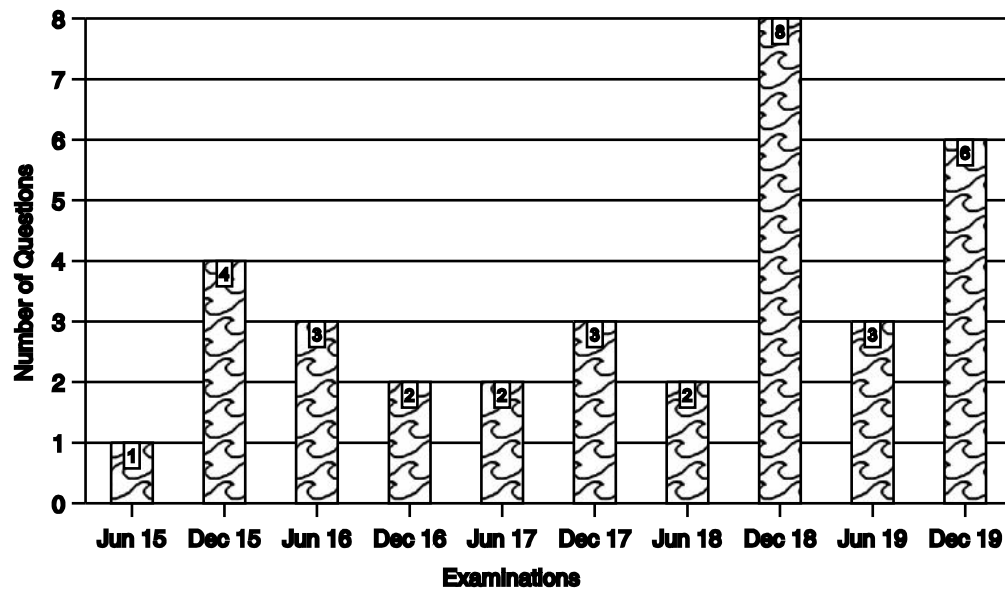


1

NATURE OF MANAGEMENT AND ITS PROCESS

THIS CHAPTER INCLUDES

- Concept of Management
- Objectives of Management
- Importance of Management
- Management - Science or Art
- Management as Profession
- Schools of Management
- Management Functions
- Review Questions
- Innovation and a Manager
- Coordination the Essence of Management
- Development of Management Theory
- Administration and Management
- Managerial Skills



For detailed analysis Login at www.scannerclasses.com
for registration and password see first page of this book.

CHAPTER AT A GLANCE

Introduction

Concept of Management :

- Origin of management is from a Greek word 'NOMOS'
- It denotes not only functions but also the people who discharge these functions.
- Management is a vital function which is concerned with all the aspects of working of an enterprise.
- It is the art of getting things done.
- It is concerned with human being whose behaviour is unpredictable. Ever since people have began forming groups to achieve individual goals, management has become the essence of coordinating the individual efforts.
- It denotes not only a special position and rank but also a discipline and field of study.

Definition of Management

- **Koontz and O'Donnell:** "Getting things done through and with people".
- **Henry Fayol:** "to manage is to forecast, and to plan, to organize, to command, and to co-ordinate".
- **Hicks:** "the process of getting things done by the people and through the people".
- **Haimann:** "Management is the process of getting things done through people and directing the efforts of individuals towards a common objective".

For Profit Organisations: (Businesses)

- Since businesses tend to develop their employees (human assets) in the pursuit of financial goals (profits), they benefit society by creating both material and human wealth.

- Material wealth is usually in the form of financial profit.
- And human wealth through the professional development of their employees.

Not -For-Profit Organisations: (Institutions)

- Not-for-Profit businesses create both material and human wealth.
- But profits are used for a charitable purposes.
- Typically, institutions such as charities, provide physical and emotional support for the disadvantaged and less fortunate members of society.
- They help them by:
 - (a) Managing their problems
 - (b) Creating learning opportunities
 - (c) Helping children grow and develop
 - (d) Healing the sick
 - (e) Providing stability and sense of belonging.

Adding Value

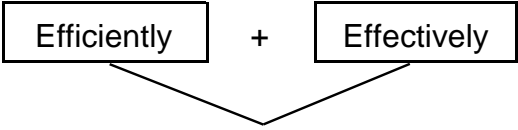
Managers may add value to the wealth-creating process of the business or institution by:

- Changing a part of the company's strategy.
- Finding a more effective way of marketing product.
- Initiating the redesign of manufacturing process.
- Developing and implementing a more effective approach to customer service.
- Implementing a new organisation structure for the organisation and leading employees in the change process.
- Selecting and developing the most competent employees as part of succeeding planning strategy and so forth.

Management Performance

Management is the process of getting things done by co-ordinating the activities of people throughout an organisation.

2.4 ■ Model Solved Scanner CS FP-BME&E Paper 2 (2017 Syllabus)



Objective of Management Practice

Efficiently
<ul style="list-style-type: none"> Means in least time and least cost. It is usually measured as output by input. Efficiently - $\frac{\text{Output}}{\text{Input}}$ Both inputs and output may be measured in units of quantity, money or time.
Effectively
<ul style="list-style-type: none"> It means doing the right things to a required standard of quality.
Objectives of Management
<ul style="list-style-type: none"> Management should provide an environment whereby the maximum output can be extracted from an individual. Achieving Maximum Output with Minimum Efforts: Human' financial and material resources can be combined in such a manner that it results in reduction of various costs. Optimum Use of Resources: This leads to increase in efficiency which can be obtained by reducing spoilage, wastage and breakage which in turn leads to saving of time, effort and money which is essential for the growth & prosperity of any enterprise. Maximum Prosperity: This means smooth and co-ordinated functioning of the enterprise, which ensures good working conditions, suitable wage system, incentive plans and higher profits to the employer. Human' Betterment and Social Justice: Through increased productivity and employment, management ensures better standards of living and justice through its uniform policies.

Importance of Management

- **Achieving Group Goals:** Management directs group efforts towards achievement of pre-determined goals. It converts disorganized resources of men, machines, money, etc. into useful enterprise. These resources are coordinated, directed and controlled in such a manner that enterprise work towards attainment of goals.
- **Optimum Utilization of Resources:** This is possible by selecting its best possible alternate use in the industry from out of various uses. If employees & machines are producing their maximum, there would be no under-employment of any resources.
- **Reduces Costs:** Proper planning yields minimum inputs into maximum output. The best combination of physical, human and financial resources also results into the cost reduction.
- **Establishes Sound Organisation:** To attain this objective, management must establish effective authority-responsibility relationship. All jobs should be clear to every one, which means right job for the right person.
- **Establishes Equilibrium:** It enables the organisation to survive in the changing environment. To accomplish this, the initial co-ordination of the organisation must be changed with the change in external environment.
- **Prosperity of Society:** Efficient management leads to:
 1. Better economic production
 2. Welfare of people
 3. Avoid wastage of scarce resources
 4. Improved standard of living
 5. Increase in profit

Management - Science or Art

- Science may be defined as a body of knowledge, systematized through application of scientific methods in any department of enquiry.
- Science include physical sciences which have exactness in their nature and also social sciences which is based on unpredictable human behaviour.

- Management can then be described as a variable growing science, if compared with the nature of exact physical sciences.
 - Management is still a growing science.
 - Management has now a theoretical base.
- **Features of Management as a Science:**
 1. Inexact science, deals with complex human behavior
 2. Developing science.
 3. Inter-Disciplinary Science-learns freely from other disciplines, such as economics, sociology and psychology.
- **Management as an Art:**
 1. The function of art is to effect change or accomplish goals by deliberate efforts.
 2. Practical application of theoretical knowledge is reflected in art. In this sense, management is an art as well.
 3. Management principles involves skills to work out situations. This element is so important for executives that some authorities regard management to be essentially an art.
- **Features of Management as an Art:**
 1. Process involves use of know-how and skills.
 2. Directed towards accomplishment of concrete results.
 3. Creating productive situations needed for further improvement.
 4. Personalised because every manager has his own approach to problems.
 5. Science and art are not mutually exclusive but are complimentary. Theory and practice of management are mutually helpful and go side-by-side for the efficient functioning of any organisation.

Thus, science is a body of knowledge while art denotes the mode of practical application of knowledge, hence not mutually exclusive.

Management as Profession

- **Features of Management:**
 1. Systematic body of knowledge.
 2. Need for learning and proper organisation.
 3. Entry restricted on the basis of examination or education.
 4. Dominance of service motive.

5. Except for restricted entry management qualifies all other tests of a profession.
 - (a) Backed by a systematic body of knowledge.
 - (b) Many management principles have been developed which need proper learning and education.
 - (c) Management of today must be creative rather than adoptive and be conscious of its ethical and social responsibilities to the society.
 - (d) Professional management consultants are both growing in number and quality.

Reasons of Raising Management to the status of distinct profession:

1. Growing administrative complexities.
2. Emergence of the corporate form of organisation.
3. Separation of ownership from management.
4. Development of an organized body of systematic knowledge.

Management Functions

- Henry Fayol also known as 'Founder of Modern Management Theory', grouped the elements of management into 5 managerial functions and 6 activities:

Elements/Functions are

1. Planning
2. Leading
3. Controlling
4. Organising
5. Co-ordinating

Activities are

1. Technical
2. Commercial
3. Financial
4. Security
5. Accounting
6. Managerial

Top management spend more time in planning, the middle level on organizing and lower level concerned with directing

- Luther Gulick gave the word POSDCORB using initial letters of management. P-Planning, O-organising, S-staffing, D-directing, Co-co-ordinating, R- Reporting, B-Budgeting
- Reporting is a part of control function
- Budgeting represent both planning and controlling
- Newmann and Summer classified managing process as function of:
 - (i) Organising
 - (ii) Planning
 - (iii) Leading
 - (iv) Controlling

Management Functions**1. Planning:**

- Deciding in advance what is to be done, how and when it will be done.
- Projecting the future course of action. Helps to bridge the gap between present and future.
- Planning process comprises of:
 - (i) Objectives
 - (ii) Policies
 - (iii) Procedures
 - (iv) Rules
 - (v) Programmes
 - (vi) Budget
 - (vii) Strategies
- Is the fundamental function, all other functions of management are greatly influenced by planning process.
- Top management spend more time in planning, middle level in organising, lower level manager in directing.

2. Organising: Problem of organising arises only when group efforts are involved.

It consists of the following steps:

- (a) Determine activities of organisation keeping in view its objectives
- (b) Classify activities into groups for purpose of division.
- (c) Assignment of these group of activities to individuals.
- (d) Delegate & fix authority & responsibility to carryout assigned duties.
- (e) Co-ordinate activities and authority relations throughout the organization.

Thus, organising is concerned with orderly assemblage of human and material resources.

- 3. Leading:** "Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall."
– *Stepher R. Covey*

Leading consists following steps:

- (i) Outlining a vision of what can be achieved.
- (ii) Focusing on interpersonal relationship.
- (iii) Motivate and inspire employees to perform better.
- (iv) Improve employees job performance
- (v) Lead to innovation
- (vi) Ensure the accomplishment of tasks on time and corresponding with the required policies.

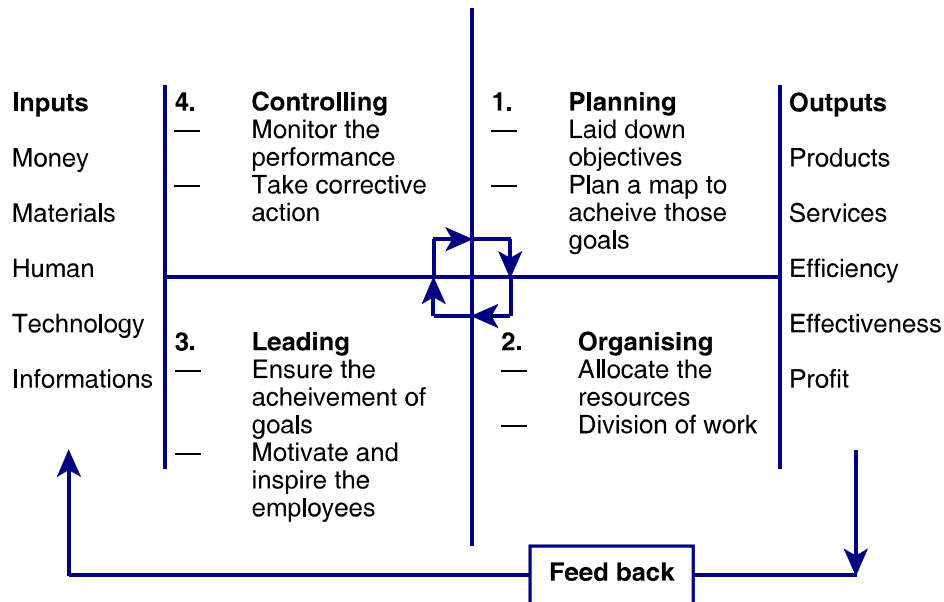
- 4. Control:**

- Good control system should suggest corrective measures so that negative deviations do not occur.
- Control is closely related to the planning job of the manager.
- **Important steps are:**
 - (a) Measurement of actual performance against standards and recording deviations. It should not be viewed as the post mortem of past achievement and performance.
 - (b) Analyzing and probing the reasons for such deviation.
 - (c) Fixing responsibility in terms of person responsible for negative deviations.
 - (d) Correction of employee performance so that group goals and plans can be achieved.
- Feedback can be of great use in this regard.

2.10

Model Solved Scanner CS FP-BME&E Paper 2 (2017 Syllabus)

The Management Process / (Transformation Process)



Theory of scientific Management

- Federick Taylor is known as Father of Scientific Management.
- He suggest the 'one best way' of doing each task.
- Scientific management movement was hailed as a 'second industrial revolution'.
- **Four principles of Scientific Management:**
 1. **'Develop a science' for each element of work :**
It refers to analyse work flows, improve the economic efficiency (by providing test breaks) and labour productivity.
 2. **Scientifically select, train, teach and develop workers to help them reach their full potential:**
Taylor instruct to hire 'first class' workers on the basis of their aptitude to do a job well and also train them.

3. **Cooperate with employees to ensure implementation of scientific management:**

Taylor emphasised that the interest of employer and employees must be same (not antagonist), that prosperity for the employer cannot exist for many years unless it is accompanied by the prosperity for the employees and *vice versa*.

4. **Principle of Scientific Management was to divide the work and the responsibility equally between management and workers:**

Taylor said, "Almost every act of workman should be preceded by one or more preparatory acts of the management which enable him to do his work better and quicker than he otherwise could."

Development of Management Theory

Principles of Management

Various management principles given by different authors are as follows:

- **Frederick Taylor:** Popularly known as '**father of scientific management**'. He began his career as an apprentice in small machine shop and rose to the level of engineer. His writing reflects the practical wisdom and work experience. His main concern was management at shop level and he was mainly concerned with efficiency of workers and managers at production level. Public criticism and opinions compelled him to appear before the special congressional committee hearings in 1912.

The major principles of his scientific management can be summarised as below:

Henry Laurence Gantt: "Task and Bonus Plan"

Task and Bonus Plan: A wage incentive plan in which high task efficiency is maintained by providing a percentage bonus as a reward for production in excess of standard.

Principles from Scientific Management Times:

Time approach is developed by **Frank Bunker Gilbreth & his wife, Lillian Moller Gilbreth**. They emphasised the importance of giving greater attention to minute details of work and also developed the **principles of motion economy**, intended to eliminate redundant motions and produce a rhythm by scientific development of essential motions.

Bureaucracies & Corporations: Max Weber

Maximilian Karl Emil "Max" Weber (1864-1920) proposed the idea of bureaucracies at a time when promotion to prominent position of authority was based on who you knew (politics), who you were (heredity) or traditions. Bureaucracy is the exercise of control on the basis of knowledge, expertise or experience. Fairness as opposed to favouritism.

The main principles of bureaucratic management are as follows:

- (1) **Qualification-based hiring:** Employees are hired on the basis of their technical training or educational background.
 - (2) **Merit-based promotion:** Promotion is based on experience or achievement.
 - (3) **Chain of command:** Official hierarchy of authority who is in charge of whom and whose permission must be asked.
 - (4) **Division of Labour:** Task, responsibilities & authority are clearly divided & defined.
 - (5) **Impartial application of Rules & procedures:** Rules and procedures apply to all members of the organisation as well as top to bottom without any liberty.
 - (6) **Recorded in writing:** All administrative decisions, acts, rules or procedures will be recorded in writing.
 - (7) **Managers separate from Owners:** The owners of an organisation should not manage or supervise the organisation.
- **Henry Fayol:** Popularly known as father of modern management theory;
Published (1916) "*Administration Industrielle et Generale*" (Industrial and General Administration). No English translation could be available until year 1929. He started his career as coal mine engineer in 1860 in French coal mine and was MD (chief executive) from 1883-1918.
 - (a) He divided all activities of industrial enterprise into the following 6 groups:
 1. Technical activities concerning production.
 2. Commercial activities of buying and selling.
 3. Financial activities to seek optimum use of capital.
 4. Accounting activities pertaining to final accounts and costs and statistics.

5. Security activities relating to protection of property
 6. Managerial activities.
- (b) He observed that importance of managerial ability increases with the increase in hierarchy.
- (c) Also emphasised on training in management.
- (d) He suggested 14 principles of management which are as follows:
1. **Division of Work:** For more production and better performance with same effort.
 2. **Authority and Responsibility:** Whenever authority is used responsibility arises. These two are co-extensive.
 3. **Discipline:** Ensuring respect for seniors.
 4. **Unity of Command:** Employee should receive orders from one senior only.
 5. **Unity of Direction:** Activities with common objectives to have one head and one plan.
 6. **Subordination:** Of individual interest to general interest.
 7. **Remuneration:** Should be fair and ensure satisfaction to employees.
 8. **Centralization:** Top management should decide the extent to which authority is to be dispersed in the organisation or retained at higher level.
 9. **Scalar Chain:** Refers to the superior-subordinate relations throughout the organisation.
 10. **Order:** There must be an appointed place for every employee and that employee must be at such place only.
 11. **Equity:** Means equality of treatment which involves kindness and justice.
 12. **Stability of tenure of personnel:** Management should strive to reduce employee turnover.
 13. **Initiative:** Thinking art and executing of a plan.
 14. **Espirit-de-corps:** Need for teamwork and importance of effective communication in obtaining it.

Contributions of Sociologists, and Psychologists

- The behaviour a lists says that the study of management should be concerned with human behaviour in organisations and related matters:-
 - * Organisational effectiveness depend on the quality of relationships among people.
 - * Hawthorne experiments (1928-32) conducted by Elton Mayo.
 - * Good management requires ability to develop interpersonal competence and support collaborative efforts.
- Psychologists and sociologists have laid the foundation of interdisciplinary approaches to the study of organisation and management.
- Psychologists & sociologists have made significant contributions to the behavioural school of thoughts.

Systems Approach:

- A system is a set of things interdependent so as to form a complex unity.
- This approach defines organisation as a complex whole consisting of mutually interdependent parts which interacts with the environment of which it is a part.

There are two types of Systems:

- (i) Open Systems
 - (ii) Close Systems
- (i) **Open Systems:** An open system approach recognises the dynamic interaction with the environment (i.e. suppliers, labour unions, financial institutions, govt. agencies etc.).
 - (ii) **Close Systems:** A close system does not interact with and is not influenced by the environment in which it operates.

Managerial Roles:

- Henry Mintzberg (1973) published '**The nature of Managerial work**'
- He characterized the managerial work as "brevity, variety and fragmentation".
- Mintzberg categorises manager's activities into **ten** roles.

Managerial Roles		
Interpersonal Roles	Informational Roles	Decisional Roles
(i) Figurehead	(iv) Monitor	(vii) Entrepreneur
(ii) Leader	(v) Disseminator	(viii) Disturbance handler
(iii) Liaison	(vi) Spokes person	(ix) Resource Allocator
		(x) Negotiator
Administration and Management		
Administration	Management	
1. Concerned with policy making.	Policy implementation.	
2. Functions are legislative and determinative.	Functions are executive and governing.	
3. Concerned with planning and organizing.	Concerned with motivating and controlling.	
4. Normally involves Board of Directors.	Involves personnel below the level of Board of Directors.	
Practically		
<ul style="list-style-type: none"> • Practically, management is as much responsible for planning as is administration. • Administration is a process of laying down broad policies & objectives of the organisation, whereas management directs & guides the operating activities towards relating the objective set forth by former. • It is also said that administration is a function while management is a lower level. • Management includes administrative management (i.e;) administration & operative management. 		
Managerial Skills		
<ul style="list-style-type: none"> • Essential skills which every manager needs for doing better management are called as 'Managerial Skills'. 		

2.16

■ *Model Solved Scanner CS FP-BME&E Paper 2 (2017 Syllabus)*

- According to Prof. Katz, “Managerial skills can be technical, human & conceptual.”
- Top level — more conceptual and less technical skills
Lower level — more technical and less conceptual. Human relation skills are equally required by all three level of management.
 1. **Conceptual Skills:**
 - The ability to visualize the organization as a whole.
 - Includes analytical, creative & initiative skills. Helps the managers to identify the problems.
 - Mostly required by top level managers because they spend more time in planning, organising and problem solving.
 2. **Human Relation Skills:**
 - Also known as inter - personal skills.
 - Help the managers to understand, communicate and work with others, and to lead, motivate and develop team spirit.
 3. **Technical Skills:**
 - Helps the managers to use different machines and tools. i.e. improves their ability to perform.
 - Mostly low-level managers require these skills.

Tasks and Responsibilities of Professional Managers

- A professional manager is an expert, trained and experienced to aptly manage any type of organisation.
- **Qualities of a Professional Manager:**
 1. Objective, focused & performance oriented.
 2. Help in meeting competitive challenges.
 3. Creative and dynamic.
 4. Follow management practices based on experience & information.
 5. Apply management theories to solve emerging problems.
- **Professional Manager’s Tasks include the following:**
 1. **Providing Direction to the Firm:** It means envisioning goals.
 - Effectively declare what’s possible for the team to achieve and compelling them to accomplish more than they thought.

2. Managing Survival and Growth:

- Two factors are important for survival & growth, internal and external factors.
- Internal factors are largely controllable, such as choice of technology, efficiency of labour etc.
- External factors are government policy, changing taste of customer, attitudes & values, increasing competition etc.

3. Maintaining Firm's Efficiency: The manager should complete his task in an efficient manner. The more output he will produce with given input, greater will be his profit.

4. Meeting the Competition Challenge:

Manager must anticipate & prepare for increasing competition.

5. Innovation: It is an on-going task, necessary for survival in this age of competition.

6. Renewal: Means providing new processes and resources. Renewal also helps the business to survive.

7. Building Human Organisation: Every manager must constantly look out for people with potential and attract them to join the company.

8. Change Management: It's the manager's task to ensure that the change is introduced and incorporated in a smooth manner.

9. Selection of Information Technology: Computers, Internet, Intranet confront the modern manager with the challenge of using the best technology.

10. Leadership: "A leader can be a manager, but a manager is not necessary a leader", says Gemmy Allen.

- It is the persuasion of the person over others to inspire actions for achieving the goals.
- Involves inter personal characteristic of a manager's position that involves communication with team members.

11. Change Management: A manager's task is to ensure that the change is introduced and incorporated in a smooth manner.

12. Selection of Information Technology: Computers, internet, Intranets, telecommunication and infinite range of software application poses the managers with the challenge of using best technology.

MULTIPLE CHOICE QUESTIONS

1. The economic environment consists of 3 basic entities:
 - (a) Households (consumers), firms (producers), and manufacturer.
 - (b) Producer (firms), Retailer and Consumer.
 - (c) Households (consumers), firms (producers) and Government (co-ordinator)
 - (d) None of the above.**Answer:**

2. Management is originated from the Greek word:
 - (a) Kiyō
 - (b) Nomos
 - (c) Oikeu
 - (d) None of the above**Answer:**

3. _____ defined management as the process of getting things done by and through the people.
 - (a) Hicks
 - (b) Koontz and O'Donnell
 - (c) Henry Fayol
 - (d) Haimann**Answer:**

4. The combination of human, material and financial resources should result in:
 - (a) Reduction of cost
 - (b) Increase in revenue
 - (c) Greater production
 - (d) None of the above**Answer:**

5. The efficiency of factors of production can be increased by:
 - (a) Optimum utilisation of resources
 - (b) Reducing costs
 - (c) Good working conditions
 - (d) None of the above**Answer:**

6. Management is a _____ and _____ science.
(a) Exact & disciplinary (b) Inexact and inter disciplinary
(c) Exact and social (d) None of the above
Answer:
7. Management is an art because it involves _____ and _____ .
(a) Experience and intelligence
(b) Creativity and personalization
(c) Skills and knowledge
(d) None of the above
Answer:
8. Management as a profession satisfies all the tests. True or false?
(a) True (b) Partly True/Partly false
(c) False (d) None of the above
Answer:
9. Which approach involves making generalizations from case study to establish theories as a useful guide?
(a) Group Behaviour Approach
(b) Decision Theory Approach
(c) Emperical Approach
(d) Operational Approach
Answer:
10. Inter personal behaviour approach is also known as:
(a) Behavioural science, leadership or human relations approach
(b) Behavioural science and decision making approach
(c) Leadership group behaviour approach
(d) None of the above
Answer:
11. _____ is the core of management according to decision theory approach.
(a) Leadership (b) Decision making
(c) Motivation (d) Planning
Answer:

12. Mathematical approach is closely related to:
(a) Emperical approach
(b) Inter personal behaviour approach
(c) Operational approach
(d) Decision theory approach
Answer:
13. _____ approach recognize that the problems faced by managers vary with nature and size of enterprise.
(a) Operational
(b) Group Behaviour
(c) Decision theory
(d) Mathematical approach
Answer:
14. _____, a french industrialist is known as 'father of modern management theory'.
(a) Luther Gulick
(b) Henry Fayol
(c) Newmann & Summer
(d) None of the above.
Answer:
15. Which word did Luther Gulick coin using initial letters of management?
(a) POSBRD
(b) POSDBRD
(c) POSDCORB
(d) None of the above.
Answer:
16. True or false: Success on part of executives essentially calls for capability to promote self appraisal.
(a) True
(b) False
(c) Partly True
(d) None to these.
Answer:
17. _____ is a preparatory step and bridges the gap between present and future.
(a) Organising
(b) Staffing
(c) Directing
(d) Planning
Answer:

18. _____ and _____ are fundamental aspects of organisation.
- (a) Division of work and co-ordination of their efforts
 - (b) Delegation of authority & determination of activities
 - (c) Determination & classification of activities
 - (d) Delegation of authority & co-ordination of activities
- Answer:**
19. _____ function calls for properly motivating, communicating, leading & supervising the subordinates.
- (a) Staffing
 - (b) Organising
 - (c) Direction
 - (d) Controlling
- Answer:**
20. True or false: If co-operation exists, co-ordination will automatically follow.
- (a) True
 - (b) False
 - (c) Partly True
 - (d) Partly False
- Answer:**
21. Co-ordination is achieved through understanding of _____ relationships.
- (a) Interpersonal, (horizontal)
 - (b) Vertical
 - (c) Hierarchical
 - (d) None of the above
- Answer:**
22. _____ is the father of 'scientific management'.
- (a) Henry Fayol
 - (b) Frederich Taylor
 - (c) Luther Gulick
 - (d) Newmann & Summer
- Answer:**
23. 'Task and Bonus Plan' was devised by:
- (a) Taylor
 - (b) Fayol
 - (c) Newmann & Summer
 - (d) None of the above
- Answer:**

2.22

Model Solved Scanner CS FP-BME&E Paper 2 (2017 Syllabus)

24. Authority and responsibility are _____ .

- (a) Co-extensive
- (b) Mutually exclusive
- (c) Complimentary to each other
- (d) None of the above

Answer:

25. Management is affected by and in turn affects the system in which it operates. Thus, it is a _____ system.

- (a) Closed
- (b) Open
- (c) Neither closed nor open
- (d) None of the above

Answer:

26. Entrepreneur's role of a disturbance handler, allocator of resources & negotiator's role are the roles that the manager has to perform.

- (a) Inter personal
- (b) Decisional
- (c) International
- (d) None of the above

Answer:

27. Functions of administration are _____ & _____ .

- (a) Executive & governing
- (b) Policy making & implementation
- (c) Legislative & determinative
- (d) Sustaining & controlling

Answer:

28. Managerial skills are classified as _____ & _____ by Katz.

- (a) Technical, human & conceptual
- (b) Communication, administrative & leadership
- (c) Conceptual, technical & leadership
- (d) Administrative, decision making & communication

Answer:

29. _____ is one of the objectives of the management .

- (a) Establishing equilibrium
- (b) Maximum Prosperity
- (c) Prosperity of society
- (d) Reducing cost

Answer:

30. It refers to superior subordinate relations throughout the organisation.
(a) Espirit de corps (b) Order
(c) Equity (d) Scalar chain

Answer:

31. Management is an _____ science.
(a) Exact (b) Inexact
(c) Flexible (d) Rigid

Answer:

32. Management as an Art denotes the mode of:
(a) Body of knowledge (b) Sociology
(c) Practical application (d) None knowledge

Answer:

33. Management fails to qualify the test of Professionalism relating to:
(a) Systematic body of knowledge
(b) Dominance of service motive
(c) Restricted entry
(d) None

Answer:

34. Which of these provides the organisation with adequate number of competent and qualified personnel at all levels of Management.
(a) Human Resource Management
(b) Planning
(c) Organising
(d) None of the above

Answer:

35. Which is the 'last' Process of Management?
(a) Directing (b) Planning
(c) Controlling (d) Organising

Answer:

36. "Maintaining discipline and rewarding effective performance " comes under.
- (a) Human Resource Management (b) Control
(c) Organising (d) Directing
- Answer:**
37. Fayol suggests the following _____ Principles of the management.
- (a) 12 (b) 14
(c) 11 (d) 8
- Answer:**
38. According to which Principle, "An employee shall receive orders from one senior only".
- (a) Unity of direction (b) Unity of command
(c) Discipline (d) Division of work.
- Answer:**
39. According to which Principle "The need for team work and the importance of effective communication is needed"?
- (a) Equity (b) Esprit de corps
(c) Initiative (d) Remuneration.
- Answer:**
40. Psychologist and _____ have made significant contributions to the behavioural school of thought.
- (a) Mentors (b) Trainers
(c) Sociologists (d) Scientists
- Answer:**
41. Which managerial skills are also called as 'design skill'?
- (a) Technical skill (b) Leadership skills
(c) Problem-solving skill (d) None
- Answer:**
42. The lower level managers require more technical skills because they are _____ of the actual operation.
- (a) Supervisor (b) Charge
(c) Incharge (d) Performer
- Answer:**

43. Technical, human and conceptual are the types of.
(a) Technical skills (b) Managerial skills
(c) Specific (d) None.
Answer:
44. Which of the following is not the task of Professional management.
(a) Innovation (b) Renewal
(c) Change management (d) None of these
Answer:
45. Administration does the function of:
(a) Policy making (b) Implementing Plan
(c) Compromising Plan (d) None
Answer:
46. Analytical creative and initiative skills comes under which managerial skill.
(a) Technical skills (b) Leadership skills
(c) Administrative skill (d) Conceptual skills
Answer:
47. Conceptual skills are generally needed by:
(a) Top level management (b) Lower level management
(c) Middle level management (d) Both b & c
Answer:
48. Which of the following is the third step in the process of organising.
(a) Determination of activities of the
(b) Co-ordination of activities enterprise
(c) Assignment of the groups of activities
(d) Delegation of authority to individuals
Answer:
49. Behaviouralist approach was given by :
(a) Elton Mayo (b) R.C. Dewis
(c) A.H. Maslow (d) Henry Mintzberg
Answer:

2.26

Model Solved Scanner CS FP-BME&E Paper 2 (2017 Syllabus)

50. Socialist and Psychologist contribution to behaviouralist approach is given by :

(a) A.H. Maslow

(b) Henry Mintzberg

(c) Mc Gregor

(d) All of the above

Answer:

ANSWER

1	(c)	2	(b)	3	(a)	4	(a)	5	(a)	6	(b)
7	(b)	8	(c)	9	(c)	10	(a)	11	(b)	12	(d)
13	(a)	14	(b)	15	(c)	16	(b)	17	(d)	18	(a)
19	(c)	20	(a)	21	(a)	22	(b)	23	(d)	24	(a)
25	(b)	26	(b)	27	(c)	28	(a)	29	(b)	30	(d)
31	(b)	32	(c)	33	(d)	34	(a)	35	(c)	36	(d)
37	(b)	38	(b)	39	(b)	40	(c)	41	(c)	42	(c)
43	(b)	44	(d)	45	(a)	46	(d)	47	(a)	48	(c)
49	(a)	50	(d)								

QUESTIONS OF DECEMBER 2012

1. Who coined the word POSDCORB about functions of management ?

(a) Henry Lawrence Gantt

(b) Henry Fayol

(c) Newmann and Summer

(d) Luther Gulick

2. Management is a/an :
 - (a) Exact science
 - (b) Inter disciplinary science
 - (c) Science as well as are
 - (d) B & C both
3. Who corrected the difficulties of Taylor's differential piece rate system ?
 - (a) Henry Lawrence Gantt
 - (b) Henri Fayol
 - (c) Newmann and Summer
 - (d) Max Weber
4. Which one of the following definitions of management is given by Henry Fayol ?
 - (a) Management is to forecast, to plan, to organise, to command, to co-ordinate and control activities of others.
 - (b) The process of getting things done by the people and for the people
 - (c) The functions of getting things done through people and directing efforts of individuals towards a common objective.
 - (d) None of the above.
5. Who distinguished between 'principles' and 'elements' of management?
 - (a) Fredrick Taylor
 - (b) Newmann and Summer
 - (c) Henry Fayol
 - (d) Henry Lawrence Gantt
6. At which level of management hierarchy intellectual skill is the most important & vital ?
 - (a) Lower
 - (b) Middle
 - (c) Higher
 - (d) All of the above.
7. Superior - Subordinate theory was given by.
 - (a) Henry Fayol
 - (b) V. A. Graicunas
 - (c) Koontz O' Donnel
 - (d) Joseph Jecard
8. Which of the following is a concept given by Frederick Taylor ?
 - (a) Division of work
 - (b) Unity of command
 - (c) Stop watch study
 - (d) None.

SOLUTIONS OF DECEMBER 2012

1. (d) **Luther Gulick** coined the word POSDCORB using the initial letters of Management functions
 - P Planning
 - O Organising

2.28

Model Solved Scanner CS FP-BME&E Paper 2 (2017 Syllabus)

- S Staffing
- D Directing
- Co. Co-ordinating
- R Reporting
- B Budgeting

2. (d) Management is an inter disciplinary science it draws freely from other disciplines, such as economics, sociology and psychology and the fact is that science is a body of knowledge, while art denotes the mode of practical application of knowledge.
Hence, **B & C both** is correct answer.
3. (a) **Henry Lawrence Gantt** for instance corrected to some extent the difficulties of Taylor's differential piece rate ' system where two rates of wage, one lower and one higher are fixed. Those who fail in attaining the standard, are paid at lower rate and those exceeding the standard or just attaining the standard get higher rate' by devising a new method known as the "task and bonus plan".
4. (a) According to Henry Fayol, management is "**to manage is to forecast, and to plan, to organise to command, to co-ordinate and to command**".
5. (c) **Henry Fayol** distinguished between principles and elements of management, using the former for rules and guides, and the element of management for its functions. He grouped these elements into five managerial functions as:
 - Planning
 - Organising
 - Commanding
 - Co-ordinating
 - Controlling
6. (c) The top level managers require more conceptual skills and less technical skills. Thus, intellectual skills are most vital for **higher** level of management since they have to make plans keeping in mind the whole organisation.

7. (a) **Henry Fayol** gave the 14 principles of management among which one is Scalar chain which refers to superior-subordinate relations throughout the organisation. It should be short circuited and not to be carried to the extent it proves detrimental to the business.
8. (c) Fredrick Taylor gave the following principles and elements of management-
 - (i) Separation of planning and doing.
 - (ii) Replacement of old rule of thumb by scientific method.
 - (iii) Scientific selection and training of workers.
 - (iv) Absolute co-operation between labour and management in work performance.
 - (v) Determining time standard for each job through **stop watch study**.
 - (vi) Introduction of system of functional foremanship.
 - (vii) Differential piece rates of wage payment.

QUESTIONS OF JUNE 2013

1. Functions of administration are:
 - (a) Executive and governing
 - (b) Policy making and implementation
 - (c) Legislative and determinative
 - (d) None of the above.
2. Which one of the following acronym did 'Luther Gulick' coin using initial letters of management's functions?
 - (a) POSBRD
 - (b) POSDBRD
 - (c) POSDCORB
 - (d) POCDSORB.
3. Mathematical approach to management is closely related to:
 - (a) Empirical approach of management
 - (b) Inter personal behaviour approach of management
 - (c) Corporate approach of management
 - (d) Decision theory approach of management

2.30

Model Solved Scanner CS FP-BME&E Paper 2 (2017 Syllabus)

4. How many principles of management have been suggested by Henry Fayol ?
 - (a) 10
 - (b) 14
 - (c) 12
 - (d) 16
5. Entrepreneur's role of a disturbance handler, allocator of resources and negotiator's role are _____ roles that the manager has to perform.
 - (a) Interpersonal
 - (b) Decisional
 - (c) International
 - (d) None of the above.
6. According to decision theory approach, which one of the following is the core of management?
 - (a) Leadership
 - (b) Decision-making
 - (c) Motivation
 - (d) Planning.
7. Management is an art because it involves use of:
 - (a) Experience and intelligence
 - (b) Creativity and personalization
 - (c) Skills and know how
 - (d) None of the above.

SOLUTIONS OF JUNE - 2013

1. (c) Functions of administration:
 1. Administration is concerned with policy making.
 2. Function of Administration are **legislative and largely determinative.**
 3. Administration is concerned with planning and organising.
 4. BOD are concerned with administration.
2. (c) Luther Gulick coined the word **POSDCORB** using the initial letters of management functions:
 - (P) Planning
 - (O) Organising
 - (S) Staffing
 - (D) Directing
 - (Co) Coordinating
 - (R) Reporting
 - (B) Budgeting

3. (d) Mathematical approach to management is closely related to **decision theory approach** but unrelated in the sense that it emphasizes on extensive use of mathematics in management.
4. (b) Henry Fayol suggested 14 principles of Management. They are as follows-
 - (i) Division of work,
 - (ii) Authority and Responsibility,
 - (iii) Discipline,
 - (iv) Unity of command,
 - (v) Unity of direction,
 - (vi) Subordination,
 - (vii) Remuneration,
 - (viii) Centralization,
 - (ix) Scalar Chain,
 - (x) Order
 - (xi) Equity
 - (xii) Stability of tenure of personnel
 - (xiii) Initiative
 - (xiv) Esprit de corps
5. (b) According to Henry Mintzberg, a manager's work role has three phases -
 - (i) Interpersonal Role
 - (ii) Informational Role
 - (iii) Decisional Role

There are four **decisional roles** that a manager has to perform -

 - (a) Entrepreneurs role by initiating change and taking risk.
 - (b) Assume the role of a disturbance handler.
 - (c) Performs the role of an allocator of resources.
 - (d) Performs the negotiators' role.
6. (b) The exponents of decision theory emphasize that **decision making** is the core of management. They concentrate on rational decision making, selection from among possible alternatives of a course of action or policy.

2.32

Model Solved Scanner CS FP-BME&E Paper 2 (2017 Syllabus)

7. (c) Management is an art because it involves use of **know how and skills**, it is directed towards the accomplishment of concrete results, it is creative in the sense that it is the function of creating productive situations needed for further improvements. Decision-making is the core of management.

QUESTIONS OF DECEMBER - 2013

- The Greek word 'nomos' means —
(a) Control (b) Norms
(c) Management (d) Business.
- Differential Piece Rate system was devised by —
(a) Henry Fayol (b) Henry Lawrence Gantt
(c) Frederick Taylor (d) Peter Drucker.

SOLUTIONS OF DECEMBER - 2013

- (c) The word "**Management**" derives its origin from a Greek work 'nomos' which means 'management'.
- (c) Differential piece rate system was devised by **Frederick Taylor**. Under this piece rate system, those workers who fail in attaining the standard, are paid at a lower rate and those exceeding the standard or just attaining the standard gets a higher rate.

QUESTIONS OF JUNE - 2014

- Which of the following principles is not related to Henry Fayol's principle?
(a) Division of work (b) Authority & Responsibility
(c) Unity of command (d) Differential piece wage system
- Management is a _____
(a) Dynamic process (b) Continuous process
(c) Both (a) and (b) (d) None of the above.

3. Management is concerned with the —
 - (a) Executive Governing
 - (b) Implementing planning
 - (c) Policy implementation
 - (d) Policy making
4. Which theory is known as the core of management?
 - (a) Operational Approach.
 - (b) Mathematical Approach.
 - (c) Group Behaviour Approach.
 - (d) Decision Theory Approach.
5. It is defined as a systematized body of knowledge through application of a scientific method in one department of enquiry.
 - (a) Science
 - (b) Management as a science
 - (c) Only (b)
 - (d) None of the above.
6. Administration is mostly used at _____ of management.
 - (a) Top level
 - (b) Lower level
 - (c) Middle level
 - (d) All levels
7. 'Getting things done through and with the people' is given by:
 - (a) Koontz and O'donnell
 - (b) Henry Fayol
 - (c) Haimann
 - (d) Hicks
8. Who is the father of Scientific Management ?
 - (a) Henry Fayol
 - (b) Fedrick Taylor
 - (c) Fedrick Lawrance Cantt
 - (d) Fedrick Gillbath
9. Which approach involves making generalization from case study to establish theories as a useful guide ?
 - (a) Group behaviour approach
 - (b) Decision theory approach
 - (c) Emperical approach
 - (d) Operational approach
10. "The process of getting things done by the people and through the people" is given by:
 - (a) Hick
 - (b) Henry Fayol
 - (c) Koontz O'donnell
 - (d) Haimann
11. "To manage is to forecast and to plan, to organize, to command, to co-ordinate and to command" is given by ?
 - (a) Haimann
 - (b) Luther Gulick
 - (c) Newmann and Summer
 - (d) Henry Fayol

2.34

Model Solved Scanner CS FP-BME&E Paper 2 (2017 Syllabus)

12. "Knowhow and skill" are the features of:
- (a) Management as a Science
 - (b) Management as an Art
 - (c) Management as a Profession
 - (d) All of the above

SOLUTIONS OF JUNE - 2014

1. (d) Principles of Henry Fayol :
- (i) Division of work
 - (ii) Authority and Responsibility
 - (iii) Discipline
 - (iv) Unity of Command
 - (v) Unity of Direction
 - (vi) Subordinate
 - (vii) Remuneration
 - (viii) Centralisation
 - (ix) Scalar Chain
 - (x) Order
 - (xi) Equity
 - (xii) Stability of Tenure of Personnel
 - (xiii) Initiative
 - (xiv) Esprit De Corps
- So, **Differential Piece Wage System** is not related to the principle of Henry Fayol
2. (c) Management is a **dynamic process** because it keeps on changing with the changes which takes place in environment and as well as **a continuous process** because it is required until the goal of organisation is achieved.
- Hence, both the processes are related with management, thus **option C** is correct i.e. **both (a) & (b)**.

3. (c) Management is a lower level function, it only directs and guides the operations of an organisation towards realizing goals set forth by the administration. Administration is concerned with policy making whereas management is concerned with **policy implementation**.
4. (d) **Decision theory approach** is known as the core of management. They concentrate on rational decision making, selection from among possible alternatives of a course of action or policy.
5. (a) **Science** is defined as a systematized body of knowledge through application of a scientific method in one department of enquiry.
6. (a) Administration is a process of laying down broad policies and objectives of the organisation. It is a **top - level function**. It is mainly concerned with policy making.
7. (a) **Koontz and O'Donnell** states that Management means, "Getting things done through and with people".
8. (b) **Frederick Taylor** is popularly known as the 'father of scientific management'.
9. (c) Scholars belonging to **Empirical Approach** believed that clear understanding of the management theories can only be developed by the study and analysis of cases and comparative approach. In this approach, they intend to make some generalisations from case study with view to establishing theories as useful guides for future course of action.
10. (a) **Hick** defines management as "the process of getting things done by the people and through the people."
11. (d) According to **Henry Fayol**, "to manage is to forecast, and to plan, to organize, to command, to co-ordinate and to command."
12. (b) Following are the features of **management as an art** :-
 - (i) Process of management involves the use of knowhow and skills.
 - (ii) Process of management is directed towards the accomplishment of concrete results.
 - (iii) It is creative in the sense that it is the function of creating productive situations needed for further improvements.
 - (iv) Management is personalized in the sense that every manager has his own approach to problems.

QUESTIONS OF DECEMBER 2014

1. Which word did Luther Gulick coin, using the initial letters of management functions?
(a) POSCRD (b) POSBRD
(c) POSCARB (d) POSDCORB.
2. The principles of unity of command and unity of direction was given by:
(a) W.F. Taylor (b) Lyndall Urwick
(c) George Tenny (d) Henry fayol.
3. Which of the following statement is not true?
(a) Advertisements are never targeted to improve sales
(b) Advertisements are prepared by professional agencies
(c) Advertisements make positive impact on sales
(d) Advertisements are expensive.
4. How many principles of management were suggested by Henry fayol?
(a) 13 (b) 16
(c) 12 (d) 14
5. According to Katz, which one of the following is a combination of technical Human and conceptual skills?
(a) Analytical skills (b) Management functions
(c) Managerial skills (d) Behavioural skills.

SOLUTIONS OF DECEMBER - 2014

1. (d) Luther Gulick coined the word **POSDCORB** using the initial letters of management functions:
P = Planning
O = Organising
S = Staffing
D = Directing
Co = Co-ordinating
R = Reporting
B = Budgeting

2. (d) **Henry Fayol** is popularly known as father of unlearn management theory. He suggested 14 principles of management; which includes Unity of command & Unity of direction.
3. (a) Some of the essentials of a good advertisement are:
 - (i) It should be targeted to improve sales of product.
 - (ii) It should be prepared by professional agencies.
 - (iii) It must leave a positive impact over sales.
 - (iv) It may be expensive for small enterprises.Thus, **option a** is not true among the following.
4. (d) Henry Fayol, “father of unlearned modern management theory” suggested **14** principles of management.
5. (c) According to Katz, “**Managerial skills** can be technical, human and conceptual”.
Hence, option c is correct.

QUESTION OF JUNE 2015

1. Greek work ‘Nomos’ means:

(a) Controlling	(b) Planning
(c) Organizing	(d) Management.

SOLUTION OF JUNE 2015

1. (d) The Greek word ‘nomos’ means **Management**.

QUESTIONS OF DECEMBER - 2015

1. Who gave manager’s role three phases:

(a) Frederick Taylor	(b) Henry Fayol
(c) Henry Mintzberg	(d) Luther Gulick

2.38

Model Solved Scanner CS FP-BME&E Paper 2 (2017 Syllabus)

2. Technical, human, and conceptual are type:
 - (a) Specific
 - (b) Technical Skills
 - (c) Managerial Skills
 - (d) All are applicable
3. The essential skills which every manager needs for doing better management is known as:
 - (a) Leadership skills
 - (b) Teaching skills
 - (c) Professional skills
 - (d) Managerial skills
4. 'Luther Gulick coined the term:
 - (a) POSDCORBS
 - (b) POSD
 - (c) PODSCORB
 - (d) POSDCORB

SOLUTIONS OF DECEMBER 2015

1. (c) According to **Henry Mintzberg**, a manager's work role has three phases:
 - (i) Interpersonal role
 - (ii) Informational role
 - (iii) Decisional role
2. (c) Essential skills which every manager needs for doing better management are called as Managerial Skills. **Managerial skills** are classified as technical, human and conceptual by Katz.
3. (d) The essential skills which every manager needs for doing better management are called as **Managerial Skills**.
4. (d) 'Luther Gulick' coined the word 'POSDCORB' using initial letters of management functions:
 - (P) - Planning
 - (O) - Organising
 - (S) - Staffing
 - (D) - Directing
 - (CO) - Co-ordinating
 - (R) - Reporting
 - (B) - Budgeting

QUESTIONS OF JUNE 2016

1. Inter personal, informational and decisional roles are the three phases of a manager's work role. This theory was given by:
(a) Henry Mintzberg (b) Koontz 'O' Donnell
(c) Luther Gulick (d) Henry Fayol.
2. Greek word "Nomos" means:
(a) Management (b) Organising
(c) Controlling (d) Planning.
3. Which word did Luther Gulick coin, using the initial letters of management functions?
(a) POSDCORB (b) POSCARB
(c) POSCRD (d) POSBRD.

SOLUTIONS OF JUNE 2016

1. (a) According to **Henry Mintzberg**, a manager's work role has three phases which include interpersonal role, informational role and decisional role which thereby focuses in contact and dealings with other people, understanding of his organisation and role of initiating change, taking risk and performing role of allocator, negotiator as well.
2. (a) The word "**management**" has its origin from the greek word "nomos" which means management. It involves not only a function but also the people who discharge it. It is management that provides planning, organization and direction which are necessary for business operations.
3. (a) Luther Gulick coined the word **POSDCORB** using the initial letters of management functions:
Planning(P), Organising(O), Staffing(S), Directing(D), Coordinating (Co), Reporting (R) and Budgeting (B).

QUESTIONS OF DECEMBER 2016

1. Who has defined management as the process of getting things done by the people and through the people?
(a) Henry Fayol (b) Hick
(c) Koontz & O'Donnell (d) Haimann
2. Which of the following refers to superior-subordinate relations, throughout the organisation?
(a) Scalar chain (b) Equity
(c) Esprit de corp (d) Order

SOLUTIONS OF DECEMBER 2016

1. (b) **Hick** defines management as “the process of getting things done by the people and through the people”.
2. (a) **Scalar Chain**: It refers to superior subordinate relationship throughout the organisation. It should be short circulated and not be carried to the extent that it proves detrimental to the business.

QUESTIONS OF JUNE 2017

1. Which of the following is not a principle given by Henry Fayol?
(a) Unity of Direction
(b) Unity of Command
(c) Positive Attitude
(d) Division of work.
2. The definition of management “Getting things done through and with people” was given by:
(a) F.W. Taylor
(b) Koontz & O' Donnell
(c) Luther gulick
(d) Henry fayol.

SOLUTIONS OF JUNE 2017

1. (c) Fayol observed that the importance of managerial ability increases as one goes up the echelons of management hierarchy. He also emphasised the need for training in management for which development of management theory is essential. On the basis of his experiences and foresight into the field of management, Fayol suggested the following fourteen principles of management. Thus, **positive attitude** is none of the principle by Fayol.
2. (b) **Koontz & O'Donnell** state that management means, "*Getting things done through and with people*". Thus, option **b** is correct.

QUESTIONS OF DECEMBER 2017

1. The fact that Management draws its body freely from other disciplines such as economics, sociology, and psychology makes it:
(a) Inter disciplinary (b) Science
(c) Profession (d) Art
2. How many principles of management were suggested by Henry Fayol?
(a) 16 (b) 13
(c) 12 (d) 14
3. Resolving a conflict can be considered as a part of which of the following function?
(a) Planning (b) Staffing
(c) Organising (d) Directing

SOLUTIONS OF DECEMBER 2017

1. (a) The Stream of Management draws certain aspects from various disciplines. Hence, making it the **inter disciplinary** science.
2. (d) Henry Fayol suggested **14** principles of management.

QUESTIONS OF DECEMBER 2018

1. Who developed the idea of management by objectives (MBO)?
 - (a) Henry Fayol
 - (b) William C. Douglas
 - (c) Both (a) and (b)
 - (d) Peter F. Drucker
2. Who define the management as, “ Getting things done through and with people”?
 - (a) Henry Fayol
 - (b) Koontz O’ Donnell
 - (c) Hick
 - (d) All of these
3. Management is a/an
 - (a) Science
 - (b) Art
 - (c) Both (a) and (b)
 - (d) None of these
4. Who was given the lower esteem to upper esteem?
 - (a) Mc Groger
 - (b) Mashlow
 - (c) Elton Mayo
 - (d) None of these
5. The principle of “division of work” was given by _____
 - (a) Henry Fayol
 - (b) Federick W. Taylor
 - (c) M.C. Groger
 - (d) Henry Lowrence Gantt
6. Which principle of management suggest the discipline of team spirit.
 - (a) Esprit de corps
 - (b) Scalar chain
 - (c) Remuneration
 - (d) Division of work

2.44

Model Solved Scanner CS FP-BME&E Paper 2 (2017 Syllabus)

7. _____ to involves outlining a vision of what can be achieved, focusing on interpersonal relations by communicating with each employee, and motivating and inspiring people to perform better.
- (a) Planning
 - (b) Organising
 - (c) Leading
 - (d) Controlling
8. Theory X is developed by:
- (a) Mc Gregor
 - (b) Henry Fayol
 - (c) F.W. Taylor
 - (d) William Douglas

SOLUTIONS OF DECEMBER 2018

1. (d) **Peter F. Drucker** developed the idea of management by objectives (MBO). In his book 'The Practice of Management' in 1954.
2. (b) According to **Koontz O' Donnell**, "Management is an art of getting things done through the people and with the people."
3. (c) Management is a science while drafting strategies or planning and art while executing them, hence it is both science and art as well.
4. (b) **Maslow** suggest the hierarchy of needs that emphasize the need for self-esteem and self-respect (Esteem needs are the basis of human desires from lower to upper).
5. (a) 14 Principles of Business Management provided by **Henry Fayol** are as follows:
 - (i) Division of work
 - (ii) Authority and Responsibility
 - (iii) Discipline
 - (iv) Unity of Command
 - (v) Unity of Direction
 - (vi) Subordination
 - (vii) Remuneration
 - (viii) Centralisation

- (ix) Scalar Chain
 - (x) Order
 - (xi) Equity
 - (xii) Stability
 - (xiii) Initiative
 - (xiv) Esprit De Corps
6. (a) **Esprit de Corps** Principle emphasises the need for teamwork and the importance of effective communication in obtaining it.
7. (c) **Leading** is to involves outlining a vision of what can be achieved, focusing on interpersonal relations by communicating with each employee, and motivating and inspiring people to perform better.
8. (a) Theory of X and Theory of Y is developed by Psychologist Dauglas Mc Gregor to explain how managers beliefs about what motivates their people can affect their management style.

QUESTIONS OF JUNE 2019

1. The Greek word 'nomos' means –
- (a) Control
 - (b) Norms
 - (c) Management
 - (d) Business
2. Differential piece rate system was devised by –
- (a) Henry Fayol
 - (b) Henri Lawrence Gantt
 - (c) Frederick Taylor
 - (d) Peter Drucker
3. Budget preparation is primarily a planning process where as its administration is a part of –
- (a) Implementation
 - (b) Controlling
 - (c) Payments
 - (d) Approval Process

2.46

■ Model Solved Scanner CS FP-BME&E Paper 2 (2017 Syllabus)

SOLUTIONS OF JUNE 2019

1. (c) The Greek word 'Nomos' means '**Management**' in an ordinary form of English language.
2. (c) Differential Piece Rate System was devised by – '**Frederick Taylor**'.
3. (b) Budget preparation is primarily a planning process whereas its administration is a part of '**Controlling**'.

QUESTIONS OF DECEMBER 2019

1. Fathers of scientific management is:
 - (a) Henry Fayol
 - (b) Frederick Taylor
 - (c) Luther Gulick
 - (d) Adam Smith
2. General and Industrial Management
 - (a) Luther Gulick
 - (b) Newman and Summer
 - (c) Henry Fayol
 - (d) Frederick Taylor
3. What is the Mission Statement of ICSI:
 - (a) To be a global leader in promoting good corporate governance
 - (b) Dreamers Dream
 - (c) Both (a) and (b)
 - (d) To develop high calibre professionals facilitates good corporate governance
4. Which one is the general forces?
 - (a) Customers
 - (b) Suppliers
 - (c) Legal
 - (d) Investor

5. The word 'nemes' has been derived from?
 - (a) Greek word
 - (b) French word
 - (c) Latin word
 - (d) German word
6. 'POSDCORB' is coined by?
 - (a) Luther Gulick
 - (b) Koontz O Donnel
 - (c) Henry Fayol
 - (d) None of these

SOLUTIONS OF DECEMBER 2019

1. (b) Frederick Taylor who is popularly known as the Father of Scientific Management. The goal of Frederick Taylor's (1901) scientific management was to use systematic study to find the "one best way" of doing each task. He gives four principles of management.
2. (c) As a manager Henry Fayol came to the conclusion that there was a single administrative science application to all types of organisations. In the year 1916, he published his well-known work in French entitled "*Administration Industrielle et Generale*" (Industrial and General Administration).
3. (d) Mission Statement of ICSI – "To develop high calibre professionals facilitating good corporate governance" as the mission statement describes the desired future of the business.
4. (c) General forces which effect the organisation indirectly they are classified as.
 - (i) Socio-cultural and Demographics
 - (ii) Technology
 - (iii) Economic conditions
 - (iv) Ecology and Physical Environment
 - (v) Political and LegalAcronym "STEEP"

2.48

■ *Model Solved Scanner CS FP-BME&E Paper 2 (2017 Syllabus)*

5. (a) The word “Management” has its origin in the Greek word “Nomos” which means ‘Management’.
6. (a) Luther Gulick coined POSDCORB using initial letters of management functions:
(P) Planning; (O) Organising; (S) Staffing; (D) Directing; (Co) Coordinating; (R) Reporting; (B) Budgeting.

