

**B.Tech.**  
Third Semester Examination  
**Fundamentals of Management**

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**Note :** Attempt any *FIVE* questions. All questions carry equal marks.

**Q. 1. Explain the main principles of management given by Henry Fayol.**

**Ans.** The following are Fayol's principle of management :

(i) **Division of Work :** The division of work is based on the principle of specialisation. Its advantages are widely recognize and it can be applied to any kind of work employing large number of worker of varying abilities.

(ii) **Authority and Responsibility :** Authority is the right to give the orders and responsibility is the obligation towards duty.

(iii) **Discipline :** According to Fayol discipline is obedience, applications, energy and outward marks of respect. He considered discipline as absolutely essential for the smooth running of business.

(iv) **Unity of Command :** For any action, whatsoever the employee should receive orders from one superior only.

(v) **Unity of Direction :** There should be one head one plan.

(vi) **Subordination of Individual Interest to General Interest :** Common interest is above the individual interest and when there is a conflict between the two the common interest must prevail.

(vii) **Renemulation to Personnel :** Reward for the work done should, as far as passive give satisfaction to both the employee and employer.

(viii) **Controlisation :** The management should centralize the authority to the extent that neither there should be too much concentration of power nor it divide too never.

(ix) **Scaller Chain :** According to Fayol scale chain is the chain of superiors laying from the ultimate authority to lowest lacks the line of authority is the route followed via every link is the chain by all communication which start or go to the ultimate authority.

(x) **Order :** By order Fayol meant a place for every are and every one in his place. The right mean in the right place.

(xi) **Equity :** This principle of Fayol states that manager must treat employee with kindness desire for equity and equality of treatment are aspirations to be taken in to account in dealing with employee.

(xii) **Stability of Terms Personnel :** No employee should be removed with in short period of time. Stability of terms generate prosperity in the organisation.

(xiii) **Initiative :** Initiative is concern with thinking out and execution of a plan.

(xiv) **Espritde Corps :** Principle of union is strength.

**Q. 2. Give a brief account of the evolution of management thought from the early times to modern.**

**Ans.** The emergence of management thought is not matter of chance. The development of it was gradual and it has passed through various distinct time period. Herbelt a Hick has divided the period in to four distinct stages since the movement has achieved new horizon any during the present country we shall classify the stage of the evaluation of management in to three period viz.,

(i) Classical theory (1900-1930)

- (ii) Neo classical period (1930-1950)
- (iii) Modern period (1950 to present)

**1. Classical Theory :** We can identify three streams of thought in this period :

- (a) Bureaucratic model (Max weber) 1900.
- (b) Scientific management concept (Introduced by fuel Taylor around 1910).
- (c) Functional or administrative or process management theory advanced by Henry Fayol around 1910.

**2. The Neo classical theory.** It include the two stream of throughouts :

- (a) Human relation movement was propagated by Elton mayo and reotheisberger around 1930.
- (b) Behaviour science movement was introduced by A Maslow 1940.

**3. Modular Management Theories.** It consist of three stream of thoughts.

- (a) Quantitative approach or operation research analysis was developed by Taylor in 1950.
- (b) System approach was introduced by building Johnson and other after 1950.
- (c) Cartigency approach was purported by losse\$, lawranceand other.

**Q. 3. Explain in brief the various sources of finance available to an industrial concern.**

**Ans. Sources of Finance :** Finance can be raised either by external sources or internal sources. The following method are generally used by the industrial concern in raising the finance.

**(A) Issue of Security :**

- 1. Ownerslip Security :
  - (i) Equity share.
  - (ii) Preference share.
- 2. Creditor Ship Security :
  - Debenture or bonds.

- (B) Public deposit.
- (C) Ploughing back of profit or retained earning.
- (D) Borrowing from financial institution.
- (E) Other method.

**Manpower Planning :** Manpower planning may be expressed as a process by which the management ensure the right number of people and right kind of people at right place, at right time doing the right things.

Human resource planning is a process of determining and assuming that the organisation will have the adequate number of qualified persons available at the people time performing the job which next the needs of enterprise and which provide satisfaction for the individual involved.

**Process of Manpower Planning :**

- (i) Job analysis.
- (ii) Skill Inventory.
- (iii) Personnel forecasting.
- (iv) Employment plan.
- (v) Training and development personnel.

**Q. 4. What do you understand by Marketing Research? Explain the various methods of conducting marketing research. What is the significance of this research in business sector?**

**Ans. Marketing Research :** The systematic gathering recording and analysing of data about problem relating to the marketing of goods and services.

**Method of M.R. :**

**Survey :**

- (i) Personnel interview
- (ii) Mail survey.
- (iii) Telephone survey.
- (iv) The pannel method.
- (v) Observation method.
- (vi) Experiment method.

**Significance of Marketing Research :**

- (i) Marketing research keep informing the organization about the change in taste and preference of consumer from time to time.
- (ii) M.R. is useful in discovering the new market.
- (iii) M.R. provide valuable information to sale manager.
- (iv) It helps in quality improvement.
- (v) Helps in minimising marketing cost.
- (vi) Helps in facing the competition.
- (vii) M.R. discover the new line of production.
- (viii) Act as a sale booster as it establish direct relation with consumer.

**Q. 5. What do you mean by production management? Explain briefly the various functions and responsibilities of production management.**

**Ans. Production Management :** Production management is concerned with decision making relating to process of producing goods and servicing in accordance with the predetermine specification and standard by incurring minimum costs.

**Function and Responsibility of Production Management :**

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|-------------------------|-------------------------|
| (i) Production planning | (ii) Production control |
| (iii) Quality control   | (iv) Method analysis    |
| (v) Inventory control   | (vi) Plant layout       |
| (vii) Block measurement | (viii) Other functions. |

**Q. 6. What do you understand by ABC method of Inventory control? What are its advantages and disadvantages?**

**Ans. ABC Method of Inventory Control :** In order to exercise more effectively control over material ABC method is of immense utility. Under this method material are classified into three categories in accordance with their respective values. Group A constitute the costly items which are 10 to 20% of the total items and may account about 50% of the total value of store. Group B consist of items 20 to 30% of store items and represent about 30% of the total value of stores. A reasonable degree of care may be taken in order to control this item. In the last category group C about 70 to 80% of the items are covered casting about 20% of total value.

**Advantage:**

- (i) It ensure better quality control over costly items over which large amount of capital is invested.
- (ii) It helps in developing scientific method of carticalling inventories.
- (iii) It helps in maintaining stock turn over rate at compactively higher level through scientific control of inventories.
- (iv) It ensure considerable function in storage expense it result in stock calling stock.
- (v) It helps in maintaining enough safety stock for C categories of items.

**Disadvantage:**

- (i) This techniques is applied only if proper standardisation of material in store.
- (ii) A good system of codification of materials should be in operation for the success of this analysis.
- (iii) The analysis is based on monetary value of the item in use other important factor are ignored .

**Q. 7. Write short notes on any two of the following :**

- (a) **Function of Financial Management**
- (b) **Functions of Marketing Management**
- (c) **Objectives of Advertising**
- (d) **Features of Modern concept of Marketing.**

**Ans. (a) Function of Financial Management :** The following are the main functions of financial management :

- (i) Estimating the financial requirements.
- (ii) Determining the structure of capitalisation.
- (iii) Choice of source of finance.
- (iv) Investment decision.
- (v) Management of earning.
- (vi) Management of corn flow.

**(b) Function of Marketing Management :** The following are the main functions of marketing management.

(i) **Function of Exchange :**

- (a) Buying
- (b) Assembling

(ii) **Function of Selling :**

- (a) Product planting and development
- (b) Contact with buyers
- (c) Demand creators
- (d) Negotiation
- (e) The contractual.

(iii) **Function of physical supply transportation.**

(iv) **Function of storage and ware housing.**

(v) **Facilitating function.**

- (i) Financing.
- (ii) Risk bearing.

- (iii) Market information.
- (iv) Standardisation.
- (v) Branding.
- (vi) Packaging.

**(c) Objectives of Advertising :**

- (i) To introduce the new product by creating interest for it among the prospective customer.
- (ii) To support the personal selling program.
- (iii) To reach people unaccessible to salient.
- (iv) To enter new product or attract new group of customer.
- (v) To fight competition in the market and to increase sale.
- (vi) To enhance the goodwill of enterprise.
- (vii) To improve dealer relation.
- (viii) To warn the public against imitation of an enterprise product.

**(d) Features of Modern Concept of Marketing :**

- (i) Modern marketing concept start with target market.
- (ii) It is integrated marketing approach.
- (iii) Profit through customer satisfaction.
- (iv) Based upon the customer requirement.
- (v) Based upon identification and assessment of human wants.