

CHAPTER 1

Nature and Significance of Management

EXERCISE

Fill in the blanks

- Q1. Management is _____ for all organisations big or small, profit or non-profit, services or manufacturing.
A. Essential B. Required C. Desired D. Not required.
- Q2. Management is necessary so that individuals make _____ towards group objectives.
A. Their best contribution C. Their best efforts
B. Contribution D. The best contribution
- Q3. Effectiveness in management is concerned with _____, completing activities and achieving goals.
A. Right task C. Activities
B. Doing the right task D. Organisational goals
- Q4. Efficiency means doing the task _____ and with minimum cost.
A. Properly B. Right C. Correct D. Correctly
- Q5. Management is required in _____ organisations—those manufacturing handlooms, trading in consumer goods or providing hairstyling services and even in non-business organisations.
A. Small B. Large C. All kinds of D. Social
- Q6. Management is a very popular term and has been used _____ types of activities and mainly for taking charge of different activities in any enterprise.
A. Extensively for all B. Small C. Large D. Business
- Q7. Management is _____ which is necessary wherever there is a group of people working in an organisation.
A. Goal B. An activity C. Diverse tasks D. Process
- Q8. People in organisations are performing _____ but they are all working towards the same goal.
A. Diverse tasks B. Functions C. Activities D. Tasks
- Q9. Efficiency is also increased when for the same benefit or outputs, fewer resources are used and _____ are incurred.
A. More cost B. Less cost C. No cost D. Some cost
- Q10. Input resources are money, materials, equipment and persons are required to do _____ task.
A. A specific B. Special C. A particular D. Required

TRUE or FALSE

Q1.

- a. Experts in their respective areas have derived certain basic principles which are applicable to a particular form of art.
- b. The use of the basic knowledge varies from individual to individual.
- c. Art is the skilful and personal application of existing knowledge.
- d. Art is concerned with personalized application of knowledge.

| | |
|---------------------------|------------------------------|
| A. Only a and b are false | B. Only a, b and c are false |
| C. Only b and c are true | D. All of these are true |

Q2. Management can be said to be an art except for:

- a. A manager applies his acquired knowledge in a personalised way approach.
- b. A successful manager practices the art of management in the day-to-day job of managing an enterprise based on study, observation and experience.
- c. There is a lot of literature available in various areas of management like marketing, finance and human resources which the manager has to specialise in.
- d. A good manager works through a combination of practice, creativity, imagination, initiative and innovation.

| | |
|-------------------|--------------------------|
| A. Only a is true | B. Only a and c are true |
| C. Only b is true | D. All of these are true |

Q3.

- a. Management, has therefore, been defined as a process of getting things done with the aim of achieving goals effectively and efficiently.
- b. Process in the definition means the primary functions or activities that management performs to get things done.
- c. Management is essential for all organisations big, profit making services or manufacturing enterprises.
- d. Management has to see that tasks are completed and goals are achieved.

| | |
|--------------------------|------------------------------|
| A. Only a and b are true | B. Only a, b and c are false |
| C. Only b and c are true | D. All of these are true |

Q4.

- a. The main objective of any organisation should be to utilise human and material resources to the maximum possible advantage.
- b. The basic objective of any business is survival. Management must strive to ensure the survival of the organisation.
- c. Management has to reconcile personal goals with organisational objectives for harmony in the organisation.
- d. Management has to ensure that the organisation always makes a profit.

| | |
|---------------------------|-----------------------------|
| A. Only a and b are true | B. Only a, b and c are true |
| C. Only b and c are false | D. All of these are true |

Q5.

- a. Growth of a business can be measured in terms of sales volume.
- b. The basic objective of any business is profit maximization.
- c. Profit is essential for covering costs and risks of the business.
- d. The basic objective of any business is survival.

| | |
|--------------------------|-----------------------------|
| A. Only a and b are true | B. Only a, b and c are true |
| C. Only b and c are true | D. All of these are true |

Q6.

- a. The key features of management is a goal-oriented process.
- b. The key features of management activities all pervasive.
- c. The key features of management is management of work only.
- d. The key features of management is multidimensional.

| | |
|---------------------------|----------------------------|
| A. Only a and b are false | B. Only a, b and dare true |
| C. Only b and care true | D. All of these are false |

Q7.

- a. The process of management is a series of continuous, composite, but separate functions.
- b. Every member of the group has a different purpose for joining the organisation but as members of the organisation they work towards fulfilling the common organisational goal.
- c. Management is a dynamic function and has to adapt itself to the changing environment.
- d. The effect of management is noticeable in an organisation when targets are met according to plans established.

| | |
|-------------------------|------------------------------|
| A. Only a and bare true | B. Only a, b and c are false |
| C. Only c and dare true | D. All of theseare true |

Q8.

- a. Management is required for itself in order for achieving the goals of the organisation.
- b. The aim of a manager is to reduce costs and increase productivity through better planning, organising, directing, staffing and controlling the activities of the organisation.
- c. An organisation has multiple objectives to serve the purpose of the different groups that constitute it.
- d. Management helps people adapt to these changes so that the organisation is able to maintain its competitive edge.

| | |
|--------------------|------------------------------|
| A. Only a is false | B. Only a, b and c are false |
| C. Only b is false | D. All of theseare true |

Q9.

- a. The term 'management' today has several different aspects that highlight the different aspects of its nature.
- b. The study of management has evolved over a period of time along with the modern organisations; based both on the experience and practice of managers and a set of theoretical relationships.
- c. All management practices are based on the same set of universal principles.
- d. Management is a combination of an organised body of knowledge and its skilful application.

| | |
|-----------------------------|----------------------------|
| A. Only a and bare true | B. Only a, b and care true |
| C. Only b, c and dare false | D. All of theseare true |

Q10.

- a. Management has a systematised body of knowledge.
- b. The practice of management is an art.
- c. Since management deals with human beings and human behaviour, the outcomes of these experiments are capable of being accurately predicted.
- d. A manager applies this acquired knowledge in a personalised and skilful manner.

| | |
|----------------------------|------------------------------|
| A. Only a, c and dare true | B. Only a, b and c are false |
| C. Only b and care false | D. All of theseare true |

Q11.

- a. The entry to management profession is restricted through an examination.
- b. All professions are affiliated to a professional association which regulates entry.
- c. The basic purpose of management is to help the organisation achieve its stated goal.
- d. There is no restriction on anyone being designated or appointed as manager in any business enterprise.

| | |
|--------------------------|----------------------------|
| A. Only a and bare false | B. Only a, b and care true |
| C. Only b and care true | D. All of theseare true |

Q12.

- a. A manager has to link these diverse groups towards the achievement of a common goal.
- b. The process by which a manager synchronises the activities of different departments is known as coordination.
- c. Coordination is the force that binds all the other functions of management.
- d. The essence of management, for achieving harmony among individual efforts towards the accomplishment of group goals is preparation of a well-established plan.

| | |
|--------------------------|----------------------------|
| A. Only a and bare false | B. Only a, b and care true |
| C. Only a and dare true | D. All of theseare true |

Q13.

- a. Management consists of a series of interrelated functions that are performed by all managers.
- b. The management must determine what activities and outputs are critical to success, how and where they can be measured and who should have the authority to take corrective action.
- c. The human resource function involves activities such as recruitment, selection, placement and training of personnel.
- d. The organising function examines the activities and resources required to implement the manager's plan.

| | |
|--------------------------|----------------------------|
| A. Only a and bare false | B. Only a, c and dare true |
| C. Only b and care false | D. All of theseare true |

Q14.

- a. Like a lawyer has to possess valid degrees, similarly is it mandatory for a manager to possess any such specific degree in management from a reputed institution.
- b. All over the world there is marked growth in management as a discipline. It is based on a systematic body of knowledge comprising well-defined principles.
- c. The basic purpose of management is to help the organisation achieve its stated goal and profit maximisation for a business enterprise.
- d. It is compulsion for managers to be members of a reputed management association body nor does it have any statutory backing.

| | |
|---------------------------|-------------------------|
| A. Only a and b are true | B. Only a, b and c |
| C. Only b and c are false | D. All of theseare true |

Q15.

- a. Coordination unifies unrelated or diverse interests into purposeful work activity.
- b. The purpose of coordination is to secure unity of action in the realisation of a common purpose.
- c. Coordination is the function of every manager working at the top level in the organisation.
- d. Coordination is required at all levels of management due to the interdependent nature of activities of various departments.

| | |
|---------------------------|----------------------------|
| A. Only a and bare true | B. Only a, b and care true |
| C. Only b and c are false | D. All of these are true |

Match the Column:

| Question No. 1 | | | |
|--------------------------------|--|--------------------------------|--|
| A. | Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims. | i. | Kreitner |
| B. | Management is defined as the process of planning, organising, actuating and controlling an organisation's operations in order to achieve coordination of the human and material resources essential in the effective and efficient attainment of objectives. | ii. | Louis Allen |
| C. | Management is the process of working with and through others to effectively achieve organisational objectives by efficiently using limited resources in the changing environment. | iii. | Harold Koontz and Heinz Weihrich |
| D. | Organising is the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority, and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives. | iv. | Robert L. Trewelly and M. Gene Newport |
| Answer | | | |
| a. A- iii, B- iv, C- i, D – ii | | b. A- i, B- ii, C- iii, D – iv | |
| c. A- iv, B- ii, C- i, D – iii | | d. A- iii, B- iv, C-ii, D – i | |

| Question No. - 2 | | | |
|-------------------------------|--|--------------------------------|-------------------------------|
| A. | Management is a goal oriented process | i. | Personnel objectives |
| B. | Management is multidimensional | ii. | Characteristics of management |
| C. | Management has to reconcile personal goals with organisational objectives for harmony in the organisation. | iii. | multidimensional |
| D. | Management of operations | iv. | Key features of management |
| Answer | | | |
| a. A- ii, B- iv, C- I, D- iii | | b. A- i, B- ii, C- iii, D – iv | |
| c. A- iii, B- iv, C-ii, D – i | | d. A- iv, B- ii, C- i, D – iii | |

| Question No. - 3 | | | |
|--------------------------------|--|--------------------------------|-------------------------------|
| A. | Management creates a dynamic organisation | i. | Social objectives |
| B. | Management is a dynamic function | ii. | Characteristics of management |
| C. | Management is all pervasive | iii. | Importance of Management |
| D. | Providing basic amenities like schools and healthcare. | iv. | Key features of management |
| Answer | | | |
| a. A- i, B- ii, C- iii, D – iv | | b. A- iii, B- iv, C-ii, D – i | |
| c. A- iii, B- iv, C-ii, D – i | | d. A- iv, B- ii, C- i, D – iii | |

| | | | |
|-------------------------------|--|--------------------------------|--------------------------------|
| Question No. - 4 | | | |
| A. | Management is a continuous process | i. | Social objectives |
| B. | using environmental friendly methods of production. | ii. | Importance of Management |
| C. | It helps to provide good quality products and services, creates employment opportunities, adopts new techno-logy for the greater good of the people. | iii. | Management is a group activity |
| D. | Every member of the group has a different purpose for joining the organisation but as members of the organisation they work towards fulfilling the common organisational goal. | iv. | Key features of management |
| Answer | | | |
| a. A- ii, B- iv, C- I, D- iii | | b. A- i, B- ii, C- iii, D – iv | |
| c. A- iv, B- i, C- ii, D- iii | | d. A- iii, B- iv, C-ii, D – i | |

| | | | |
|--------------------------------|--|-------------------------------|---------------------|
| Question No. - 5 | | | |
| A. | An organisation must earn enough revenues to cover costs. | i. | Growth objectives |
| B. | An organisation must earn enough revenues as essential for covering costs and risks of the business. | ii. | Social objectives |
| C. | A business needs to add to its prospects in the long run | iii. | Survival objectives |
| D. | It involves the creation of benefit for society | iv. | Profit objectives |
| Answer | | | |
| a. A- i, B- ii, C- iii, D – iv | | b. A- iv, B- i, C- ii, D- iii | |
| c. A- iii, B- iv, C-ii, D – i | | d. A- iii, B- iv, C- I, D- ii | |

| | | | |
|-------------------------------|---|-------------------------------|----------------------------|
| Question No. - 6 | | | |
| A. | Management is an organised body of knowledge. | i. | Management as science |
| B. | Management is skilful application of knowledge. | ii. | Management as art |
| C. | Management is all pervasive | iii. | Key features of management |
| D. | Management helps in achieving personal objectives | iv. | Importance of Management |
| Answer | | | |
| a. A- i, B- ii, C- iii, D- iv | | b. A- iv, B- i, C- ii, D- iii | |
| c. A- iii, B- iv, C-ii, D – i | | d. A- iii, B- iv, C- I, D- ii | |

| | | | |
|--------------------------------|---|-------------------------------|----------------------------|
| Question No. - 7 | | | |
| A. | Systematised body of knowledge | i. | Management as a Profession |
| B. | The entry to a profession is restricted | ii. | Importance of Management |
| C. | Management increases efficiency | iii. | Management as art |
| D. | Personalised application | iv. | Management as science |
| Answer | | | |
| a. A- i, B- ii, C- iii, D – iv | | b. A- ii, B- i, C- iv, D- iii | |
| c. A- iv, B- i, C- ii, D- iii | | d. A- iii, B- iv, C-ii, D – i | |

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| Question No. - 8 | | | |
|-------------------------------|---|-------------------------------|------------------------|
| A. | senior-most executives of the organisation | i. | Operational Management |
| B. | Their main task is to carry out the plans formulated by the top managers. | ii. | Top management |
| C. | Through their efforts quality of output is maintained, wastage of materials is minimised. | iii. | Function of management |
| D. | Once a specific plan has been established for the accomplishment of an organisational goal, the organising function examines the activities and resources required to implement the plan. | iv. | Middle Management |
| Answer | | | |
| a. A- iv, B- i, C- ii, D- iii | | b. A- ii, B- iv, C- i, D- iii | |
| c. A- iii, B- iv, C-ii, D – i | | d. A- ii, B- i, C- iv, D- iii | |

| Question No. - 9 | | | |
|-------------------------------|---|-------------------------------|---------------------------------|
| A. | The process of coordinating the activities of an organisation begins at the planning stage itself | i. | Characteristics of Coordination |
| B. | The purpose of coordination is to secure unity of action in the realisation of a common purpose. | ii. | Importance of Coordination |
| C. | Functions of an organisation are divided into departments, divisions and sections. | iii. | coordinating |
| D. | As organisations grow in size, the number of people employed by the organisation also increases. | iv. | Functional differentiation |
| Answer | | | |
| a. A- iv, B- i, C- ii, D- iii | | b. A- iii, B- i, C-iv, D – ii | |
| c. A- iii, B- iv, C-ii, D – i | | d. A- ii, B- i, C- iv, D- iii | |

| Question No. - 10 | | | |
|--------------------------------|--|-------------------------------|---------------------------------|
| A. | A force that binds all the other functions of management. | i. | Controlling function |
| B. | The management function of monitoring organisational performance towards the attainment of organisational goals. | ii. | Importance of Coordination |
| C. | Specialisation arises out of the complexities. | iii. | Characteristics of Coordination |
| D. | A manager has to coordinate the efforts of different people in a conscious and deliberate manner. | iv. | Coordination |
| Answer | | | |
| a. A- i, B- ii, C- iii, D – iv | | b. A- iv, B- i, C- ii, D- iii | |
| c. A- iii, B- iv, C-ii, D – i | | d. A- ii, B- i, C- iv, D- iii | |

Assertion Reasoning based Questions

For questions related to assertion and reasoning mark A (Both A and R are true, and R is the correct explanation of A), mark B (Both A and R are true, but R is not the correct explanation of A), mark C (A is true, R is false), mark D (A is false, R is true).

Q1.

Assertion (A): Planning cannot prevent problems, but it can predict them.

Reason(R): Also to prepare contingency plans to deal with them if and when they occur.

Options: A. B. C. D.

Q2.

Assertion (A): In reality, managers are rarely able to carry out these functions in isolation.

Reason(R): The activities of a manager are interrelated and it is often difficult to pinpoint where one ended and the other began.

Options: A. B. C. D.

Q3.

Assertion (A): A manager has to link these diverse groups towards the achievement of a common goal.

Reason(R): The process by which a manager synchronises the activities of different departments is known as coordination.

Options: A. B. C. D.

Q4.

Assertion (A): Coordination, therefore, is not a separate function of management, but its very essence.

Reason(R): For an organisation to effectively and efficiently achieve its objectives coordination is required.

Options: A. B. C. D.

Q5.

Assertion (A): The marketing department's objective may be to increase sales by 10 per cent by offering discounts. But, the finance department may not approve of such discounts as it means loss of revenue.

Reason(R): These kinds of conflict arise in organisations because each unit is performing activities in isolation from others and barriers between departments are becoming more rigid.

Options: A. B. C. D.

Q6.

Assertion (A): Functions of an organisation are divided into departments, divisions and sections. In an organisation there may be separate departments of finance, production, marketing or human resources.

Reason(R): All these departments may have their own objectives, policies and their own style of working.

Options: A. B. C. D.

Q7.

Assertion (A): Employees may have their own individual goals also.

Reason(R): Therefore, for organisational efficiency, it is important to harmonise individual goals and organisational goals through coordination.

Options: A. B. C. D.

Q8.

Assertion (A): These two terms are different but they are interrelated. For management, it is important to be both effective and efficient.

Reason(R): Effectiveness and efficiency are two sides of the same coin. But these two aspects need to be balanced and management at times, has to compromise with efficiency.

Options: A. B. C. D.

Q9.

Assertion (A): The activities involved in managing an enterprise are common to all organisations whether economic, social or political.

Reason(R): This difference is due to the differences in culture, tradition and history.

Options: A. B. C. D.

Q10.

Assertion (A): Management translates this work in terms of goals to be achieved and assigns the means to achieve it.

Reason(R): This is done in terms of problems to be solved, decisions to be made, plans to be established, budgets to be prepared, responsibilities to be assigned and authority to be delegated.

Options: A. B. C. D.

Q11.

Assertion (A): All organisations exist for the performance of some work.

Reason(R): Management translates this work in terms of goals to be achieved and assigns the means to achieve it.

Options: A. B. C. D.

Q12.

Assertion (A): Human resources or people are an organisation's greatest asset.

Reason(R): Despite all developments in technology "getting work done through people" is still a major task for the manager.

Options: A. B. C. D.

Q13.

Assertion (A): The process of management is a series of continuous, composite, but separate functions and these functions are separately performed by all managers all the time.

Reason(R): The task of a manager consists of an ongoing series of functions.

Options: A. B. C. D.

Q14.

Assertion (A): A production process which entails the flow of input material and the technology for transforming this input into the desired output for consumption.

Reason(R): This is interlinked with both the management of work and the management of people.

Options: A. B. C. D.

Q15.

Assertion (A): Growth of a business can be measured in terms of sales volume increase in the number of employees, the number of products or the increase in capital investment, only.

Reason(R): There can be other indicators of growth.

Options: A. B. C. D.

Q16.

Assertion (A): An organisation interacts with its external environment which consists of various social, economic and political factors.

Reason(R): In order to be successful, an organisation must change itself and its goals according to the needs of the environment.

Options: A. B. C. D.

Q17.

Assertion (A): Management helps in the development of the organisation and through that it helps in the development of society.

Reason(R): It helps to provide good quality products and services, creates employment opportunities, adopts new techno-logy for the greater good of the people

Options: A. B. C. D.

Q18.

Assertion (A): Organisations are made up of people who have different personalities, backgrounds, experiences and objectives.

Reason(R): They all become part of the organisation to satisfy their diverse needs.

Options: A. B. C. D.

Q19.

Assertion (A): The process of coordinating the activities of an organisation begins at the planning stage itself. Top management plans for the entire organisation.

Reason(R): According to these plans the organisational structure is developed and staffed.

Options: A. B. C. D.

Q20.

Assertion (A): Management has to reconcile personal goals with organisational objectives for harmony in the organisation.

Reason(R): Different individuals have diverse needs such as financial needs such as competitive salaries and perks, social needs such as peer recognition and higher level needs such as personal growth and development.

Options: A. B. C. D.

Assure your child a sure success

Multiple Choice Question's

- _____ theorists personified by Henri Fayol looked at the best way to combine jobs and people into an _____.
 - Management, efficient organisation
 - Administrative, efficient organisation
 - General, efficient organisation
 - Management, effective organisation
- In fact, there is a long history of _____ and _____ have evolved and are in the continuous process of evolution.
 - Management thought, management principles
 - Management concept, management thought management principles, Management techniques
 - Management thoughts, management processes
- Management principles are not as rigid as principles of pure science as; they deal with human behaviour and, thus, are to be _____ given the demands of the situation.
 - Applied directly
 - Applied creatively
 - Applied thoroughly
 - Applied accordingly
- Principles are guidelines to take decisions or actions while _____.
 - Being applied
 - Practical usage
 - Practicing techniques
 - Practicing them in real life situations
- In order to remedy the problem of _____ of workers in the factory, an _____ may be conducted to see the effect of improvement of physical conditions to reduce stress.
 - Incentives, plan
 - Many, policy
 - Fatigue experiment
 - Some, experiment
- The management principle is also applicable to a limited company where there are separate departments like Production, Finance, Marketing and Research and Development etc.
 - Universal applicability
 - Meeting changing environment requirements:
 - Optimum utilisation of resources
 - Providing managers with useful insights
- Moreover individual principles are like different tools serving _____ purposes; the manager has to _____ which tool to use under what circumstances.
 - Different, decide
 - Individual, decide
 - Many, decision
 - Some, decide
- Principles of management assist managers in establishing these relationships to some extent and are therefore useful.
 - Interpersonal
 - Mainly behavioural
 - Behavioural
 - Inexact science
- As such the wastages associated with a trial-and-error approach can be overcome.
 - Optimum utilisation of resources
 - Managers with useful insights into reality
 - Meeting changing environment requirements
 - Social responsibility

10. Employees deserve fair and just remuneration. But what is just and fair is determined by multiple factors.
- A. Contingent
B. Social responsibility
C. Mainly behavioural
D. Legal requirement
11. This company was started in a garage with a meagre capital of ₹ 10,000 and later operated at the global level in collaboration with Limited company of Ireland. Name the promoter and company?
- A. Dr. Kiran Mazumdar Shaw, Biocon India
B. Dr. Kiron Mazumdar, Pancea Biotech India
C. Dr. Kiran Mazedar Shacy Biotach India
D. Dr. Kiran Firodia, Kinectic Biocon India
12. _____ administration necessitates _____ of managerial conduct so that managerial power is used with due discretion
- A. Effective, Personalization
B. Effective, Impersonalisation
C. Efficient, Personalization
D. Efficient, Effectiveness
13. As an application of this principle, we find that Public Sector Undertakings have developed entire townships
- A. Managers with useful insights into reality
B. Optimum utilisation of resources
C. Fulfilling social responsibility
D. Meeting changing environment requirements
14. The best results would come from the _____ between a trained and qualified management and a cooperative and innovative workforce.
- A. Partnership
B. Collaboration
C. Association
D. Coordination
15. Management should promote teamwork especially in large organisations because otherwise objectives would be difficult to realise.
- A. Order
B. Esprit De Corps
C. Discipline
D. Initiative
16. The process of _____ the activities of an organisation begins at the planning stage itself.
- A. Management
B. Coordinating
C. Organising
D. Planning
17. The basic reason for existence any business organisation what should be simple and clearly stated.
- A. Goals
B. Objectives
C. Ends
D. Targets
18. Management is considered a _____ activity.
- A. Multi tier
B. Two tier
C. Single tier
D. Three tier
19. A good plan should be:
- A. Simple
B. Standard
C. Stable
D. Rigid
20. Planning is what type of process?
- A. Regular
B. Continuous
C. Annual
D. Abnormal

Nature and Significance of Management

21. As boundaries between cultures and nations get blurred and new communication technology makes it possible to think of the world as a:
- A. Global market
B. Cohesive market
C. Global village
D. Common market place
22. Management has to _____ personal goals with organisational objectives for _____ in the organisation.
- A. Reconcile; harmony
B. Protect; objectives
C. Manage; harmony
D. Enhance; smooth functioning
23. Coordination is sometimes considered as what function of management.
- A. Main function
B. Special function
C. Important function
D. Separate function
24. Management helps people adapt to these changes so that the organisation is able to maintain its :
- A. Competitive advantage
B. Competitive edge
C. Market leadership
D. Competitive position
25. Managers need to reconcile differences in approach, timing, effort or interest. At the same time, there is a need to _____ and organisational goals.
- A. Harmonise economic goals
B. Harmonise social goals
C. Harmonise individual goals
D. Harmonise management goals
26. Some companies are outsourcing their non-core activities like share-transfer management and advertising to outside agencies.
- A. Meeting changing environment requirements
B. Optimum utilisation of resources
C. Providing managers with useful insights
D. Scientific decisions
27. If one were to talk of 'equity' today, it does not apply to wages alone. Value to the customer, care for the environment, and dealings with business associates would all come under the purview of this principle.
- A. Fulfilling social responsibility
B. Meeting changing environment requirements:
C. Optimum utilisation of resources
D. Providing managers with useful insights
28. He was one of the intellectual leaders of the efficiency movement and was highly influential in reshaping the system of production.
- A. Peter Drucker
B. Fredrick Winslow Taylor
C. Henri Fayol
D. Philip Kotler
29. Taylor believed that contemporary management was _____ and should be studied as a _____.
- A. Amateur, evolving subject
B. Amateurish, discipline
C. Mature, discipline
D. Evolving, subject
30. Principles of management are useful for:
- A. Avoiding deep thinking
B. Getting quick decisions
C. Promoting efficiency
D. Maintaining liaison with the outer world

Practice Paper – 1

Instruction's

1. All questions carry equal marks.
2. Read the instructions and question very carefully.
3. FIVE for Each Correct Answer (+5.00)
4. -ONE for every Wrong answer. (Negative Marking) (-1.00)
5. Attempt 20 Questions from the given 25 questions.

1. Management is _____ which is necessary wherever there is a group of people working in an organisation.
A. Goal B. An activity C. Diverse tasks D. Process
2. Coordination gives a common focus to group effort to ensure that performance is as it was planned and scheduled.
A. True B. False C. Can't say D. None
3. To remain in the industry, management must _____ the growth potential of the organisation.
A. Fully exploit B. Utilize C. Exploit fully D. Put to use
4. Obviously, management is concerned with the _____ of these resources, because they _____ and ultimately lead to higher profits.
A. Effective use increase costs C. Efficient use reduce costs
B. Efficient use increment costs D. Effective use reduce costs
5. Management is required in _____ organisations—those manufacturing handlooms, trading in consumer goods or providing hairstyling services and even in non-business organisations.
A. Small B. Large C. All kinds of D. Social
6. Which of the following does not characterise the business environment?
A. Uncertainty B. Employees C. Complexity D. Relativity
7. Some companies are outsourcing their non-core activities like share-transfer management and advertising to outside agencies.
A. Meeting changing environment requirements
B. Optimum utilisation of resources
C. Providing managers with useful insights
D. Scientific decisions
8. The process of _____ the activities of an organisation begins at the planning stage itself.
A. Management B. Coordinating C. Organising D. Planning
9. Coordination gives a _____ to group effort to ensure that performance is as it was planned and scheduled.
A. Goals B. Direction C. Focus D. Common focus
10. Management is described as the process of planning, organising, directing and controlling the efforts of organisational members and of using organisational resources to achieve many different goals.
A. True B. False C. Can't say D. None

Nature and Significance of Management

11. Management is a very popular term and has been used _____ types of activities and mainly for taking charge of different activities in any enterprise.
- A. Extensively for all B. Small C. Large D. Business
12. Which level managers need to coordinate with their subordinates to ensure that the overall policies for the organisation are duly carried out.
- A. Top level B. Middle level C. Lower level D. None
13. This principle is also applicable to a limited company where there are separate departments like Production, Finance, Marketing and Research and Development etc.
- A. Universal applicability
B. Meeting changing environment requirements:
C. Optimum utilisation of resources
D. Providing managers with useful insights
14. The coordination is required any organisation for:
- A. Growth B. Specialisation C. Both A and B D. A or B
15. Efficiency means doing the task _____ and with minimum cost.
- A. Properly B. Right C. Correct D. Correctly
16. People in organisations are performing _____ but they are all working towards the same goal.
- A. Fiverse tasks B. Functions C. Activities D. Tasks
17. Different kinds of business require different structures according to the nature of work.
- A. True B. False C. Can't say D. None
18. Managers need to reconcile differences in approach, timing, effort or interest. At the same time, there is a need to _____ and organisational goals.
- A. Harmonise economic goals C. Harmonise individual goals
B. Harmonise social goals D. Harmonise management goals
19. The technique of management aims at elimination of superfluous varieties, sizes aims dimensions of the product?
- A. Standardisation of work C. Simplification of work
B. Customization of work D. Standard of work
20. **Assertion (A):** Coordination, therefore, is not a separate function of management, but its very essence.
- Reason(R):** For an organisation to effectively and efficiently achieve its objectives coordination is required.
- Options:
- A. Both A and R are true, and R is the correct explanation of A
B. Both A and R are true, but R is not the correct explanation of A
C. A is true, R is false D. A is false, R is true