient workers?

Taylor used the system of Differential Piece Wage System under which wages for workers was determined using a set standard. The workers who performed better were given higher wages than workers who performed below the standard.

Short Answer Questions NCERT Business Studies Solutions Class 12 Chapter 2**1. How is the principle of 'Unity of Command' useful to management? Explain briefly.**

Unity of command is a principle of management that a person should be answerable to only one of his superiors. It states that if a person receives command from two or more people then this principle is violated. If such a principle is violated, it creates confusion for the employee which can lead to instability and disturbance in work flow. Therefore, to maintain a steady workflow and uninterrupted operations in the organisation, unity of command is essential for management.

2. Define Scientific Management. State any three of its principles.

Scientific management is a theory of management that was developed by Frederick Taylor in 1911. It is a classical theory of management which focused on ways of getting work done in the best way possible to increase efficiency and effectiveness in work. Scientific management is the use of tools and techniques and personnel specialised to carry out the task for achieving quality and cost reduction.

Here are three principles of scientific management

1. Science, not rule of thumb: In this principle Taylor laid emphasis on focusing on following management practices that are scientific in nature, and not deciding by rule of thumb. As per rule of thumb practice, managers will be assessing a situation and use trial and error to find a solution. Taylor suggested that instead of using such old methods, the approach to a situation should be scientific. Following such practice will result in a balanced result and improves efficiency and cost.
2. Harmony, not Discord: This principle states that there should be a harmonious work environment between the managers and workers. The more they are at good terms with each other, more will be the performance of the organisation. The workers should feel that they are a part of the organisation and their contributions are very much essential for the organisation to grow. Management shall respond to the needs of the workers and in a similar way, the workers should respond back by giving their best for the organisation. Taylor termed this as mental revolution and suggested that it will improve harmony and propel the resources to work towards common goals of the organisation.
3. Cooperation, not individualism: As per this principle, the managers and workers should cooperate each other in completing the activities. The work standards should be jointly determined by them, it will increase the level of involvement and more productive results can be achieved.

3. If an organisation does not provide the right place for physical and human resources in an organisation, which principle is violated? What are the consequences of it?

In such a situation the principle that is violated is the principle of order. It states that there should be right arrangement of resources. In other words, the right people at the right place and at the right time. Following this approach helps in carrying out the tasks effortlessly. Whenever that principle is violated it results in unnecessary delay at work and ensures chaos. Delay in completing work will result in loss for the company.

4. Explain any four points regarding significance of Principles of Management.

Principles of management have the following significance

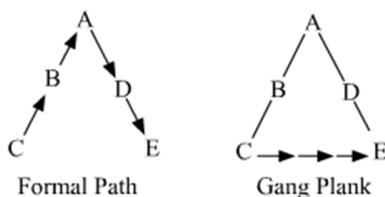
1. Management principles are based on years of observation and implementation into real life issues. Hence, these principles guide the managers in tackling real world problems easily.
2. Management principles are based on logic rather than on beliefs. These principles are derived from real life situations and therefore are based on logic and reasoning. It helps managers in making decisions which are devoid of personal bias.
3. Principles are the foundation of management education. It helped this to grow as a discipline and such principles also offer basis on which further research programs can be carried out to develop new methods and techniques.
4. Management principles helps organisations to perform at the best of its capacity or in other words, ensures optimum utilisation of the available resources.

5. Explain the principle of 'Scalar Chain' and gang plank.

Scalar chains can be defined as the formal chain of authority that follows a straight line from highest to lowest rank. It specifies the route through which information needs to be communicated to the designated authority.

Gang plank is an alternative route which is used in case of emergencies. Its main aim is to shorten the communication route. It facilitates communication with higher authorities directly surpassing the defined chains of hierarchy.

Diagrammatically it can be represented as:



6. A production manager at top level in a resulted corporate, Mr. Rathore holds the responsibility for ordering raw material for the firm. While deciding on the supplier for the financial year 2017-18, he gave the order to his cousin at a higher price per unit instead of the firm's usual supplier who was willing to lower the rates for the order. Which principle of management was violated by Mr. Rathore? What are the positive impacts of following the above identified principle?

In this case, Mr. Rathore has violated the principle of Subordination of individual interest to general interest. As per this principle an individual should put organisational goals on priority over any personal interest.

The positive impacts of this principle are:

1. Harmony in working environment and a good office culture
2. Increase in employee productivity
3. Employees feel they are a part of the organisation
4. Helps in achieving organisations goals

Long Answer Questions NCERT Business Studies Solutions Class 12 Chapter 2

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3. Cooperation, not individualism: As per this principle, the managers and workers should cooperate each other in completing the activities. The work standards should be jointly determined by them, it will increase the level of involvement and more productive results can be achieved.

4. Personnel Development: An organisation has to focus on developing its workers as well as the organisation itself. Developed or skilled workers will be in a better position to help an organisation grow. To increase competitiveness an organisation can announce incentives in order to build competitiveness among workers. Employees should be hired in a scientific manner which will put the best employee suited for a role as per the capability. Efficiency can be achieved with proper training to workers. In other words, a properly trained resource will develop himself as well as the organisation.

2. Explain the following Principles of management given by Fayol with examples:

(a) Unity of direction

(b) Equity

(c) Esprit de corps

(d) Order

(e) Centralisation and decentralisation

(f) Initiative

a. Unity of Direction: This principle states that each unit of the organisation should be working towards attaining a common business objective. It helps in avoiding work overlapping and also increases profitability. For example, a company producing two different products should have separate management for each.

b. Equity: This principle focuses on treating all the employees equally. The equality should be based on religion, caste, creed etc. It will promote harmony among the workers. For e.g.: Workers from different religions should be treated equally in a company.

c. Esprit de corps: This principle states that employees in an organisation should work with each other and maintain unity. The team spirit is improved when all resources are working unitedly, and this feeling should be promoted by manager.

d. Order: There should be order in the work being done. The management should hire right people at right place and right time. Doing such things helps in carrying out the activities in a smooth manner. For e.g. if the user manual pages are arranged in a sequence, shuffling them will result in delay in production.

e. Centralisation and Decentralisation: Centralisation is the concentration of power or authority in hands of selected people in an organisation. Whereas decentralisation is shifting the authority to middle and lower levels of management. For e.g. if CEO has all decision-making powers it is centralisation whereas if the decision-making power is distributed to managers of middle and lower levels then it is decentralisation.

f. Initiative: As per this principle, workers should be motivated and provided incentives. They should be encouraged to suggest points for improvement, it will make them take more initiatives for the development of organisation.

3. Explain the technique of 'Functional Foremanship' and the concept of 'Mental Revolution' as enunciated by Taylor.

Functional foremanship is an extension to the principle of division of labour. It was suggested by Taylor. According to his observation, it is not possible for a single worker to be expert in every aspect of production, therefore he suggested that eight persons should be performing the duties of a foreman and therefore this came to be known as functional foremanship. Under this the following roles were present.

1. Instruction Card Clerk: Whose role is to give instructions to workers
2. Route Clerk: His role was to specify the route of production
3. Time and Cost Clerk: His role was to prepare the time and costs sheet
4. Disciplinarian: His role was to maintain discipline in the production facility

The above four roles were working under the planning supervisor.

Now the other four persons who work under the production supervisor are:

1. Speed Boss: Responsible for timely completion of the designated job
2. Gang Boss: Responsible to keep machines in a ready state for work
3. Repair boss: Was responsible to keep machines and tools in proper working condition.
4. Inspector: This person was responsible to maintain the quality of the work.

Mental revolution: Mental revolution is the concept which revolves around bringing a change in the attitude of the workers and managers. It aims to improve the thinking of both in order to create a working environment that is conducive to both manager and worker. The basic premise of this concept is that both the worker and the manager should understand their importance in a organisation and both of them should work towards achieving a common goal for the organisation. Management should be taking care of the needs of its workers and periodically share the benefits in form of incentives or bonuses to keep them motivated. Workers in return should do their best in order to develop the organisation. Thus, we can say mental revolution is based on the mutual trust and cooperation among the managers and workers which can bring about great changes in an organisation.

4. Discuss the following techniques of Scientific Work Study:

(a) Time Study

(b) Motion Study

(c) Fatigue Study

(d) Method Study

(e) Simplification and standardisation of work.

(a) Time Study: This study determines the standard time which is required in order to perform a job. Multiple readings are taken to arrive at a standard time for a particular task. Based on that it following things can be determined

1. Number of workers required to perform the task
2. Determine the costs associated with hiring such workers (i.e. wages)

(b) Motion Study: This study was based on movements that needed to be taken while performing a task. The purpose of this study is to eliminate unwanted movements in order to complete a task in a shorter time. For this study Taylor along with his assistant Frank Gilbreth studied the movements of a worker and then categorised the same into three classes productive, incidental and unproductive. The purpose was to eliminate the unproductive employee and reduce instances of incidental workers.

(c) Fatigue Study: Fatigue study was for determining the amount and frequency of rest taken during the completion of a designated task. A worker without rest will be unable to perform to his full capacity. Fatigue is detrimental to productivity hence this study is conducted to understand the standard intervals of break that help a worker regain the energy to carry on working with same efficiency.

(d) Method Study: The objective of this study is to find the best method of completing a particular work. It takes into consideration all the activities involved in the completion of a task. By determining the best method lower costs can be incurred along with more productivity.

(e) **Standardisation and Simplification of Work:** Standardisation is based on the scientific management techniques. It is the setting of standards or benchmarks for any activity. The purpose of standardisation is to improve the quality of work and attain excellence. It also determines standards of performance for both man and machines.

Simplification is all about eliminating the diversity in the products that are unnecessary and utilizing the best of the resources, reducing the inventories and increasing turnover of the organisation. In addition to reducing labour and machine cost. Simplification helps in optimum uses of the resources and removes unnecessary costs for the organisation.

5. Discuss the differences between the contributions of Taylor and Fayol.

| Basis of Comparison | Taylor's Contributions | Fayol's Contributions |
|---------------------------|---|--|
| Contribution | It was conceptualised by Frederick Taylor in 1911. | It was conceptualised by Henry Fayol in 1916 |
| Concept | Scientific theory of management | It is a general theory of administration |
| Personality | Taylor was a practicing mechanical engineer | Fayol was working as a mining engineer. |
| Principles and Techniques | Techniques like functional foremanship and scientific management were introduced along with the different studies such as motion study, time study etc. were introduced by Taylor | Principles of management such as equity, esprit de corps etc were introduced by Henry Fayol in his theory of 14 principles of management |
| Application of Principles | Principles suggested by Taylor are applicable in specialised situations | Principles suggested by Fayol are universal in their applicability |
| Emphasis and Focus | Emphasis was on low level management | Emphasis was on top level management |
| Approach | The approach is that of an engineer | The approach is that of a manager |

6. Discuss the relevance of Taylor and Fayol's contribution in the contemporary business environment.

Principles of both Fayol and Taylor play a significant role in contemporary business environment. These principles provide a guideline to managers for making decisions and taking appropriate actions. Business situations can be best understood with the application of these principles. Such principles are not used as it is described but managers can take guidance from these and determine how to confront a situation. It can be used in various scenarios and the decisions which are taken by managers will be backed by facts and logic which makes it more applicable. By providing insight into real word business cases they help managers in decision making. As these principles have industry wide applicability and being based on human behaviour provides insight between human and material resources. It helps in development of an organisation by improving effectiveness and efficiency with minimum use of resources and cost.

7. 'Bhasin' limited was engaged in the business of food processing and selling its products under a popular brand. Lately the business was expanding due to good quality and reasonable prices. Also with more people working the market for processed food was increasing. New players were also coming to cash in on the new trend. In order to keep its market share in the short run the company directed its existing workforce to work overtime. But this resulted in many problems. Due to increased pressure of work the efficiency of the workers declined.

Sometimes the subordinates had to work for more than one superior resulting in declining efficiency. The divisions that were previously working on one product were also made to work on two or more products. This resulted in a lot of overlapping and wastage. The workers were becoming undisciplined. The spirit of teamwork, which had characterised the company, previously was beginning to wane. Workers were feeling cheated and initiative was declining. The quality of the products was beginning to decline and market share was on the verge of decrease.

Actually the company had implemented changes without creating the required infrastructure.

- a. Identify the Principles of Management (out of 14 given by Henry Fayol) that were being violated by the company.
- b. Explain these principles in brief.
- c. What steps should the company management take in relation to the above principles to restore the company to its past glory?

1. Following principles of management were violated:

- i. Unity of Command (employees working under more than one superior)
- ii. Division of Work (employees made to work on more than one product)
- iii. Discipline (workers not following discipline)
- iv. Espirit de corps (workers lacked spirit of team work)
- v. Initiative (workers were not feeling like taking initiative)

2. The principles are described below

- a. Unity of command: The workers should be reporting to only one superior. Employee receiving orders from more than one superior will result in confusion and affect work.
- b. Division of work: Employees should be given specialised tasks so that it will be completed effectively and efficiently.
- c. Discipline: Organisation should be following rules and regulations and it should be followed by both worker and management.
- d. Espirit de corps: The team work motive should be developed among employees. It will improve productivity.
- e. Initiative: Motivation and incentive should be provided to workers and they should be encouraged to provide suggestions for improvement.

3. Steps which can be taken by company are:

- i. Scientific management should be applied.
- ii. Only one superior should be there to provide instruction to subordinates in order for smooth functioning.
- iii. Individuals must be assigned tasks as per their specialisation. It increases productivity.
- iv. Motivation and proper incentives should be provided to workers
- v. Team work and coordination among workers should be promoted for organisational development.

8. (Further information related to the above question 7) The management of company 'Bhasin Limited' now realised its folly. In order to rectify the situation, it appointed a management consultant 'Mukti Consultants' to recommend a restructure plan to bring the company back on the rails. 'Mukti Consultants' undertook a study of the production process at the plant of the company Bhasin Limited and recommended the following changes —

- The company should introduce scientific management with regard to production.
- Production Planning including routing, scheduling, dispatching and feedback should be implemented.
- In order to separate planning from operational management 'Functional foremanship' should be introduced.
- 'Work study' should be undertaken to optimise the use of resources.
- 'Standardisation' of all activities should be implemented to increase efficiency and accountability.
- To motivate the workers 'Differential Piece Rate System' should be implemented.

(The above changes should be introduced apart from the steps recommended as an answer to Part c - case problem 7 above.).

It was expected that the changes will bring about a radical transformation in the working of the company and it will regain its pristine glory.

- a. Do you think that introduction of scientific management as recommended by Mukti consultants will result in intended outcome?
- b. What precautions should the company undertake to implement the changes?
- c. Give your answer with regard to each technique separately as enunciated in points 1 through 6 in the case problem.

1. Yes, as suggested by the new management consultant i.e. Mukti Consultants scientific management techniques will be helpful for the organisation. It will improve the quality and quantity of the product with reduction in costs.

2. Following precaution need to be taken:

- a. Specialised staff having training should be recruited and existing staff can be further trained.
- b. Production planning should be undertaken with in a systematic way
- c. Functional foremanship should be introduced with proper incentive and motivation for the employees.
- d. Different other methods should be introduced apart from work study. It can be motion study, method study, time and fatigue study.
- e. Standardisation techniques can be used in case of different aspects of production
- f. Employees can be offered monetary incentives so that they work more efficiently.