

# JAYALAKSHMI COACHING INSTITUTE

[Develop Skills Through Education]

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## 12<sup>th</sup> COMMERCE [CHAPTER 1] – PRINCIPLES OF MANAGEMENT

### I. Choose the Correct Answers:

1. Management is what a **Manager** does?
2. Management is an **Art and Science**.
3. Scientific management is developed by **Fayol**.
4. Dividing the work into small tasks is known as **Division of work**.
5. With a wider span, there will be **Less** hierarchical levels.

### II. Very Short Answer Questions:

#### 1. What is Management?

- Management is a multipurpose organ that manages a business and manages manager, and manages worker and work – Peter F. Drucker
- Management is goal oriented and it is an art of getting things done with and through others.

#### 2. List out the management tools.

- Tools of management have been developed such as accounting, business law, data processing, econometrics, psychology, statistics, etc.

#### 3. State the meaning of Authority.

- Authority means the right of a superior to give the order to his subordinates whereas responsibility means obligation for performance.

#### 4. What do you mean by Span of Management.

- The Span of Management refers to the number of subordinates who can be managed efficiently by a superior.
- The manager having the group of subordinates who report him directly is call as the span of management.

### III. Short Answer Questions:

#### 1. Define the term management.

- Management is a multipurpose organ that manages a business and manages manager, and manages worker and work – Peter F. Drucker

#### 2. Differentiate Management and Administration.

Basis for comparison	Management	Administration
Meaning	An organized way of managing people and things of a business organization.	The process of administering an organization by a group of people.
Authority	Middle and Lower Level	Top Level
Role	Executive	Decisive
Key Person	Manager	Administrator

#### 3. What are the principles of Taylor?

Principles of scientific management propounded by Taylor are:

- Harmony, Not Discord
- Mental Revolution
- Cooperation, Not Individualism
- Development of each and every person to his or her greatest efficiency and prosperity
- Science, Not Rule of Thumb

#### 4. What determines the span of management?

- The Span of Management refers to the number of subordinates who can be managed efficiently by a superior.
- The manager having the group of subordinates who report him directly is called as the span of management.
- The Span of Management has two implications:
  - i) Influences the complexities of the Individual manager's job.
  - ii) Determine the shape or configuration of the organization.

#### IV. Long Answer Questions:

##### 1. Explain the principles of modern management. (Any 5)

The Father of Modern Management is Mr. Henry Fayol, and according to him there are 14 major principles of management which every manager has to practice for the success of the organization.

1. Authority and Responsibility
2. Equity
3. Esprit de Corps / Team Spirit
4. Initiative
5. Order
6. Unity of Command
7. Unity of Direction
8. Division of Work
9. Discipline
10. Remuneration
11. Scalar Chain / Line of Authority
12. The Degree of Centralization
13. Subordination of Individual Interest to Mutual Interest
14. Stability of Tenure of Personnel

<b>Division of Work</b>	According to this principle the whole work divided into small tasks.
<b>Authority and Responsibility</b>	Authority means right of a superior to give the order to the subordinates whereas responsibility means obligation for performance.
<b>Discipline</b>	It is essential for the smooth functioning of all organizations. It is obedience, proper conduct in relation to others, respect of authority, etc.
<b>Unity of Command</b>	This principles state that each subordinate should receive orders and be accountable to one and only superior.
<b>Remuneration</b>	Workers must be paid sufficiently as this is a chief motivation of employees and therefore greatly influences productivity. The quantum and methods of remuneration payable should be fair, reasonable and rewarding of effort.
<b>Order</b>	Order should be acceptable and under the rules of the company.

	<p>Social order ensures the fluid operation of a company through authoritative procedure.</p> <p>Material order ensures safety and efficiency in the workplace.</p>
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## 2. Explain the concept of management. (Any 5)

### Meaning of Management:

- Management is a multipurpose organ that manages a business and manages manager, and manages worker and work – Peter F. Drucker
- Management is goal oriented and it is an art of getting things done with and through others.

### Concepts of Management:

The management concepts can be understood from its profound characteristics features as follows:

<b>Body of Knowledge</b>	<p>Management has now developed into a specialised body of management theory and philosophy.</p> <p>Management literature is growing in all countries.</p> <p>In fact, management knowledge is the best passport to enter the world of employment either in business world or government of private.</p>
<b>Management Tools</b>	<p>Tools of management have been developed such as accounting, business law, data processing, econometrics, psychology, statistics, etc.</p>
<b>Separate Discipline</b>	<p>Management studies in many universities and institutions of higher learning are recognised as a separate discipline.</p> <p>Seminars, special courses, training programmes are becoming fashionable and popular for orientation and retraining in management areas, e.g., export management, personnel management, general management, production management, marketing management, financial management, etc.</p>

<b>Specialisation</b>	There is a growing tendency to select and appoint highly qualified, trained and experienced persons to manage the business in each functional areas of management.
<b>Code of Conduct</b>	<p>Enlightened business have recognised that business management is a social institution and it has social responsibilities to be fulfilled towards customers, employees, and the public or community.</p> <p>Corporations have now social conscience and awareness.</p> <p>At present 'seller beware' in place of 'buyer beware' influencing market practices.</p>
<b>Professional Association</b>	The Business Management Association in many counties to promote the spread of knowledge in all management areas and to build up the bright public image of managerial profession.