

OPEN STUDENT FOUNDATION
Std-12 Business Administration
Day - 2

Chapters : 2

Date : 24/02/24

Section A

- Choose correct answer from the given options. [Each carries 1 Mark] [7]
1. Who was the promoter of Neo Classical thought? (March-2018, March-2023)
(A) Frederick Taylor (B) Henry Fayol (C) Herzberg (D) Elton Mayo
 2. Who is the promoter of Scientific Management? (July-2018, March-2019, March-2022)
(A) Peter F. Drucker (B) Henry Fayol (C) Frederick Taylor (D) Luther Gulick
 3. Who said that "You save your employees, your employees will save yours everything."? (July-2019)
(A) Frederick Taylor (B) Prof. Urvik (C) Argyris (D) Peter F. Drucker
 4. Who was the founder of principles of objective management? (March-2020) TM
(A) Peter F. Drucker (B) Frederick Taylor (C) Henry Fayol (D) Max Weber
 5. If employee does not get appropriate compensation then what rises? (Aug-2020)
(A) Labour turnover (B) Promotion of labour (C) Absence of labour (D) Decline of labour
 6. The Principles of Management are (May-2021)
(A) Result of experience (B) Decided management
(C) Determined by experiment (D) Determined by managers
 7. Which activity from the following is possible by implementing labour division? (July-2022)
(A) Aggregation (B) Specialization (C) Simplification (D) Integration

Section B

- Write the answer of the following questions. [Each carries 2 Marks] [14]
8. Which concepts are included in behaviour-related thoughts of management? (March-2020)
 9. What is time study? (May-2021)
 10. What is Scientific Management? (March-2018, May-2021, March-2023)
 11. What is the Rule of Thumb? (July-2018, March-2020, Aug-2020)
 12. State the principle of unity of command. (March-2019, March-2022)
 13. Henry Fayol divided his entrepreneur activities into six parts. Give their names. (July-2019)
 14. Explain Taylor's differential wage rate study. (July-2020)

Section C

- Write the answer of the following questions. [Each carries 3 Marks] [15]
15. Explain any six principles of Henry Fayol. (July-2018)
 16. Discuss about Peter F. Drucker's contribution in management field. (July-2019, Aug-2020, May-2021)
 17. Write a short note on modern thought of Management. (March-2020, March-2022)
 18. Explain the thoughts of Classical theory.
 19. Write the meaning of Scientific Management and explain its nature.

OPEN STUDENT FOUNDATION
Std-12 Business Administration
Day - 2

Chapters : 2

Date : 24/02/24

Section A

- **Choose correct answer from the given options. [Each carries 1 Mark]** [7]
1. **Who was the promoter of Neo Classical thought? (March-2018, March-2023)**
(A) Frederick Taylor (B) Henry Fayol (C) Herzberg (D) Elton Mayo
- ➡ Ans : (D)
2. **Who is the promoter of Scientific Management? (July-2018, March-2019, March-2022)**
(A) Peter F. Drucker (B) Henry Fayol (C) Frederick Taylor (D) Luther Gulick
- ➡ Ans : (C)
3. **Who said that "You save your employees, your employees will save yours everything."? (July-2019)**
(A) Frederick Taylor (B) Prof. Urvik (C) Argyris (D) Peter F. Drucker
- ➡ Ans : (B)
4. **Who was the founder of principles of objective management? (March-2020)**
(A) Peter F. Drucker (B) Frederick Taylor (C) Henry Fayol (D) Max Weber
- ➡ Ans : (A)
5. **If employee does not get appropriate compensation then what rises? (Aug-2020)**
(A) Labour turnover (B) Promotion of labour (C) Absence of labour (D) Decline of labour
- ➡ Ans : (A)
6. **The Principles of Management are (May-2021)**
(A) Result of experience (B) Decided management
(C) Determined by experiment (D) Determined by managers
- ➡ Ans : (A)
7. **Which activity from the following is possible by implementing labour division? (July-2022)**
(A) Aggregation (B) Specialization (C) Simplification (D) Integration
- ➡ Ans : (B)

Section B

- **Write the answer of the following questions. [Each carries 2 Marks]** [14]
8. **Which concepts are included in behaviour-related thoughts of management? (March-2020)**
- ➡ Behavioural related thought includes inter-human relations, motivation, leadership, communication process, industrial dispute resolution, etc.
- ➡ Behaviour-related thoughts impose on satisfaction and efficiency of work of the employees.
9. **What is time study? (May-2021)**
- ➡ A scientific study of the time, required to complete any work is time study.
- ➡ According to Frederick Taylor, "A task should be finished in prescribed time and its careful study is time study. QUANTUM PAPER
10. **What is Scientific Management? (March-2018, May-2021, March-2023)**

- ➡ According to Frederick Taylor, “Knowing exactly what you want your man to do, and then see to it that they do it in the best and the cheapest way.”
 - ➡ The Scientific Management is a complete mental revolution in a business unit towards the duties of employees, co-workers and owners.
11. What is the Rule of Thumb? (July-2018, March-2020, Aug-2020)
- ➡ In the traditional method, the labourers were used to work according to the order is called the ‘Rule of Thumb.’ Frederick Taylor challenged the traditional method and began to develop a new scientific approach based method is known as Scientific Management.
12. State the principle of unity of command. (March-2019, March-2022)
- ➡ The principle of unity of command means employees should get orders from only one superior regarding an activity at the working place or in the business.
 - ➡ If employees get orders from more than one superior, employees get confused; as a result, the unit finds some difficulties in the achievement of goals.
 - ➡ For example, an employee of production department should receive orders from the production officer only.
13. Henry Fayol divided his entrepreneur activities into six parts. Give their names. (July-2019)
- ➡ Henry Fayol divided his entrepreneur activities into the following six parts:
 - (1) **Technical activities** : Factory machinery and production are included.
 - (2) **Commercial activities** : Unit purchase, sale, exchange are included.
 - (3) **Financial activities** : Acquisition of capital, use of funds, maintenance of reinvestment are included.
 - (4) **Safety Activities** : Safety of assets, safety of goods, safety of personnel, activities related to safety are included.
 - (5) **Accounting activities** : Activities related to preparation of annual accounts, Financial accounts and activities related to obtain statistical information are included.
 - (6) **Management Activities** : Activities related to planning, organising, directing, co-ordination, activities related to control are included.
14. Explain Taylor’s differential wage rate study. (July-2020)
- ➡ A method of giving wages to workers based on their working hours is the differential wage rate study.
 - ➡ Due to the differential wage rate, the employee is motivated to do more productive work to earn more wages. Thus, Taylor advocated the differential wage system.

Section C

- **Write the answer of the following questions. [Each carries 3 Marks] [15]**
15. Explain any six principles of Henry Fayol. (July-2018)
- ➡ Henry Fayol was a successful and enterprising businessman. He started his job as an engineer and then after he became a general manager and managing director in an iron and steel manufacturing company.
 - ➡ In 1916, Henry Fayol published a book titled ‘Industrial and General Management’ in French. He presented 14 principles of management in it and to understand these principles he divided the administrative activities of an industrial enterprise into 6 departments. It includes the following activities:
 - (1) **Technical activities** : Factory machinery and production are included.
 - (2) **Commercial activities** : Unit purchase, sale, exchange are included.
 - (3) **Financial activities** : Acquisition of capital, use of funds, maintenance of reinvestment are included.
 - (4) **Safety Activities** : Safety of assets, safety of goods, safety of personnel, activities related to safety are included.
 - (5) **Accounting activities** : Activities related to preparation of annual accounts, Financial accounts and

activities related to obtain statistical information are included.

(6) **Management Activities** : Activities related to planning, organising, directing, co-ordination, activities related to control are included.

⇒ **Henry Fayol's principles of management are as follows:**

(1) **Principle of Division of Work :**

⇒ According to the principle of division of labor, work should be distributed among the employees based on their qualifications and skills. So that the goal can be easily achieved by taking advantage of the specialization in the unit.

(2) **Principle of Fair Wages to Employees :**

⇒ According to the wage principle, employees should be paid a fair wage by the employer for their work. If the employees are not paid fair wages, the employees may engage in activities like theft or malpractice.

(3) **Principle of Unity of Command :**

⇒ According to the principle of unity of command, employees should receive orders from only one superior.

⇒ Employees get confused if they receive orders or directives from more than one person. As a result, some difficulties arise in the achievement of the unit's goals.

⇒ For example, employees working in the production department should receive orders only from the production officer.

(4) **Principle of Unity of Direction:**

⇒ Planning is an outline for the future. Planning can be implemented based on the division and specialization of work. Guidance is given if deviations are found during the implementation of the plan. This instruction should be given by a specific superior. By doing this, similar tasks and efforts can be coordinated easily.

⇒ According to this principle, there should be a single authority over the employee group and this group should work for the achievement of a common goal.

⇒ For example, employees working in the sales department should receive direction or guidance only from the sales officer.

(5) **Principle of Discipline:**

⇒ Discipline among the employees is essential for the smooth functioning of the business unit. If any employee of the unit violates the discipline, there should also be a provision of punishment in the unit.

(6) **Principle of Arrangement (order):-**

⇒ This principle emphasizes two things Raw material arrangement and social arrangement. Every item of goods should be in its proper place. Similarly, an employee with the right qualification and skills should be placed in the right place. There should also be arrangements for the recruitment of suitable personnel for a particular position.

(7) **Principle of Equality :**

⇒ According to the principle of equality, managers should treat all employees equally. If employees are treated unequally, the employees are divided into two groups. So managers should show friendly behavior towards employees.

(8) **Principle of Scalar chain :**

⇒ According to this principle of the scalar chain, the delegation of authority in a unit should be in a straight line from the top level to the bottom level. So that information can be communicated easily and a clear idea of who will give orders to whom can be obtained. Similarly, reporting is done from the bottom level to the top level.

(9) **Principle of Esprit de Corps (Feeling of Oneness):**

⇒ According to this principle, if group spirit is developed among employees, employees become more efficient and powerful. So managers should constantly do efforts to develop team spirit among employees.

(10) Principle of Initiative:

⇒ According to the principle of initiative, managers should give employees the freedom to think about their own work. Many unit problems can be solved if employees are given the freedom to make and implement decisions about their work.

(11) Principle of Authority(power) and Responsibility :

⇒ Power and responsibility are two sides of the same coin. Power without responsibility and responsibility without power are both incomplete.

⇒ When a subordinate is entrusted with responsibility for work, it is necessary to delegate authority over it.

⇒ The factors like position, knowledge, qualification, experience, leadership skills, maturity, etc. of the employee should be taken into consideration while delegating authority, as a result, the employees increase their zest, and goal achievement becomes easier.

(12) Principle of Stability of Personnel Tenure:

⇒ Employees should be given job security according to this principle. So that the employees can work freely without worry of losing jobs and the productivity of the unit can be increased.

(13) Principle of Centralization:

⇒ It is necessary to clarify up to which extent the power should be centralized or decentralized to make the organizational structure successful. The degree of authority is not delegated in an organization is called centralization.

⇒ It is necessary to adopt the principle of centralization for optimal utilization of the workforce. Centralization is less successful in larger units, so centralization and decentralization are done according to the size of the unit.

(14) Principal of Subordination of Individual Interest to the General Interests:

⇒ According to this principle, managers and employees should give priority to the goals of the unit over their own personal interests.

16. Discuss about Peter F. Drucker's contribution in management field. (July-2019, Aug-2020, May-2021)

⇒ Peter F. Ducker (1909–2005) was a writer, philosopher and educator as well as known as a management guru. Globalization has changed the business systems of the entire world. Due to this, new methods of management are needed to develop. Peter F. Drucker has given special importance to human resources in the business unit and he advocated for this.

⇒ His main contributions include 'Management by Objective (MBO)' and 'Principles of Self-Regulation'.

⇒ About Management by Objectives, he says that there should be uniformity in the aim of employees and managers for achievement of goal. Management by Objective is very effective for different types of business units.

⇒ In 1946, Peter F. Drucker published a book called "Concept of the Corporation". His contribution is a key to human resource management, market management, and stress management. Hence, he is called the father of modern management.

17. Write a short note on modern thought of Management. (March-2020, March-2022)

⇒ A change occurred in the format of industry and business units after 1960. As a result, a need for a special approach to management was arise. As management is not confined to only business unit, a special professional class of managers emerged.

⇒ In this thought, the management scholars like Koontz, O'Donnell, Dr. George R. Terry, Peter F. Druker, William Ouchi, and C.K. Prahalad have contributed to this thought.

⇒ This thought advocates psychology, sociology, statistics, mathematics, and information technology (IT)

along with management.

18. Explain the thoughts of Classical theory.

- ➡ “The thought of management that emerged by the end of the 19th century is called the Classical Thoughts of Management.”
- ➡ The management gurus like Frederick Taylor, Max Weber, Gilbearth, Henry Gantt, and Henry Fayol, etc. are the main founder of this thought.
- ➡ Among them, Frederick Taylor’s contribution is very important. He introduced the principles of scientific management, which are still present today.
- ➡ The scientific management approach favors the adoption of scientifically derived principles through time study and motion study rather than traditional methods.
- ➡ This thought favoured specialization, differential wage rate, responsibility, and scientific division of work.
- ➡ Henry Fayol’s contribution to classical thought has also been significant. He made an important contribution to management philosophy by giving general principles of management. He tried to determine the scope of various functions to define the limits of functions in a business unit. To perform managerial duties at different levels, he gave Universal Principles of Management as guidelines.
- ➡ Apart from this, Max Weber’s idea of bureaucracy is also presented in Classical Thoughts.
- ➡ At the end of the 19th century, the size and form of business units began to change as a result of the industrial revolution, which resulted in certain limitations which are as follows :
 - (1) Importance to financial motivation.
 - (2) Less importance to the human approach.
 - (3) Less importance to Informal relations.

19. Write the meaning of Scientific Management and explain its nature.

- ➡ Frederick Taylor first introduced the theory of scientific management. So he is known as the ‘Father of Scientific Management’.
- ➡ Frederic Taylor introduced a new concept with a scientific approach instead of the traditional rules which is known as scientific management.
- ➡ **Meaning:** Scientific Management is a complete mental revolution towards the employees, in any particular unit or factory. They have a complete mental revolution towards their work, duties, co-workers, and owners.
- ➡ **Definition:** “Scientific Management means the art to know what you want your men to do and to ensure that they do it specifically with minimum cost.”
- ➡ Frederick Taylor, being an engineer himself, based his studies on the fact that workers would not work efficiently unless they received high and stimulating wages.
- ➡ Instead of forcing employees to work as per traditional methods, the scientific method should be used to get higher production at lower production costs. For this, Frederick Taylor suggested the scientific approach of adopting such a method that the managers do not have to reduce the wage rate and the employees do not have to steal work.
- ➡ He came up with a revolutionary idea as a challenge to the traditional management and introduced scientific management, in which the following are mainly observed:
 - (1) Each worker should be assigned work as per his mental and physical ability.
 - (2) Each worker should be instructed to perform maximum work as per category.
 - (3) Each worker doing efficient work rapidly should be paid more wage i.e. More than 30% to 100%.