# BUSINESS STUDIES CLASS XII

## CHAPTER 2 PRINCIPLES OF MANAGEMENT

MULTI	PLE CHOICE QUESTIONS
1	Which of the following statements best describes mental revolution?  (a) It implies change of attitude  (b) The management and workers should not play the game of one gunmanship  (c) Both Management and workers require each other  (d) Workers should be paid more wages
2	Which principle of scientific management is considered as an extension of principle of 'Harmony not discord.'  (a) Science not rule of thumb  (b) Equity  (c) Cooperation not individualism  (d) Development of each and every person to his or her greatest efficiency and prosperity.
3	Management should find 'one best way to perform a task'. Which technique of scientific management is defined in this sentence?  (a) Time study  (b) Motion study  (c) Fatigue study  (d) Method study

4 Match the followings and choose the correct option :

Column I

A Method study I Eliminating superfluous varieties, sizes and dimensions.

B Standardization of work ii Separation of planning and execution function

C Simplification of work iii Setting benchmarks for every business activity

w which Must be adhered to during production

D Functional foremanship  $\quad$  iv  $\,$  Minimizing the cost of production and maximizing t

Column I

the Quantity and satisfaction of the customer

- a) (iii), (ii), (i), (iv)
- b) (iv), (iii), (ii), (i)
- c) (iv), (iii), (i), (ii)
- d) (i), (ii), (iii), (iv)
- 5 XYZ Ltd. is engaged in producing electricity from domestic garbage. There is almost equal division of work and responsibility between workers and Management. The management even takes workers into confidence before taking important decisions. All the workers are satisfied as the behaviour of the management is very good. From the following options identify the principle of management discussed in the given case.
  - (a) Initiative
  - (b) Science not rule of thumb
  - (c) Cooperation not individualism
  - (d) Equity
- 6 She/He keeps machines materials tools etc. ready for operations by concerned workers. Whose work is described by this sentence under functional foremanship.
  - (a) Instruction card clerk
  - (b) Repair Boss
  - (c) Gang Boss
  - (d) Route Clerk

- At a burger factory, the ingredients making up a burger were strategically placed to reduce the wasteful excess movements. Identify the work study technique of scientific management highlighted here.
  - a) Method study
  - b) Fatigue study
  - c) Time study
  - d) Motion study
- 8 The objective of time study is not to determine :
  - a. Unnecessary movements to complete the job efficiency
  - b. The number of workers to be employed
  - c. Frame suitable incentive schemes
  - d. Determine labour costs
- Aqualife Ltd. has decided to become the market leader in selling water bottles. The company decides to take care of all the departments. The top management decides to set standards for all the business activities right from the purchase of raw material to manufacturing and packaging of the water bottles. Which technique of scientific management is used here?
  - (a) Simplification
  - (b) Standardisation
  - (c) Differential piece wage system
  - (d) Method study
- Which of the following technique of scientific management helps in differentiating efficient and inefficient workers?
  - (a) Time study
  - (b) Motion study
  - (c) Functional foremanship
  - (d) Differential piece wage system

11 Name the company in which Taylor joined as a labourer in America in 1878. (A) Bethlehem Steel Works (B) American Steel Company (C) Midvale Steel Company (D) Carnegie Steel Company 12 Identify the principle of Taylor which suggests that the job performed should be based on scientific enquiry and not on intuition. (A) Science not rule of thumb (B) Harmony not discord (C) Cooperation not individualism (D) Development of each and every person to his/her greatest efficiency and prosperity 13 Under which revolution there is a change in the attitude of workers and management towards one another. (A) Green Revolution (B) MentalRevolution (C) Industrial Revolution (D) White Revolution 14 Which of the following is correct for F.W. Taylor? (A) He was born in USA in 1865 (B) He became famous as father of General Management (C) His major contributions were 'Shop management' and 'Piece Rate system' (D) He joined as a Mining engineer in 1878 15 The latest development in scientific management is (A) Motion Study (B) Standardisation of work (C) Lean Manufacturing (D) Simplification of work

- Varun and Tarun are typists in a company having same educational qualifications. Varun gets ₹15,000 per month and Tarun gets ₹10,000 per month as salary for same working hours. Identify the technique of scientific management in the given statement that violates Fayol's principle of 'Equity'.
  - (A) Differential piece wage system
  - (B) Functional foremanship
  - (C) Time Study
  - (D) Method study
- 17 Which of the following statements is not correct for Standardisation of work?
  - (A) It is a process of setting benchmarks for business activities
  - (B) It eliminates unnecessary diversity of products
  - (C) It establishes interchange ability of manufactured parts and products
  - (D) It reduces a given line of product to fixed types, sizes and characterstics
- One of the principles of scientific management demands for 'paternalistic style of management' and encourages open communication system. Identify the concerned principle of scientific management.
  - (A) Harmony not discord
  - (B) Cooperation not individualism
  - (C) Science not rule of thumb
  - (D) Development of each and every person to his/her greatest efficiency and prosperity
- Which technique of scientific management is a violation of the Fayol's principle of unity of command?
  - (A) Differential piece wage system
  - (B) Functional foremanship
  - (C) Simplification of work
  - (D) Fatigue study

20	In a factory there are three shifts of work and after first shift workers get physically and mentally tired and cannot work efficiently for second shift. How this issue car be resolved?  (A) By providing small rest intervals to workers in second shift				
	(B) By rewarding the	workers with more salary	and in	centive	S
	(C) By assigning wor	kers third shift instead of	second	d shift	
	(D) By calling workers	s on every alternate day a	and not	daily	
21		oremanship in Column I v the correct sequence.	with the	ir respe	ective explanation in
	Column I	Column II			
	(A) Disciplinarian (i	) Ensure sufficient availabil	ity of ro	w mate	rial
	(B) Gang Boss (ii) Assign	n work to all employees			
	(C) Instruction card cler	k (iii) Ensure that there	e is disci	pline at	workplace
	(D) Inspector (iv) Chec	k whether the quality of ou	ıtput is {	good or	not
	(a) (ii), (iii), (i), (iv)			(b)	(ii), (iv), (i), (iii)
	(c) (iv), (ii), (i), (iii)			(d)	(iii), (i), (ii), (iv)
22	all employees who sh	od sense and experience ould be treated as fairly of of management highlighte	as poss		o ensure fairness to
	(a) Unity of direction	on	(b)	Scala	r chain
	(c) Discipline		(d)	Equity	
23	executives in Tata Inc Raman gets a salary	n, having same educati dicom. Chaman gets a s of Rs. 6000 per month t ent is being violated in th	salary of	f Rs. 7 same v	000 per month and working hour. Which
	(a) Discipline		(b)	Equity	<i>(</i>
	(c) Unity of direction	on	(e)		of command

24	If the company does not provide the right place for physical and huma resources, which principle of management is violated?			-	
		, , ,	ement i		
	(a)	Scalar chain		(b)	Unity of direction
	(c)	Discipline		(d)	Order
25	The c	oncept of Gang Plank in the princ	iple of s	scalar o	chain is
	(a)	to create formal lines of authority	from t	op to b	ottom
	(b)	to avoid delay in communication	ı		
	(c)	to improve effectiveness of comr	nunicat	tion	
	(d)	none of these			
26	Tannı	u ink Ltd recruits its employees	on ten	nporary	basis to avoid increment
		its. Due to this, there is frequent			
		urity prevails in them. Which princ			
		,	•	,	, , ,
	(a)	Discipline		(b)	Stability of personnel
	(c)	Scalar chain		(d)	Order
27	There	e are four separate departments in	a com	pany –	finance, marketing, human
	resou				_
		·	·	•	· ·
	(a)	Espirit De corps	(b)	Divisi	on of work
	(c)	Unity of command	(d)	Autho	ority and responsibility
		·	, ,		
28	"In Ind	dia Panchayats have been given p	owers t	o decio	de and spend funds granted
	to the	m by the government for th	e welfa	are of	village". Which principle of
	mana		staten		
		5 5 5			
	(a)	Division of work		(b)	Unity of command
	(c)	Centralisation and Decentralisation	(d)	` '	De corps
	` '		, ,	•	•
	1				

29	judicious application of penalties". Identify the principle of management suggested by Henri Fayol with this regard.
	<ul><li>(a) Authority and responsibility</li><li>(b) Esprit de corps</li></ul>
	(c) Order
	(d) None of these
30	Principle of Management are not  a) Universal b) Flexible c) Absolute d) Behavioural
31	Henri Fayol was a
	a) Social Scientist b) Mining Engineer c) Accountant
	d) Production engineer
32	Which of the following statement best describe the principle of 'division of work'  a) Work should be divided into small tasks
	b) Labour should be divided
	c) Resource should be divided among jobs d) It leads to specialisation
	u) it leads to specialisation
33	Which of the following statement is/are true with reference to principles of
	management?  a) The principles are guideline to action.
	b) The principle denote a cause and effect relatioship.
	c) Principle help the managers to take right decision
	d) All of the above
34	This principle of management leads to higher production and better work for the same effort. Identify the related principle of general management  a) Discipline b) Equity c) Division of work d) Order

35	The principles of management are intended to be applied to all types and size of organisation. It reflect that the principles of management are a)General guidelines b) Flexible c) Universally applicable d) None of the above
36	Each group of activities having the same objective must have one head and one plan. It is reflected in the principle of  a) Division of work b) Unity of command c) Unity of direction d) Discipline
37	In your school separate room is allotted for teachers, departmental heads, vice principal and principal. Identify the principle of management followed here  a) Equity b) Division of work c) Order d) Initiative
38	The principle of management are significant because of  a) Increase in efficiency b) Initiative c) optimum utilisation of resource  d) None of the above
39	The principles of pure science is considered to be in nature  a) Flexible b) Rigid c) Creative d) None of the above
40	Which of the following is not concerned with the Henry Fayol?  (a) Fatigue Study  (b) Scalar Chain  (c) Authority and Responsibility  (d) Espirit De Corps
41	According to which principle of management, all similar activities for the fulfilment of one object must be kept under one authority:  (a) Centralisation and Decentralisation  (b) Order  (c) Unity of command  (d) Unity of direction

42	This principle emphasizes kindliness and justice in the behaviour of managers towards workers:  (a) Initiative  (b) Stability of Personnel  (c) Equity  (d) Remuneration of Employees
43	Management should promote a team sprit of unity and harmony among employees. Which principle suggests this.  (a) Equity (b) Initiative (c) Espirit De Corps (d) Division of Work
44	'Employees turnover should be minimized to maintain organizational efficiency " Mention the principle which indicates it.  (a) Remuneration of Employees  (b) Stability of Personnel  (c) Initiative  (d) Division of work
45	"The workers and management both should honour their commitments without showing any prejudice towards one another. Mention the principle which indicates it.  (a) Order  (b) Authority and Responsibility  (c) Unity of Command  (d) Discipline
46	Life Span of Henry Fayol is  (a) 1842 to 1930  (b) 1841 to 1925  (c) 1845 to 1925  (d) 1841 to 1930

47 Mr. Rajat the manager of ZOOM Honda Ltd. found Ajay, an employee usually coming late to the office. Being new, he could not take strict action against him. Consecutively, other employees also started coming late which led to the fall in the overall discipline. Which principle of management Rajat could not apply in the organization. (a) Unity of Command (b) Discipline (c) Order (d) Authority and Responsibility 48 'A proper place for everything and everything in its right place', is this statement connected with which principle of Henry Fayol? ------(a) Order; (b) Remuneration of employee; (c)Unity of Command; (d) Discipline 49 Which of the following statements is true with reference to principles of management? (a) The principles of management have evolved. (b) The principles of management are yet to be evolved. (c) The principles of management are in the continuous process of evolution. (d) None of the above. 50 Which of the following statements best defines the techniques of management? (a) It is a set of guidelines to take decisions and actions. (b) It is a procedure which involves a series of steps to be taken.

(c) They are general rules for behaviour of individuals.

(d) None of the above.

51	The principles of management have been developed on the basis of  (a) Observation  (b) Experimentation  (c) Personal experiences of the manager  (d) All of the above
52	The principles of management are intended to be applied to all types and sizes of organisations. This statement reflects that the principles of management are (a) General guidelines (b) Flexible (c) Universally applicable (d) Mainly behavioural
53	The principles of management do not provide readymade straight jacket solutions to all management problems because  (a) The real business situations are complex.  (b) The real business situations are dynamic.  (c) The principles act as general guidelines.  (d) All of the above.
54	Principles of management can be modified by the manager when the situation demands. This statement implies that the principles of management are  (a) Rigid  (b) Contingent  (c) Flexible  (d) Universally applicable

55 According to Taylor, "even a small production activity like loading figures of iron into boxes can be scientifically planned and managed. This can result in tremendous savings of human energy as well as wastage of time and materials." Identify the related principle of scientific management. (a) Harmony, not discord (b) Science, not rule of thumb (c) Development of each and every person to get his/her greatest efficiency and prosperity 56 'Rule of thumb' refers to (a) Use of personal judgement in handling management issues (b) Adopting a hit-and-trial approach to resolve management problems (c) Both of the above (d) None of the above 57 Principles of management emphasize on logical and rational decision making rather than on the basis of bias and prejudice. The given statement highlights that the knowledge of principles of management leads to (a) Providing managers with useful insight into reality (b) Scientific decisions (c) Meeting changing environmental requirements (d) All of the above 58 The concept of Work Study techniques includes (a) Time study (b) Motion study (c) Fatigue study

(d) All of the above

59	Which technique of Scientific management is the strongest motivator for a worker to reach standard performance?  (A) Differential Piece Wage System  (B) Functional Foremanship  (C) Method Study  (D) Standardization of Work
60	Name the technique of scientific management which helps in establishing interchangeability of manufactured parts and products?  (A) Standardization  (B) Functional Foremanship  (C) Method Study  (D) Motion Study
61	In which two departments did Taylor divide the work of a factory manager?  (A) Department of Planning and Production  (B) Department of Planning and Finance  (C.) Department of Planning and Marketing  (D) Department of Planning and Research
62	Under fatigue study:  (A)Tiring work is given to employees  (B)Employee's movements are increases  (C)Record is maintained for time consumed on employee's work  (D)Rest is given to employees during work
63	Sharing of gains with the workers is the objective of the principle:  (A)Harmony, not discord  (B)Science, Not rule of Thumb  (C)Cooperation, Not Individualism  (D)Development of each and every person to his or her greatest efficiency

64	Which technique of Taylor differentiates between an efficient worker and an inefficient worker?  (A)Time Study  (B)Functional foremanship  (C)Fatigue study  (D)Differential Piece wage system
65	Management should find 'one best way' to perform a task. Which technique of scientific management is defined in this sentence?  (A)Time Study  (B)Method Study  (C)Fatigue Study  (D)Motion Study
66	What did Taylor want to standardise?  (A) Material  (B)Machine and tools  (C)Methods  (D)All of the above
67	Which of the technique of scientific management violates the Principle of Unity of Command  (A) Differential piece wage system  (B)Fatigue study  (C)Functional foremanship  (D)Simplification of work

ANSWI	ER KEY: MULTIPLE CHOICE QUESTIONS
1	С
2	С
3	D
4	С
5	С
6	С
7	D
8	А
9	В
10	D
11	С
12	A
13	В
14	С
15	С
16	A
17	
18	
19	
20	
21	
22	
23	
24	D

25	В
26	
27	
28	
29	
30	С
31	В
32	D
33	D
34	С
35	С
36	С
37	С
38	A
39	
40	A
41	
42	
43	
44	В
45	
46	В
47	В
48	A

49	С
50	А
51	D
52	С
53	
54	С
55	В
56	С
57	В
58	
59	А
60	
61	А
62	D
63	А
64	D
65	В
66	D
67	С

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#### **BUSINESS STUDIES**

### **CLASS XII**

#### PRINCIPLES OF MANAGEMENT

#### CASE STUDY BASED QUESTIONS

1

Vishesh completed his MBA at a reputed business school in Lucknow. He was impressed by the principles and techniques of scientific management developed by F.W.Taylor. On completing his MBA, he wanted to apply Scientific Management in his family's business of fast food chain of restaurants named 'Burger Mania'. His main goal was to reduce costs with increased output. To begin with, he wanted to develop a standard method which would be followed throughout the organization. So, he investigated traditional methods through work study and unified the best practices.

The standard method,i.e., the best way of doing the job was then developed taking into account all parameters right from the procurement of raw materials till the delivery of the final product to the customer. Vishesh also believed that each person should not only be scientifically selected but should also be given the required training to increase efficiency. For this, he set up a special training unit called 'Hamburger' in Bengaluru where the workers were given the required training to learn the best method.

At the factory, the ingredients making up a burger were strategically placed to reduce the time taken for excess movements. The standard time and other parameters were determined on the basis of work study and Vishesh rewarded the workers for meeting the standard output. Now, 'Burger Mania' has standardized processes, raw material, time, machinery, trained staff and working conditions that ensure that the food they send out to their customers has the same high standards of excellence and level of quality in every chain or franchise. The application of Scientific Management to every aspect of restaurant operations led to 'Burger Mania's' widespread success.

On the basis of the above paragraph, answer the following questions:

1. Identify the technique of Scientific Management used by Vishesh to reward the workers for meeting the standard output. (Choose the correct alternative) (a) Time study (b) Motion study (c) Differential piece system (d) Functional foremanship 2. 'At the factory, the ingredients making up a burger were strategically placed to reduce the time taken for excess movements.' Identify the technique of Scientific Management mentioned in the given statement.(Choose the correct alternative) (a) Method study (b) Motion Study (c) Standardization and simplification of work (d) Time study 3. Identify the principle of Scientific Management that helped Vishesh in investigating the traditional methods through work study and unifying the best practices. (Choose the correct alternative) (a) Science not rule of thumb (b) Method study (c) Harmony not discord (d) Cooperation not individualism 4. 'Vishesh also believed that each person should not only be scientifically selected but should also be given the required training to increase efficiency.' Identify the principle of Scientific Management mentioned in the given statement. (Choose the correct alternative) (a) Cooperation not individualism (b) Stability of personnel (c) Harmony not discord (d) Development of each and every person to his/her greatest efficiency and prosperity.

2 Read the extract given below and answer the questions on the basis of the same:

One of the techniques of scientific management calls for using the best method of each activity in the organisation. The best method must be selected through application of scientific analysis and not by intuition or hit and trial methods, says one of the scientific managements.

Moreover, one other principle of scientific management emphasizes that" to make the employees learn, the best method" of production, training of workers is essential. It further emphasizes that each person should be scientifically selected and the work assigned to the employees should suit their physical, mental and intellectual capabilities.

If physical, mental and intellectual capabilities of employees are to be harnessed to the maximum, then they must be given adequate breaks and rest in between their work as well.

- 1. Name the technique of scientific management highlighted in the given line of the extract, "one of the techniques...... organisation.
- (a) Method study
- (b) Time study
- (c) Fatigue study
- (d) Motion study
- 2. Name the principle of scientific management highlighted in the given line of extract, the best method ......scientific management.
- (a) Science, not rule of thumb
- (b) Harmony, not discord
- (c) Cooperation not individualism
- (d) None of the above
- 3. Which principle of scientific management is highlighted in the given line of extract, "moreover, one other ...... intellectual capabilities."?
- (a) Science, not rule of thumb
- (b) Harmony, not discord
- (c) Cooperation not individualism
- (d) Development of each and every personnel to their greatest efficiency and prosperity.

- 4. Which techniques of scientific management are highlighted in the given line of extract, 'if physical, mental......as well'?
- (a) Time study
- (b) Method study
- (c) Fatigue study
- (d) Motion study.
- Karam Pvt. Ltd. is a famous services providing company. Mr. Nigam is its Managing Director. He continuously motivates his Research and Development department that new and latest ways of doing work be explored. The provision has also been made to give reward to those employees who will participate in a particular exploration. He also believes that two groups working on managerial and non-managerial posts are similar to two wheels of an organisational vehicle. If this vehicle (organisation) is to be driven in a right way then both the wheels should be properly aligned. Mr. Nigam is a successful leader. Among his employees he has instilled the feeling that no decision will be taken without consulting the subordinates. To excel, the other companies in this field is a main motive of Mr. Nigam. Paying attention to training is a secret of the company,
  - 1.. In order to excel in the field of service providing, Mr. Nigam explored new and latest ways of doing work. Which scientific technique has been used by Mr. Nigam for the same?
  - (A Motion study
  - (B) Method study
  - (C) Time study
  - (D) Fatigue study

2. 'If this vehicle (organisation) is to be driven in a right way then both the wheels should be properly aligned'. Identify the scientific principle highlighted in this statement. (A) Science not rule of thumb (B) Harmony not discord (C) Cooperation not individualism (D) Development of each and every person to his/her greatest efficiency and prosperity 3. How does Mr. Nigam develops the efficiency of employees? (A) By consulting employees before taking decision (B) By paying attention to training of employees (C) By allowing them to explore new methods of doing work (D) By developing good relations between management and workers Q4. Which of the following is not a principle of management given by taylor? a) Science, not rule of the thumb b) Functional foremanship c) Maximum not restricted output d) Harmony not discord

4 Rahul, after completing his entrepreneurship course from London returned to India and started a coffee shop 'Aroma Coffee Can' a famous Mall in Bangalore. The speciality of coffee shop was the special aroma and a wide variety of flavours to choose from. Somehow, the business was neither profitable nor popular. Rahul was keen to find out the reason. He appointed Sonali, an MBA from a reputed college, as a manager to find out the cause of the same.

Sonali took feedback from the clients and found out that though they love the special unique aroma of coffee but were not happy with the long waiting time being taken to process the orders. She analysed and found out that there were many unnecessary obstructions in between which could be eliminated. She fixed a standard time for processing the orders.

She also realized that there were some flavours whose demand was not enough. So, she also decided to stop the sale of such flavours. As a result within a short period Sonali was able to attract the customers.

- 1. Which principle of scientific management was used by Sonali for analysis and decision making?
- (A) Science not rule of thumb
- (B) Harmony not discord
- (C) Cooperation not individualism
- (D) Development of each and every person to his/her greatest efficiency and prosperity
- 2. Name the technique of scientific management adopted by Sonali for speedy processing of orders.
- (A) Method study
- (B) Simplification of work
- (C) Standardisation of work
- (D) Fatigue study

- 3. Why was the business of Rahul not profitable and popular?
- (A) Customers did not like the unique aroma of coffee
- (B) Customers did not enjoy variety of flavours of coffee
- (C) Customers had to wait for a long to get coffee
- (D) Customers were not attracted to the name of Coffee shop
- 4. "She analysed and and found out that there were many unnecessary obstruction in between which could be eliminated" which techniques of scientific management is highlighted in this context?
  - a) Motion study
  - b) Simplification
  - c) Fatigue study
  - d) Method study
- 5 Read the case and answer the following questions.

Adarsh Ltd was engaged in the business of manufacturing electronic components. Lately its business was expanding due to increased demand for electronic device. The competition was also increasing. In order to keep its market share intact, the company directed its work force to work overtime. But this resulted in a lot of problems.

Due to increased pressure of work, the efficiency of workers declined. Sometimes the subordinates had to work for more than one superiors. The workers were becoming indisciplined. The spirit of teamwork, which has characterized the company previously, had begun to wane.

- Q1. "Sometimes the subordinates had to work for more than one superiors". Identify the principle of management highlighted in the statement. Which is being violated by the company.
- (a) Discipline
- (b) Esprit de corps
- (c) Unity of direction
- (d) Unity of command

Q2. "The spirit of team work, which has characterized the company previously, has begun to wane". Identify the principle of management which is being violated in the above statement. (a) Unity of direction (b) Esprit of corps (c) Discipline (d) Unity of command Q3. "The workers were becoming indisciplined". Identify the principle of management which is being violated in this statement. (a) Discipline (b) Unity of command (c) Unity of direction (d) Esprit of corps Q4. General Theory of Administration is the expression of a) W. Taylor b) Henri Fayol c) Max Weber d) F.L. Brech 6 Info Solution Ltd. was engaged in the business of manufacturing components. Lately, its business was expanding due to Computer increased demand for Computer. The competition was also increasing. In order to keep its market share intact, the company directed its workforce to work overtime. But this resulted in many problems. Due to increased pressure of work the efficiency of workers declined. Sometimes, the subordinates had to work for more than one superior. The workers were becoming indiscipline. The spirit of teamwork, which had characterized the company previously, had begun to wane. Identify principles of management (as given by Henry Fayol) which were beginning violated, quoting the lines from the above case.

1) "Sometimes, the subordinates had to work for more than one superior." (a) Unity of Direction, (b) Authority & Responsibility (c) Order (d) Unity of Command 2) 'The workers were becoming indiscipline.' (a) Order (b) Stability of Personal (c) Discipline (d) Initiative 3) 'The spirit of teamwork, which had characterized the company previously, had begun to wane.' (a) Division of Work (b) Esprit De Corps (c) Initiative (d) Order Shruti opens a Interior deigning office in Mumbai after completing a course in Interior designing. She has employed Ten persons in her office. For greater productivity, she divides the work into small tasks and each employee is trained to perform his/her specialized job. The Marketing persons are allowed to close a deal with a Customer by giving a maximum of 15% discount, whereas the decision to give any further discount rests with Shruti as the final authority. In the earlier days of starting of the business, five of her employees were asked to put in extra hours of work. In return she had promised to give them a special incentive within a year. Therefore, after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her commitment. However, when it comes to setting the conflicts among her employees, she tends to be more biased towards her female employees. In context of the above case: Identify the principles of management that are being applied by Shruti by quoting lines from the paragraph.

1) "For greater productivity, she divides the work into small tasks and each employee is trained to perform his/her specialized job."
a) Unity of Command
b) Unity of Direction
c) Division of Work
d) Remuneration of employee
2) "The sales persons are allowed to close a deal with a buyer by giving a
maximum of 15% discount, whereas the decision to give any further
discount rests with Shruti as the final authority."
a) Centralization & Decentralization
b) Initiative
c) Order
d) Esprit de Corps
3) "However, when it comes to setting the conflicts among her employees,
she tends to be more biased towards her female employees."
a) Initiative
b) Equity
c) Discipline
d) Unity of Command

- 8 Mr. A works in a bulb manufacturing company. Each bulb which is manufactured is of standard size and quality. Further if there is any unrequired type of bulb manufactured then its production is stopped. Last month when the company came to know that 10 watt bulbs were no more liked by customer, their production was stopped. He works in the purchase department. His job is to purchase the filaments required to make bulbs. This time when he purchases the filament he gets the instruction from the seller that some special care needs to be taken in the first hour of fixing the filaments inside the bulb. Mr.A knows this information should be given immediately to the production department before the assembling process starts. However he finds that his company's policies only allow him to give the message to his immediate boss who will further pass this message to his boss. The passing of this message will continue till it reaches the desired person in the production department.
  - 1. Which technique of management is followed here?
  - a. Method Study
  - b. Fatigue Study
  - c. Standardisation and simplification
  - d. Functional foremanship
  - 2. Name the principal of management followed here by the company?
  - a. Order
  - b. Scalar Chain
  - c. Stability of tenure of employees
  - d. Functional foremanship
  - 3. Which way is to be chosen now by Mr. A to speed up the work.
  - a. Gang Plank
  - b. Scalar Chain
  - c. Direct Communication
  - d. Informal Communication

One of the techniques of scientific management calls for using the best method of each activity in the organisation. The best method must be selected through application of scientific analysis and not by intuition or hit and trial methods, says one of the scientific managements. Moreover, one other principle of scientific management emphasizes that" to make the employees learn, the best method" of production, training of workers is essential. It further emphasizes that each person should be scientifically selected and the work assigned to the employees should suit their physical, mental and intellectual capabilities. If physical, mental and intellectual capabilities of employees are to be harnessed to the maximum, then they must be given adequate breaks and rest in between their work as well. 1. Name the technique of scientific management highlighted in the given line of the extract, "one of the techniques...... organisation. (A) Method study (B)Time study (C) Fatigue study (D) Motion study 2. Name the principle of scientific management highlighted in the given line of extract, this best method ......scientific management. (A) Science, not rule of thumb

(B)Harmony, not discord

(D) None of the above

(C) Cooperation not individualism

AN	NSWER KEY : CASE STUDY BASED QUESTIONS
1	1. C 2. B 3. A 4. D
2	1. A 2. A 3. D 4. C
3	1. B 2. B 3. B 4. C
4	1. A 2. C 3. C 4. A
5	1. D 2. B 3. A 4. B
6	1. D 2. C 3. B
7	1. C 2. A 3. B
8	1. C 2. B 3. A
9	1. A 2. A

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# BUSINESS STUDIES CLASS XII

## CHAPTER 2 PRINCIPLES OF MANAGEMENT

TRUE/FALSE QUESTIONS		
1	According to Taylor, the Gang Boss works under the planning authority. (True/False)	
2	Taylor was of the view that the foundation of job efficiency is laid down in the very process of staff selection. (True/False)	
3	Functional foremanship is a technique of scientific management which is an extension of the principle of division of work and specialisation. (True/False)	
4	The function of speed boss is to keep the machines and tools in working condition. (True/False)	
5	The objective of method study technique of scientific management is to reduce a given line or a product to fixed type sizes and characteristics. (True/False)	
6	Gang boss is responsible for keeping the machines, tools and materials ready for operations by workers. (True/False)	
7	Sharing of gains with the workers by the management will increase the conflict between them. (True/False)	
8	'Harmony not discord' is an extension of the principle of 'Cooperation not Individualism'. (True/False)	

9	Six Sigma is the new scientific technique to improve efficiency by reducing quality variations. (True/False)
10	Ford Motors use the concept of Assembly line production using Method study. (True/False)
11	The Unity of Command determines the Unity of Action and Coordination. (True/False)
12	The Principles of management are rigid because they are mainly applied to human behavior. (True/False)
13	The principle of Unity of Command affects Employee's personally. (True/False)
14	In the Principle of Espirit De Corps an emphasis has been laid on using 'we' more and more in place of using 'I'. (True/False)
15	The route clerk works under the planning authority. (True/False)
16	Principle of order relate to orders and instructions given by superior to his subordinate
17	The application of principles of management need to be changed with the change of situation
18	Taylor worked at top level wheras Fayol worked at operative level
19	Unity of direction refers one individual employee should get command and order from one boss at a time.
20	Discipline refers to compliance of rules and regulations by subordinates working at different levels in an organisation.

21	Fayol's book, 'General and Industrial Management' was published in French in the year 1949
22	Esprit de corps means all the employees should be treated fairly without any discrimination
23	Esprit de Corps replace I with We
24	Unity of Direction principle suggests that there should be one and only one boss for every individual employees.
25	'Gang Plank' provides a shorter route and avoids delay in communications during emergency.
26	Workers should be given only responsibility.
27	Differential piece wage system violates principle of equity.
28	Motion Study improve speed of workers.
29	Espirit De Corps replace I with We.
30	Fayol focus on workers.
31	The application and result of management principles remain same in all organisations.
32	Management principles can be formed overnight.
33	Management principles are useful for business as well as non-business organisation.
34	Management principles are rigid statements like scientific principles.
35	Management principles offer readymade solutions for managerial problem
36	Scientific management means using rule of thumb to perform task in best and cheapest way.
37	According to Taylor, Competition should be replaced by cooperation.

ANSWER KEY: TRUE/FALSE QUESTIONS		
1	FALSE	
2	TRUE	
3	TRUE	
4	FALSE	
5	FALSE	
6	True	
7	False	
8	False	
9	True	
10	True	
11	1	
12	0	
13	1	
14	1	
15	0	
16	False	
17	True	
18	False	
19	True	
20	True	
21	0	
22	0	
23	1	

24	0
25	1
26	False
27	True
28	False
29	True
30	False
31	False
32	False
33	True
34	False
35	False
36	0
37	1

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# **BUSINESS STUDIES CLASS XII**

## **CHAPTER 2** PRINCIPLES OF MANAGEMENT

### **ASSERTION - REASONING QUESTIONS**

1 Assertion (A): A tenet of scientific management is cooperation and harmony between workers and managers.

Reason (R): Taylor believed in participative management.

In the context of the above two statements, which one of the following is correct? Codes

- A. A and R are true and R is the correct explanation of A
- B. A and R are true and R is not the correct explanation of A
- C. A is true but R is false
- D. A is false but R is true
- 2 Assertion (A): The principle of Harmony, Not Discord states that there should be complete harmony between the management and the workers.

Reason (R): There is no need for a mental revolution.

In the context of the above two statements, which one of the following is correct?

- A. A and R are true and R is the correct explanation of A
- B. A and R are true and R is not the correct explanation of A
- C. A is true but R is false
- D. A is false but R is true

3 Assertion (A): Functional foremanship technique divides the work of factory manager into two sub departments

Reason (R): Functional foremanship develops specialisation .

In the context of the above two statements, which one of the following is correct?

#### Codes

- A. A and R are true and R is the correct explanation of A
- B. A and R are true and R is not the correct explanation of A
- C. A is true but R is false
- D. A is false but R is true
- 4 Assertion (A): Time study refers to determining the standard time required to complete a particular activity.

Reason (R): Time study is done to get the estimated figure of labour costs. In the context of the above two statements, which one of the following is correct? Codes

- A. A and R are true and R is the correct explanation of A
- B. A and R are true and R is not the correct explanation of A
- C. A is true but R is false
- D. A is false but R is true
- 5 Assertion (A): Differential piece wage system is a technique which does not differentiate between efficient and less efficient workers.

Reason (R): Differential piece wage system acts as an incentive for less efficient workers to be motivated to perform better.

In the context of the above two statements, which one of the following is correct?

- A. A and R are true and R is the correct explanation of A
- B. A and R are true and R is not the correct explanation of A
- C. A is true but R is false
- D. A is false but R is true

6 Assertion: Scientific management is the application of scientific tools, methods and trained personnel.

Reason: The decisions under scientific management are taken at the wish of managers to increase the output.

- (A) Both Assertion and reason are true and reason is correct explanation of assertion.
- (B) Assertion and reason both are true but reason is not the correct explanation of assertion.
- (C) Assertion is true, reason is false.
- (D) Assertion is false, reason is true
- 7 Assertion: Industrial efficiency depends upon the efficiency of workers.

Reason: Worker's efficiency depends upon proper training and their selection.

- (A) Both Assertion and reason are true and reason is correct explanation of assertion.
- (B) Assertion and reason both are true but reason is not the correct explanation of assertion.
- (C) Assertion is true, reason is false.
- (D) Assertion is false, reason is true.
- 8 Assertion: Time study is conducted to determine the standard time required to determine perform a job.

Reason: The standard time is determined on the basis of the average time taken by an average worker.

- (A) Both Assertion and reason are true and reason is correct explanation of assertion.
- (B) Assertion and reason both are true but reason is not the correct explanation of assertion.
- (C) Assertion is true, reason is false.
- (D) Assertion is false, reason is true.

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- 9 Assertion: In functional foremanship, Taylor proposed eight specialists foremen, four each under Planning and Production department
  - Reason: Time and cost clerk under production incharge prepares time and cost sheet.
  - (A) Both Assertion and reason are true and reason is correct explanation of assertion.
  - (B) Assertion and reason both are true but reason is not the correct explanation of assertion.
  - (C) Assertion is true, reason is false.
  - (D) Assertion is false, reason is true.
- Assertion: Work study ensures minimum production at maximum cost.

  Reason: Work study includes Time study, Motion Study, Method Study and Fatigue study for getting best contribution.
  - (A) Both Assertion and reason are true and reason is correct explanation of assertion.
  - (B) Assertion and reason both are true but reason is not the correct explanation of assertion.
  - (C) Assertion is true, reason is false.
  - (D) Assertion is false, reason is true.
- 11 | Assertion: The principles of management are not rigid like pure science.

Reason: The development of the principles of management is considered science AND their application, an art.

- (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)
- (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)
- (c) Assertion (A) is True but Reason (R) is False.
- (d) Assertion (A) is False but Reason (R) is True.

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- 12 Assertion (A):- The principles of management are flexible.
  - Reason (R):- The principles of management can be modified by the managers according to the given situation.
  - (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)
  - (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)
  - (c) Assertion (A) is True but Reason (R) is False.
  - (d) Assertion (A) is False but Reason (R) is True.
- Assertion (A):- Time study determines the standard time taken by a workman to perform a given task.
  - Reason (R):- It is human tendency that a person feels physically and mentally tired if he/she is made to work continuously without any rest.
  - (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)
  - (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)
  - (c) Assertion (A) is True but Reason (R) is False.
  - (d) Assertion (A) is False but Reason (R) is True.
- Assertion (A):- The entire work is divided into small task/jobs and each task/job is performed by a trained specialist.
  - Reason (R):- The intent of division of work is to produce more and better work from the same effort.
  - (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)
  - (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)
  - (c) Assertion (A) is True but Reason (R) is False.
  - (d) Assertion (A) is False but Reason (R) is True.

Assertion: If the principle of unity of command is not followed, employees may get confused.

Reason: Unity of command refers to multiple commands received by a subordinate at a time.

- 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 but R is false.
- D. A is false but R is true.
- E. Both A and R are false.
- 16 Assertion: Principles of management can be modified as per the situation.

Reason: Principles of management are universally applicable

- 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 but R is false.
- D. A is false but R is true.
- E. Both A and R are false.
- 17 Assertion: Division of work leads to specialisation.

Reason: In the principle of division of work, Henri Fayol has suggested division of work in a random way

- 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 but R is false.
- D. A is false but R is true.
- E. Both A and R are false.

18 Assertion: In principle of centralisation and decentralisation, Henri Fayol has suggested complete centralisation in all types of organisations.

Reason: Centralisation means dispersal of decision making authority

- 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 but R is false.
- D. A is false but R is true.
- E. Both A and R are false.
- 19 Assertion: Employees should be frequently transferred from one place to another so that they can gain more exposure.

Reasoning: Henri Fayol has given the principle of instability of personnel

- 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 but R is false.
- D. A is false but R is true.
- E. Both A and R are false.
- 20 Assertion: Gang plank permits direct communication between the employees working in different positions without violating the scalar chain.

Reason: Gang plank is the only approach to be followed for the growth organization

- (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A)
- (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)
- (c) Assertion (A) is True but Reason (R) is False.
- d) Assertion (A) is False but Reason (R) is True

Assertion: The principles of Harmony not discord & concept of Mental Revolution though appear to be different yet they do convey similar meaning.

Reasoning: The essence of both is the underlying spirit of mutual co-operation.

- (A) Both A & R are correct
- (B) Both are incorrect
- (C) A is correct but R is false
- (D) R is correct but A is false
- Assertion (A) If two employees at the same level are not treated at par by their superior, it would lead to job dissatisfaction.

Reason (R) Principle of Equity

- (a) Both A and R are true. 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 correct, but R is incorrect
- (d) A is incorrect, but R is correct
- Assertion: According to Division of work the whole work is divided into small task or unit of work should be assigned to one person according to the capacity, qualification and experience of the person.

Reason: When a person is performing a part again and again he will become perfect and get the benefit of specialization.

- (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct
  - explanation of Assertion (A)
- (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A)
- (c) Assertion (A) is True but Reason (R) is False.
- (d) Assertion (A) is False but Reason (R) is True.

- 24 Assertion (A): Taylor gave the concept of scientific management.
  - Reason (R): Taylor was an American Mechnical Engineer who sought to improve industrial efficiency
    - (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
    - (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
    - (c) Assertion (A) is true and Reason (R) is false
    - (d) Assertion (A) is false and Reason (R) is true
- 25 Assertion (A): Management principles are not as rigid as principles of pure science.
  - Reason (R): Management principles deal with human behaviour.
    - (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
    - (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
    - (c) Assertion (A) is true and Reason (R) is false
    - (d) Assertion (A) is false and Reason (R) is true
- Assertion (A): The principles of management should be distinguished from techniques of management.
  - Reason (R): Techniques are guidelines to take decisions while practicing principles
    - (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
    - (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
    - (C) Assertion (A) is true and Reason (R) is false
    - (d) Assertion (A) is false and Reason (R) is true

- 27 Assertion (A): Principles are guidelines to action.
  - Reason (R): Principles help managers to take decisions while performing functions of management.
    - (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
    - (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
    - (c) Assertion (A) is true and Reason (R) is false
    - (d) Assertion (A) is false and Reason (R) is true
- Assertion (A): The principles of management are guidelines to action but do not provide readymade straitjacket solutions to all managerial problems

  Reason (B): The real business situations are very complex and dynamic and are
  - Reason (R): The real business situations are very complex and dynamic and are a result of many factors.
    - (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
    - (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
    - (C) Assertion (A) is true and Reason (R) is false
    - (d) Assertion (A) is false and Reason (R) is true
- 29 | Assertion(A) : Unity of Command affects the entire organisation adversely.
  - Reason (R): Unity of command prevents dual subordination
    - (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
    - (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
    - (C) Assertion (A) is true and Reason (R) is false
    - (d) Assertion (A) is false and Reason (R) is true

Assertion (A): A tenet of scientific management is cooperation and harmony between workers and managers.

Reason (R): Taylor believed in participative management.

In the context of the above two statements, which one of the following is correct?

#### Codes

- (A) A and R are true and R is the correct explanation of A
- (B)A and R are true and R is not the correct explanation of A
- (C)A is true but R is false
- (D)A is false but R is true
- 31 Assertion (A): Standardisation means setting standards for one type of activity Reason (R): To ensure quality standards

In the context of the above two statements, which one of the following is correct?

#### Codes

- (A) A and R are true and R is the correct explanation of A
- (B)A and R are true and R is not the correct explanation of A
- (C)A is true but R is false
- (D)A is false but R is true
- 32 Assertion (A): the movie camera is used to conduct the motion study.

Reason (R): Motion study is to study the movements those are necessary for doing a well-defined job/work

In the context of the above two statements, which one of the following is correct?

- (A) A and R are true and R is the correct explanation of A
- (B)A and R are true and R is not the correct explanation of A
- (C) A is true but R is false
- (D)A is false but R is true

Assertion (A): Differential piece wage system is a technique which does not differentiate between efficient and less efficient workers.

Reason (R): Differential piece wage system acts as an incentive for less efficient workers to be motivated to perform better.

In the context of the above two statements, which one of the following is correct?

#### Codes

- (A)A and R are true and R is the correct explanation of A
- (B)A and R are true and R is not the correct explanation of A
- (C) A is true but R is false
- (D)A is false but R is true
- Assertion (A): The principle of Science, Not rule of thumb says that we should not get stuck in a set routine

Reason (R): The principle of science, not rule of thumb, makes the work much simpler, easier and quicker.

In the context of the above two statements, which one of the following is correct?

- (A) A and R are true and R is the correct explanation of A
- (B)A and R are true and R is not the correct explanation of A
- (C)A is true but R is false
- (D)A is false but R is true

ANSWER KEY: ASSERTION - REASONING QUESTIONS	
1	С
2	С
3	A
4	Α
5	D
6	С
7	В
8	Α
9	С
10	D
11	В
12	Α
13	В
14	A
15	С
16	В
17	С
18	E
19	Е
20	С
21	A
22	A
23	A

24	A
25	
26	С
27	A
28	А
29	D
30	С
31	D
32	В
33	D
34	А

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