

<b>Date :</b>	<b>FYJC</b>	<b>Duration: 1 Hr. 15 Min.</b>
<b>Marks : 30</b>	<b>Subject : Organisation of Commerce &amp; Management</b> <b>Ch. 8. Nature and Significance of Management</b>	<b>Set No. :</b>

**Q.1. Select the correct answer from the possible options given below and rewrite the statement: (05)**

1. Management is **Dynamic.**
2. Management uses **Scientific** methods of observation.
3. To help top level management in coordinating the activities is the function of **Middle** level of management.
4. Management is a **Continuous** process.
5. Formulating the plan is the main function of **Top** level management.

**Q.2. Match the correct pairs: (03)**

Group 'A'		Group 'B'	
a.	Systematic body of knowledge	1.	Foreman and supervisor
b.	Management as universal process	2.	Service oriented
c.	Lower level management	3.	Board of directors
		4.	Management as science
		5.	Applicable to all organisations
		6.	Policy framing

**Ans : - (1 – d); (2 – e); (3 – a)**

**Q.3 Write a word / term / phrase which can substitute each of the following statements: (02)**

1. Management level consist of board of directors and chief executive officers.  
**Ans : - Top level Management**
2. Management level consisting of heads of functional departments.  
**Ans :- Middle level Management**

**Q.4. Distinguish between top level management and lower level management. (05)**

**Ans : -**

	Top level management	Lower level management
<b>(1) Meaning</b>	Top level management refers to highest level of authority in the hierarchy of an organization. It comprises Board of Directors, Chief Executive Officer (CEO), Chairman, Managing Director and General Manager.	Lower level management refers to supervisory or operational level of management. It comprises of functional managers, foremen, superintendent, supervisors, junior executives, etc.
<b>(2) Nature of function</b>	This level of management is concerned with the formulation of policies for the entire organization.	This level is concerned with implementing the policies and achieving targets of the organization.
<b>(3) Skills required</b>	It requires creative, innovative, analytical and conceptual skills.	It requires persuasive, technical and operative skill.
<b>(4) Accountability</b>	Top level management is accountable to owners, shareholders, government agencies, etc.	Lower level management is accountable to the middle level management.
<b>(5) Main function</b>	The main functions of the top level management are to formulate policies and organizing the available resources more efficiently.	The main functions of the lower level management are to get the work done from their subordinates according to plans of top and middle level management and to report of actual

		performance and problems to the middle and top level managements.
<b>(6) Span of period</b>	It requires a long span of period as formulation of policies is a time-consuming process.	It requires comparatively lesser span of period as execution of policy requires lesser time because it is an operational aspect of the policy.

**OR****Write a short note on management as profession**

**Ans :-** A new approach of management says that management is a profession. In the modern world, people take management as a profession. They acquire the required knowledge of the profession and train themselves for the managerial job. In short they choose management as a career and enter in to it. It is interesting to study the meaning of the concept 'profession'. Profession is acquiring a special knowledge or skill and using it for earning own livelihood and at the same time guiding others. A Professional is a person who has taken rigorous training to get the knowledge of a particular vocation. The connection between profession and management is discussed with the help of the following points.

- (1) Formal education:** A professional needs formal education. Therefore, a professional educates himself by completing rigorous studies and taking training in a particular field. Today's managers are also qualified and take formal training from management schools. This helps them in their profession.
- (2) Code of conduct:** Every profession has a code of conduct to be followed by the persons engaged in that profession. Code of conduct means framed rules and regulations to be followed by the professionals practicing in that field. Some professions have their associations through which they control that particular profession e.g. Association of Lawyers frame code of conduct for the lawyers, Association of Architects frame a code of conduct for the architects. There are such associations for many professions. However there is no such association of managers and hence there is no particular code of conduct for managers. Managers follow the code of conduct generally based on customs and tradition.
- (3) Expertise:** A professional is an expert in his field. He has acquired the knowledge by formal education. In addition to that by practicing his profession he acquires the skill required for that profession. A manager also becomes an expert by practicing his profession.
- (4) Registration:** Professionals need to register themselves with their associations or bodies e.g. Chartered Accountants in India register themselves with the Institute of Chartered Accountants of India (ICAI). Many professionals need a licence to carry out their practice. However, as there is no such body governing the profession of managers, they cannot register with their body or association. However, managers can take the membership of Chambers of Commerce or various trade associations. This registration gives them many benefits.
- (5) Restricted entry:** The entry in any profession is restricted. One can enter in a profession only after getting formal education. E.g. doctor, lawyer etc. However there is no such compulsion for the profession of a manager. Any person can enter in this profession. He may or may not have taken formal education of management. Considering the above points, it is very difficult to say whether management is a profession or not. There is no separate body governing the profession of a manager. There is no separate code of conduct for managers; therefore experts say that management is not a profession. However, there are formal training institutes giving education of management. Managers often follow the unwritten rules which can be called as their code of conduct. They can register themselves with different bodies like Chambers of Commerce etc. Therefore, management can be treated as a profession.

**Q.5 State with reasons whether the following statements are True or False: (05)**

**1. Management is required to conduct business as well as non-business activities.**

**Ans :- This statement is TRUE.**

**Reasons:**

- (1) Management is a universal process. It means management is applicable to all. Modern world cannot function without management. Management plays the most important role in every activity of today.
- (2) Management functions are not restricted to business organizations alone but performed in every type of organization such as government, commercial, educational, medical, financial, economic, social, religious, political, cultural, etc.
- (3) Management is necessary for every activity which has to be performed by a group. This is so because planning, organising, co-ordination and controlling are common for every kind of group effort. For these reasons management is required for a big business, medium scale business as well as for a very small business.
- (4) Management is required to sell a new product launched in the market. e.g. sale of new mobile cell model. Similarly, management is required to conduct a rally for raising funds for tsunami affected areas. Management is done constantly throughout every activity undertaken.  
Thus, management is required to conduct business as well as non-business activity.

**2. Top level management performs the function of planning.**

**Ans :- This statement is TRUE.**

**Reasons:**

- (1) The management hierarchy or chain of command in an organization is usually divided into three broad levels of authority, namely : (i) Top level management (ii) Middle level management and (iii) Lower or supervisory or operational level management.
- (2) Top level management is the highest level of authority in an organization which consists of Chairman, Board of Directors, Chief Executive Officer, Managing Director and General Manager etc. It is concerned with the framing of policies and plans for the entire organization. It is accountable to the owners of the business organization and government.
- (3) The main function of the top level management is to decide and finalize the main objectives of the organization. These objective may be for a long term or for a short term.
- (4) To achieve the predetermined objectives of the organization, the top level management prepares appropriate plans and policies. They also design organizational structure for the various departments, sections and regions to carry out the activities of the organization as per the planning done by top level management.  
Thus, top level management performs the function of planning.

**Q.6. Explain the levels of management and discuss their features.**

**(10)**

**Ans :-** Management exists everywhere. It is universal. Management is required in every organization. However, the size of every organization is not same. Some are small scale organizations. Some are medium scale and some are large scale organizations. The style of management for different scales is different. The management of small organization is simple e.g. Management of a grocery shop is simple than management of a bank or a car manufacturing company. In a large scale organization management is complicated. Therefore it is done by making different parts or levels of in the organization. The levels are made according to the size and requirement of the organization. Usually, there are three levels of management.

Three levels of Management are :-

- (A) Top Level
- (B) Middle Level
- (C) Lower (Supervisory) level

**(A) Top Level Management**

Top level management is the ultimate authority in the organisation. No one works above the top level management. Top level management frames the objectives and decides the policies to achieve the objectives. Board of Directors, Managing Directors or CEO's (Chief Executive Officer) of the organization are in the top level management.

The functions of Top Level Management are as follows:

- (1) To decide the objectives of the organisation.
- (2) To frame the plans and policies to achieve the objectives.
- (3) To see that the policies are properly implemented.
- (4) To create various positions to do different activities.
- (5) To appoint leaders at middle level management and give them directions to carry out different activities.
- (6) To evaluate (check) the performance of various departments.

**(B) Middle Level Management:**

Middle level management works under top level management. It is a level between the Top level and lower level of management. It mainly is concerned with the implementation of plans and policies in the organisation. It consists of the heads of various departments e.g finance, production sales, marketing, etc.

The functions of Middle level management are given below:

- (1) To link the top and lower level management.
- (2) To understand the policies framed by top level management.
- (3) To decide the plan of action in the department to achieve the targets given.
- (4) To assign specific duties to the staff in the department.
- (5) To help top management to coordinate the activities of various departments.
- (6) To train people from the department for carrying out different activities in the future.
- (7) To appoint lower or supervisory level staff.

**(C) Lower (Supervisory) Level Management**

Lower level management works under middle level management. It is also called operational or supervisory level of management. Lower level of management consists of supervisors, foremen, superintendents and other junior executives.

The functions of Lower Level management are as follows:

- (1) To get the instructions from middle level management and act accordingly.
- (2) To assign work to the subordinates.
- (3) To give instructions and direct the subordinates to complete the task.
- (4) To guide the subordinates where ever necessary.
- (5) To look after the maintenance of the machinery, equipments, tools, etc.
- (6) To solve the problems and settle the disputes of the subordinates.
- (7) To conduct quality check of the product or service from time to time.

