

Case Studies –(Chapter -2) Principles of Management, BST Class 12

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Full Screen

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Q. 1. In your school, you observe that books are kept in office, chalks in the library and office records in the staff room.

1. Which principle of management is violated here and why?
2. How will that affect the achievement of school objectives?
3. As a manager, what steps will you take to rectify the shortcomings? (3 marks)

Ans.

1. The principle of 'Order'
2. In the absence of orderliness, school objectives will not be achieved efficiently and effectively.
3. Things should be placed at appropriate places to achieve maximum efficiency with given time framework.

Q. 2. The production manager of an automobile company asked the foreman to achieve a target production of 200 scooters per day. But he did not give him the authority of requisition tools and materials from the stores department. Can the production manager blame the foreman if he is not able to achieve the desired target? Explain briefly the principle relating to the situation.

(3 marks)

Ans. No, the production manager cannot blame the foreman because he did not give him the authority to requisition tools and materials from the stores department. Since he has no authority, he could not fulfill his responsibility.

In this case the principle of 'Authority and Responsibility' is violated. Fayol suggested that there must be a balance between authority and responsibility. Authority and responsibility

must go hand in hand. Responsibility without adequate authority will make the subordinate ineffective, i.e., he will not be able to perform his duties properly. At the same time giving authority without fixing responsibility may lead to misuse of authority.

Q. 3. Soniya Ltd. was engaged in the business of manufacturing auto components. Lately, its business was expanding due to increased demand for cars. The competition was also increasing. In order to keep its market share intact, the company directed its workforce to work overtime. But this resulted in many problems.

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

Identify any three principles of management (as given by Henry Fayol) which were being violated, quoting the lines from the above case. (3 marks)

Ans.

1. Unity of command

“Sometimes, the subordinates had to work for more than one superiors.”

1. Discipline

“The workers were becoming indisciplined.”

1. Spirit de corps

“The spirit of teamwork, which had characterized the company previously, had begun to wane.”

Q. 4. The production manager of Harsh Ltd. instructs a salesman to go slow in selling the product, where the marketing manager is insisting on fast selling to achieve the target. Which principle of management is being violated in this case? (1 mark)

Ans. Unity of command

Q. 5. Kanika and Priyanka are typists in a company having same educational qualifications. Kanika is getting Rs. 16000 per month and Priyanka Rs. 10000 per month as salary for the same working hours. Which principle of management is violated in this case. (1 mark)

Ans. Principle of equity

Q. 6. Rishabh, a manager, very often speaks to people at all levels, passing on instructions regarding his department and also the other departments. Which principle of management is being overlooked? (1 mark)

Ans. Principle of Scalar Chain.

Q. 7. The management and workers have entered into an agreement that workers will do overtime to cover up losses of the company. In return, the manager will increase the wages. But management later refused to increase the wages. Name the principle violated in this situation.

(1 mark)

Ans. Principle of discipline

Q. 8. In Simran Ltd., an employee has the objective of maximizing his salary, but the organizational objective is to maximize output at competitive cost. There was some dispute on this for a while. Eventually, the organization's interest was given priority over employees' interest. Name the principle related to this situation. (1 marks)

Ans. Principle of subordination of individual interest to general interest.

Q. 9. Radhika opens a jewelry showroom in Jaipur after completing a course in jewelry designing. She has employed eleven persons in her showroom. For greater productivity, she divides the work into small tasks and each employee is trained to perform his/her specialized job. The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas the decision to give any further discount rests with Radhika as the final authority. In the earlier days of starting of the business, five of her employees were asked to put in extra hours of work. In return she had promised to give them a special incentive within a year. Therefore, after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her

commitment. However, when it comes to setting the conflicts among her employees, she tends to be more biased towards her female employees.

In context of the above case:

1. Identify and explain the various principles of management that are being applied by Radhika by quoting lines from the paragraph.
2. Identify and explain the principle of management which is being violated by Radhika by quoting lines from the paragraph.
3. State any one effect of the violation of the principle of management by Radhika as identified in part (b) of the question.

Ans.

1. The various principles of management that are being applied by Radhika are listed below:

1. Principle of Division of work:

“For greater productivity, she divides the work into small tasks and each employee is trained to perform his/her specialized job.”

1. Principle of Centralization and Decentralization:

“The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas the decision to give any further discount rests with Radhika as the final authority.”

1. Principle of Discipline:

“Therefore, after six months when the business was doing well, she awarded a each bonus to each of these employees to honour her commitment.”

1. The principle of management which is being violated by Radhika is Equity.

“However, when it comes to setting the conflicts among her employees, she tends to be more biased towards her female employees.”

1. One effect of the violation of the Principle of Equity is that it may lead to job dissatisfaction among the male workers.

Q. 10. Neeraj is selected for the post of software developer in an IT Company. On the first day of his joining Mehul, his project manager tells Neeraj that during the course of his work he will come across many such opportunities which may tempt him to misuse his powers for individual or family's benefit at the cost of larger general interest of the company. In such

situations, he should rather exhibit exemplary behavior as it will raise his stature in the eyes of the company. Also, for interacting with anyone in the company on official matters, he should adopt the formal chain of authority and communication.

In context of the above case:

1. Identify and explain the various principles of management that Mehul is advising Neeraj to follow while doing his job.
2. List any two values that Mehul wants to communicate to Neeraj.

Ans.

1. The various principles of management that Mehul is advising Neeraj to follow while doing his job are as follows:
 1. Subordination of Individual Interest to General Interest:
 2. Scalar Chain:
 1. The two values that Mehul wants to communicate to Neeraj are:
 1. Honesty
 2. Self restraint

Q. 11. Davinder is a class twelfth commerce student in a reputed school in Punjab. Satinder is his elder brother who is doing his Masters in Hospital administration from Delhi after completing his B. Sc course. During vacations when Satinder comes home, Davinder shows him the business studies project that he is preparing on the topic 'Principles of Management'. Satinder tells him that these principles are also a part of MBA course curriculum at the beginner's level as they form the core of management in practice. But he finds these principle different from those of pure science.

In context of the above case:

1. Outline the concept of principles of management.
2. Why does Satinder find the principle of management different from those of pure science?
3. Why do the principles of management form the core of management in practice?

Explain by giving any two points highlighting the importance of principles of management.

Ans.

1. The principles of management serve as a broad and general guideline for the managerial decision making and action.
2. Satinder finds the principles of management different from those of pure science because the management principles are not as rigid as principles of pure science.

This is due to the fact that they deal with the human behavior and thus, need to be applied creatively in the light of given situation.

3. The importance of principles of management is described below:
 1. Providing managers with useful insights into reality:
 2. Optimum utilization of resources and effective administration:

Q. 12. Nutan Tiffin Box service was started in Mumbai by Mumbai dabbawalas. The Dabbawalas who are the soul of entire Mumbai aim to provide prompt and efficient services by providing tasty homemade tiffin to all office goers at right time and place. The service is uninterrupted even on the days of bad weather, political unrest and social disturbances. Recently they have started online booking system through their website 'mydabbawals.com'. owing to their tremendous popularity amongst the happy and satisfied customers and members, the dabbawalas were invited as guest lecturers by top business schools. The Dabbawals operate in a group of 25-30 people along with a group pleader. Each group teams up with other groups in order to deliver the tiffin on time. They are not transferred on frequent basis as they have to remember the addresses of their customers. They follow certain rules while doing trade-No alcohol during working hours; No leave without permission; Wearing of white cap & carrying ID cards during business hours.

Recently on the suggestion of a few self motivated fellow men, the dabbawalas thought out and executed a plan of providing food left in tiffins by customers to slum children. They have instructed their customers to place red sticker if food is left in the tiffin, to be fed to poor children later.

1. State any one principle of management given by Fayol & one characteristic of management mentioned in the above case.
2. Given any two values which the Dabbawalas want to communicate to the society.

(4 marks)

Ans.

1. Principles of management (any one)
 1. Stability of Personnel
 2. Initiative
 3. Discipline
 4. Esprit de corps

Characteristic of management (any one)

1. Goal oriented

2. Group activity

1. Values that have been communicated by the Dabbawalas: (any two)
1. Fulfilling social responsibility;
2. Empathy towards disadvantaged children;
3. Team work (or any other suitable value)

Q. 13. 'Aapka vidyalaya' believes in holistic development of students and encourages team building through a mix of curricular, co-curricular and sports activities. On its founders day a stage performance had to be put up. A committee of ten prefects was constituted to plan different aspect of the function. They all decided to use recycled paper for decoration. There was a spirit of unit and harmony and all members supported each other. With mutual trust and belongingness the programme was systematically planned and executed. Kartik, one of the prefects realized that unknowingly the group had applied one of the principles of management while planning and executing the programme. He was so inspired by the success of the function that he asked his father to apply to same principle in his business. His father replied that he was already using this principle.

1. Identify the principle of management applied for the success of the programme.
2. State any two features of management highlighted in the above para.
3. Identify any two values which 'Aapka Vidyalaya' communicated to the society.

(4 marks)

Ans.

1. Espirit de corps
- 2.
1. Management is pervasive--'...he asked his father to apply the same principle in his business.'

Management is pervasive as it can be applied to all types/levels of organizations.

2. Management is a group activity –'There was a spirit of unity and harmony and all members supported each other.'

Management is a group activity because it requires team work and/or coordination of individual efforts.

3. Values being communicated to the society: (Any two)

1. Concern for the environment.

2. Holistic development of children.
3. Teamwork

Q. 14. Nikita and Salman completed the MBA and started working in a multinational company at the same level. Both are working hard and are happy with their employer. Salman had the habit of backbiting and wrong reporting about his colleagues to impress his boss. All the employees in the organization knew about it. At the time of performance appraisal the performance of Nikita was judged better than Salman. Even then their boss, Mohammed Sharif decided to promote Salman stating that being a female Nikita will not be able to handle the complications of a higher post.

1. Identify and explain the principle of management which was not followed by this multinational company.
2. Identify the values which are being ignored quoting the lines from the above para.

(5 marks)

Ans.

1. The principle violated is EQUITY.

It advocates that there should be no discrimination against anyone on account of sex, religion, language, caste, belief, nationality etc.

It emphasizes kindness and justice in the behavior of managers towards the workers to ensure loyalty and devotion.

1. The values which are being ignored are:
 1. *Good human behavior* because 'Salman had the habit of backbiting and wrong reporting about his colleagues to impress his boss.'
 2. *Gender Equality* because 'Their boss decided to promote Salman stating that being a female Nikita will not be able to handle the complications of a higher post.'

Q. 15. Sigma Ltd. is a large company manufacturing electric motors. The company has several departments – Production, Marketing, Finance and HR. Mr. Shashank, CEO of the company set the target sale of 10 crore in a month. To increase the sales, the marketing manager, Mr. Ishaan insists on offering 10% discount to customers. But the finance manager, Mr. Mohak does not approve such discount as it would mean loss of revenue. Because of dual subordination, the sales manager, Mr. Anshik could not achieve the sales target.

1. Which concept of management Sigma Ltd. is lacking? State it.

2. Which principle of management has been overlooked by this company? State it.
3. Which principle of management has been overlooked by this company? State it.

(6 marks)

Ans.

1. The company is lacking 'Coordination'.

It is the process by which the activities of different departments are synchronized to ensure unity of action.

1. Unity of command

There should be one and only one boss for every individual employee. If an employee gets orders from two superiors at the same time, the principle of unity of command is violated. Consequences of violation: Authority is undermined, discipline is in jeopardy, order is disturbed and stability is threatened.

1. Spirit de Corps

Management should promote a team spirit of unity and harmony among employees. It is necessary for coordination.

Q. 16. ABC Ltd. is engaged in producing electricity from domestic garbage. There is almost equal division of work and responsibility between workers and management. The management even takes workers into confidence before taking important decisions.

All the workers are satisfied as the behavior of the management is very good.

1. State the principle of management described in the above para.
2. Identify any two values which the company wants to communicate to the society.

(3 marks)

Ans.

1. The principle of Taylor described in the above para is Cooperation, Not Individualism.

It states that there should be complete cooperation between the labour and the management. Competition should be replaced by cooperation.

1. Values which the company wants to communicate to the society are:
 1. Good behavior in human interaction.
 2. Concern for the environment.

Q. 17. Voltech India Ltd. is manufacturing LED bulbs to save electricity and running under heavy losses.

To revive from the losses, the management thought of shifting the unit to a backward area where labour is available at a low cost. The management also asked the workers to work overtime without any additional payment and promised to increase wages of the workers after achieving its mission. Within a short period the company started earning profits because both the management and the workers honoured their commitments.

1. State the principle of management described in the above para.
2. Identify any two values that the company wants to communicate to the society.

(3 marks)

Ans.

1. The principle of management described in the above para is Discipline.

Discipline is the obedience to organizational rules and employment agreement which are necessary for the working of the organization.

1. Values that the company wants to communicate to the society are:
 1. Concern for the environment
 2. Development of backward regions

Q. 18. Kushal Ltd. is a leading automobile company in which the various departments are setting up their own objectives without paying any interest to the organizational objectives.

1. Which aspect of management the company is lacking? What will be its impact on the organization?
2. Identify the principle of management which has been overlooked by this organization.
3. State any two values neglected by the people of this organization. (5 marks)

Ans.

1. The company is lacking 'Coordination'.

Its different departments like production, marketing, etc. do not coordinate their work. In the absence of coordination, there will be overlapping and chaos instead of harmony and integration of activities. The company will fail to achieve its objectives.

1. Subordination of individual interest to general interest.
2. Values:
 1. Mutual cooperation

2. Unity of action
3. Optimum utilization of resources

Q. 19. Telco Ltd. is manufacturing files and folders from old clothes to discourage use of plastic fields and folders. For this, they employ people from nearby villages where very less job opportunities are available. An employee, Harish, designed a plan for cost reduction but it was not welcomed by the production manager. Another employee gave some suggestion for improvement in design, but it was also not appreciated by the production manager.

1. State the principle of management described in the above para.
2. Identify any two values that the company wants to communicate to the society.

(3 marks)

Ans.

1. Initiative. It means eagerness to initiate action without being asked to do so.
2. Values which the company wants to communicate to the society are:
 1. Sensitivity towards the environment
 2. Creation of job opportunities
 3. Development of backward regions.

Q. 20. Khandelwal Ltd., a tyre manufacturing concern has been established for more than ten years. Having made good profits in the past, company wanted to expand further and hence did not declare bonus for the previous year. The workers got agitated and trade union declared strike and demanded bonus and other facilities. The management decided not to give into their demands.

1. Which principle of scientific management is overlooked in the given case?
2. State any two values overlooked/ignored by the management in the above case.

(3 marks)

Ans.

1. Harmony, not Discord
2. Values overlooked are:
 1. Mutual understanding
 2. Empathy
 3. Peace and stability
 4. Law and Order

5. Sense of belongingness (any two)

Q. 21. Hritik is desirous of setting up a small factory to manufacture different kinds of eco-friendly packaging materials. He proposes to adopt a logical approach to his business rather than hit and trial method as he knows that this can result in tremendous saving of human energy as well as wastage of time and materials. He plans to adopt paternalistic style of management in practice in order to avoid any kind of class-conflict that may emerge between him and the workers. Moreover, he plans to seek the opinion of his workers before taking any important decisions and also offers incentives to them for providing valuable suggestions for the business.

In context of the above case:

1. Identify and explain the various principle of scientific management that Hritik plans to apply in his business.
2. List any two values that he wants to communicate to the society by offering eco-friendly packaging material.

Ans.

1. The various principle of scientific management that Hritik plans to apply in his business are described below:
 1. *Science, not Rule of Thumb:*
 2. *Harmony, Not Discord:*
 3. *Cooperation, Not Individualism:*
1. The two values that Harit wants to communicate to the society by offering eco-friendly packaging material are:
 1. Concern for environment
 2. Sense of responsibility

Q. 22. Gaurika has been appointed as the chief organizer of a weeklong cultural event. Being a staunch follower of scientific management, she decides to execute her work by putting into practice the various techniques of scientific management. On the basis of several observations, she is able to determine that the standard time taken by the security officer at the gate to check the credentials of each visitor is 30 seconds. So she decides to employ two persons on this job for every function along with the other necessary support staff. She considers the fact that every day, the functions will take place in three shifts of four hours each, therefore it is important to give breaks to the support staff even in a single shift to take her/his lunch etc. moreover, on introspection, she determines that the best way

to distribute refreshment boxes to the visitors will be to hand it over to them at the exit gate as it would help to save time and eliminate any kind of confusion.

In the context of the above case:

1. Identify and explain the various techniques of work study which have been put into practice by Gaurika.
2. List any two values that Gaurika wants to communicate to the society.

Ans.

1. The various techniques of work study which have been put into practice by Gaurika are outlined below:
 1. *Time Study*:
 2. *Fatigue Study*:
 3. *Method Study*:
1. The two values that Gaurika wants to communicate to the society are:
 1. Optimum utilization of resources
 2. Concern for employees

Q. 23. 'Study Buddy Pvt.' Is company dealing in stationery items. In order to establish standards of excellence and quality in materials and in the performance of men and machines, the company adheres to benchmarks during production. Moreover, its products are available in limited varieties, sizes and dimensions thereby eliminating superfluous diversity of products.

Identify the technique of scientific management which has been adopted by 'Study Buddy Pvt. Ltd.'

Ans. Standardization and Simplification of Work is the technique of scientific management which has been adopted by 'Study Buddy Pvt. Ltd.'

Q. 24. Tina and Anshu completed their MBA and started working in a multinational company at the same level. Both are working hard. Anshu has the habit of backbiting and wrong reporting about his colleagues to impress the boss. All the employees in the organization know about it. At the time of performance appraisal also Tina's performance was rated better than Anshu. Even then their boss decided to promote Anshu stating that being a female, Tina will not be able to handle the complications of higher post.

1. Identify and explain the principle of management that was not followed by this company.
2. Identify the values being ignore.

Ans.

1. Company is violating the "Principle of Equity."
2. The values ignored are
 1. Gender equality
 2. reward for performance
 3. Good human behavior.

Q. 25. In one of his principles, Taylor suggested that job performance should be based on scientific enquiry and not on will/wish or personal intuition of manager?

1. Name that principle.
2. What values can be followed by using this principle?

Ans.

1. Principle of "Science not rule of thumb."
2. If manager is using this technique he can follow the value of objectivity it as when decisions are taken scientifically he cannot be biased.

Q. 26. The production department of Alpha Ltd. was not performing well on detailed analysis, it was observed that the workers of that department were overburdened. They were forced to work for longer hours without any break. So the management planned to replace the production manager. They appointed Mr. Hari as the new Production Manager. He observed the average worker and note down their times. He noted down the time they worked and the time they required to be fresh to join back the work. Based on this observation, he set the break intervals for workers. He gave small breaks to workers to recharge their energy.

1. Name and explain the technique of scientific management used by Mr. Hari.
2. State the value which Mr. Hari wants to communicate to the society by allowing rest intervals to workers.

Ans.

1. Fatigue study.
2. Value of humanity/sympathy/respect towards employees.

Q. 27. In the staff meeting the principal of the school raised objection that teachers start the teacher after 5 to 10 minutes in third floor classes. He warned them as students are complaining about this. The teachers explained the principal that when we climb steps from ground to third floor. We get some tiredness and need 5 to 10 minutes rest before starting the lecture. The principal planned to install a lift in school so that teachers do not waste their energy on wasteful activity of climbing steps.

1. State the techniques of scientific management used by principal.
2. State any other technique of scientific management.

Ans.

1. "Technique of motion study."
2. Other two techniques:
 1. Functional foremanship
 2. Time study.

Q. 28. In a factory the toolbox was kept under the table of every worker, whenever worker needs tools he had to bend tape out tool from tool box and keep it back after use. The newly appointed supervisor observed it and suggested to keep a stool near every worker's chain where toolbox can be placed so that workers do not waste their energy in bending again and again.

1. Which technique of scientific management is used by New Supervisor.
2. State the objective of motion study.

Ans.

1. Motion study.
2. The objective of motion study is to eliminate unproductive movements of workers.

Q. 29. Mr. Mukesh used to manufacture shoes by employing labour who were easily available. When his son after completing his MBA joined the business, he analysed that if we use capital intensive method by using a machine it will reduce the cost and the quality of shoes will also improve.

1. Which technique of Scientific management is used by his son.
2. What is the objective of that technique.

Ans.

1. Method Study
2. Finding the best way of doing thing.

Q. 30. Mr. Kapoor, Finance manager of ABC Ltd. applied for leave to attend a family function in Amritsar. The director of the company requested him to cancel his leave as there is an important meeting schedule on that date. Mr. Kapoor immediately agreed and cancelled his trip as he thought attending meeting is more important for company's benefit.

1. Which principle of Fayol is applied by Mr. Kapoor?
2. Explain that principle.

Ans.

1. Principle of subordination of individual interest to general interest.
2. According to this principle, the interest of organization must supersede the interest of individuals or employees. In the organization all the employees are working with some objective and there is always an objective of organization.

Q. 31. The manager of ABC Ltd. asked his workers to work overtime to increase the production and earn more but he did not paid extra wages to workers for extra time worked. The workers started feeling dissatisfied and stop contributing maximum.

1. Which principle of Fayol is violated in the above case.
2. Explain that principles.

Ans.

1. Principle of Remuneration.
2. According to this principle, the interest of organization must supersede the interest of individuals or employees.

Q. 32. Mr. Rajiv is the owner of 'Laxmi Dairy.' He is producing various milk products. He always tests various ways of producing different products and chooses the best and most economical way of production. He is also very particular about fixing a place for everything

and he makes sure that all the employees are given a fixed place so that there is no wastage of time and delay in production.

1. Which technique of scientific management is applied by Mr. Rajiv?
2. Which principle of Henry Fayol is followed by him?

Ans.

1. Method Study
2. Principle of order

Q. 33. Mr. Rajiv the senior manager of Unique enterprise considered himself very wise and used to take all the decisions himself without consulting the employees, he never used to help any one nor he used to take help of anyone. The employees of unique enterprise were not working efficiently and company's profit margin started declining to tackle the problem, the company appointed a new manager from IIM Bangalore. The new manager after joining made a policy that all the decisions will be taken after consulting employees in the meeting. All employees must give some suggestions and best suggestions will be rewarded with financial and nonfinancial incentives. This policy had a very positive effects on company.

1. State the principle of Hencry Fayol used by new manager.
2. State the technique of scientific management related to above case.

Ans.

1. Principle of initiative.
2. "Cooperation not individualism."

Q. 34. In a school principal makes sure that every instruction, order or information given by him must be passed to vice-principal then Head of the department and then to teachers and students must be informed by respective teachers only. He never allows teachers to directly communicate with him.

1. Stat the Principle of Henry Fayol followed by the school principal.
2. In case of emergency which concept of Scalar Chain can be used by teacher to pass urgent message directly to principal.

Ans.

1. Scalar Chain.
2. Gang-plank.

Q. 35. Pawan is working as a Production Manager in CFL Ltd. which manufactures CFL bulbs. There is no class-conflict between the management and workers. The working conditions are very good. The company is earning huge profits. As a policy, the management shares the profits earned with the workers because they believe in the prosperity of the employees.

1. State the principle of management described in the above paragraph.
2. Identify any two values which the company wants to communicate to society.

Ans.

1. The principle of management described in the above paragraph is 'Harmony, not discord'.
2. The two values that the company wants to communicate to the society are:
 1. Prosperity
 2. Sharing

Q. 36. The principles of Taylor and Fayol are mutually complementary. One believed that management should share the gains with the workers while the other suggested that employees' compensation should depend on the earning capacity of the company and should give them a reasonable standard of living.

Identify and explain the principles of Fayol and Taylor referred to in the above paragraph.

Ans.

The principles of Fayol and Taylor referred to in the above paragraph are 'Remuneration of employees' and 'Harmony, Not Discord'.

1. *Remuneration of Employees:*
2. *Harmony, not Discord:*

Q. 37. The principles of Taylor and Fayol are mutually complementary. One believed that management should not close its ears to constructive suggestions made by the employees while the other suggested that a good company should have an employee suggestion system whereby suggestions which result in substantial time or cost reduction should be rewarded.

Identify and explain the principles of Taylor and Fayol referred to in the above paragraph.

Ans. The principles of Fayol and Taylor referred to in the above paragraph respectively are 'Initiative' and 'Cooperation and Not Individualism'.

1. *Initiative:*
2. *Cooperation and Not Individualism:*

Q. 38. Hina and Harish are typists in a company having the same educational qualifications. Hina gets Rs. 3,000 per month and Harish gets Rs. 4,000 per month as salaries for the same working hours. Which principle of management is being violated in this case? Name and explain the principle.

Ans. The principle of Equity has been violated in this case. It emphasizes kindness and justice in the behavior of managers towards workers. No discrimination should be made by them on the basis of caste, creed, gender or otherwise.

Q. 39. Rajveer works as a plant superintendent in a carpet making factory. In order to complete the export orders on time, the production manager asks him to make the workers work over time whereas the finance manager is strictly against this practice because it will increase the cost of production. Moreover, Rajveer feels that since the company is manufacturing handmade carpets as well as machine made carpets there is a lot of overlapping of activities. Therefore, there should be two separate divisions for both of them wherein each division should have its own in charge, plans and execution resources.

In context of the above case:

1. Identify and explain the principle of management which is being violated.
2. Also identify the principle of management that Rajveer feels should be implemented in the factory.
3. Give any two differences between the principle of management as identified in part (a) and part (b) respectively.

Ans.

The principle of management which is being violated is stated below:

1. *Unity of command:*
2. *Unity of direction:*
3. The difference between the principle of Unity of Command and Unity of Direction is given below:

Q. 40. Gurpreet is running a retail mart in Varansi to provide various types of products of daily use under one roof to the buyers. The employee turnover in his business is very high and he is perpetually on a look out for new staff. The fact of the matter is that he lacks managerial skills and assigns work to his employees on adhoc basis without letting them settle down in a specific work. This approach of his creates a sense of insecurity among the employees and they tend to leave the job very quickly. However, he is a very god fearing person and offers fair wages to his employees so they can afford a reasonable standard of living.

In context of the above case:

1. Identify and explain the principle of management which Gurpreet is unable to apply and is perpetually on a look out for new staff.
2. "He is a very god fearing person and offers fair wages to his employees so they can afford a reasonable standard of living." Name and explain the relevant principle of management will have been brought into effect by Gurpreet.

Ans.

1. *Stability of Personnel;*
2. *Remuneration of Employees:*

Q. 41. After finishing her BBA degree course, Tanya gets a job of Assistant Manager in a retail company through the reference of her cousin Taruna who works in the same company as a Senior Manager. Taruna decides to guide Tanya through her experience by making her aware of the important facts about management in practice. She tells her that neither the principles of management provide any readymade, straitjacket solutions to all managerial problems nor they are not rigid prescriptions, which have to be followed absolutely.

In context of the above case:

1. Identify the two features of principles of management mentioned in the above paragraph by quoting lines from the paragraph.
2. Why do the principles of management not provide readymade, straitjacket solutions to all managerial problems?

Ans.

1. The two features of principles of management mentioned in the above paragraph are as follows:
 1. *General guidelines:*
 2. *Flexibile:*
1. As the real business situations are very complex and dynamic and are a result of many factors, the principles of management not provide readymade, straitjacket solutions to all managerial problems.

Q. 42. Raj and Simran are both qualified eye surgeons and good friends. After obtaining a certificate of practice, they decide to persue a career of their own choice. Raj starts an eye care centre in the city whereas Simran joins a government hospital in a small village. They meet after a long time in a party. Raj invites Simran to visit his eye care centre and she accepts his invitation. She observes at his clinic that there is a fixed place for everything and everyone and it is present there so that there is no hinderance in the activities of the clinic. Also, Raj always tends to replace 'I' will 'We' in all his conversations with the staff members. Later on Raj shares with her that he always deals with lazy staff sternly to send the message that everyone is equal in his eyes.

In context of the above case:

1. Identify and explain the various principles of management that Raj is applying for the successful management of his eye care centre.
2. List any two values that Simran wants to communicate to the society by taking up a job in a village.

Ans.

1. The various principles of management that Raj is applying for the successful management of his eye care centre are described below:
 1. *Order:*
 2. *Spirit de Corps:*
 3. *Equity:*
1. The two values that Simran wants communicate to the society by taking up a job in a village are:
 1. Humanity
 2. Concern for poor

Q. 43. Anshul owns a small scale factory where utility items are prepared from waste material like paper mache items, paper and cloth bags, decorative material etc. over the

past few weeks, he was observing that the productivity of one of his very efficient worker, Ramdas, is going down. So he decides to probe into the matter and confronts Ramdas one day. On being asked, Ramdas shares with Anshul that he has deliberately slowed down in his work as many of the less efficient workers often pull his leg saying that there is no need for him to be more efficient when everybody is being paid at the same rate. Taking a lesson from this insight, Anshul decides to implement an incentive bonus plan so as differentiate between efficient and inefficient workers.

In context of the above case:

1. Name and explain the incentive bonus plan that Anshul may implement so as differentiate between efficient and inefficient workers.
2. State any two values that Anshul wants to communicate to the society by setting up a special type of business.

Ans.

Differential Piece wage System is the incentive bonus plan that Ashul may implement so as differentiate between efficient and inefficient workers.

Q. 44. Swaraj is running an office furniture showroom. Most of his clients are businessmen and they prefer to buy goods on credit. Keeping this in mind, he has given the power to the sales manager, Mr. Bhardwaj, to offer a credit period of only 20 days, while negotiating a deal with a buyer. On a specific day, Mr. Bhardwaj finds that if he can offer a credit period of 30 days as an exception to a prospective buyer, he is likely to finalize a highly profitable deal for the business. So Mr. Bhardwaj requests Swaraj to grant him additional authority for offering a credit period of 30 days in the interest of the business. But swaraj refuses to extend his authority and as a result, the deal is not finalized.

In context of the above case:

1. Can Mr. Bhardwaj be held responsible for loss of the deal? Why or why not? Give a suitable reason in support of your answer.
2. Also, explain the related principle.

Ans.

1. No, Mr. Bhardwaj cannot be held responsible for loss of the deal in the above case as he was not given the necessary authority to carry out his responsibility. There is an imbalance in authority and responsibility.
2. The name of the related principle is Authority and Responsibility.

