



Biyani Girls College
I Internal Examination 2019-20
BBA (I Year)
Subject- Business Management

Time: 1.30 Hrs.

Set: A

MM: 40

[I] Multiple Choice Questions

(10*1=10)

- 1) Which of the following is not a function of management?
a) Planning b) Staffing c) Co-Operation d) Controlling

Ans (c) Co-operation

- 2) Management is
a) An art b) A science c) Both art & science d) Neither

Ans (c) Both art & science

- 3) Policy formulation is the function of
a) Top level management b) Middle level management
c) Operational management d) All of the above

Ans (a) Top level management

- 4) Find the odd one out
a) BOD b) Chief Executive
c) Foremen d) Shareholders

Ans (c) Foremen

- 5) How are principles of management formed
a) In a laboratory b) By experiences of management
c) By experiences of customers d) By propagation of social scientists

Ans (b) By experience of management

- 6) Management should find ' One best way ' to perform a task. Which technique of Scientific management is defined in this sentence
a) Time study b) Motion study c) Fatigue study d) Method study

Ans (d) Method study

- 7) Which of the following best describe 'Mental revolution '
a) It implies change of attitude
b) The management workers should not play the game of one upmanship
c) Both management and workers require each other
d) Workers should be paid more wages

Ans (a) It implies change of attitude

- 8) Top management is concerned with
- (a) Carrying suggestions upwards
 - (b) Maintaining liaison with the outside world
 - (c) Transmitting orders downwards
 - (d) None of these

Ans (c) Transmitting orders downwards

- 9) Management is called a process because.....
- (a) It is applicable to the manufacturing process
 - (b) It is relevant for social organization
 - (c) It involves a series of action
 - (d) All of above

Ans (c) It involves a series of action

- 10) The possibilities of inadequate profits or even losses due to uncertainties are known as
- (a) Business contingencies
 - (b) Business risks
 - (c) Business ventures
 - (d) None of these

Ans (b) Business risks

[II] Long type Questions:

(10*3=30)

- 1) What is Business. Explain the role or importance of business organization.
Business may be understood as the organized efforts of enterprise to supply consumers with goods and services for a profit. Businesses vary in size, as measured by the number of employees or by sales volume. But, all businesses share the same purpose: to earn profits. Modern business is dynamic. If there is any single word that can best describe today's business, it is change. This change makes the companies spend substantially on Research and development (R & D) to survive in the market. Mass production and mass marketing are the norms followed by business enterprises.

Large organizations, with a large workforce will not exist. They will be 'Mini' organizations. Business during the 21st century will be knowledge-based, tomorrow's manager need not spend his time on file pushing and paper-shuffling. Information technology will take care of most of that work. Organizations will become flat. Linear relationship between the boss and manger and authority flowing downwards and obedience upward will disappear. Employees will have no definite jobs. Most of the jobs will last for two to five years. Remuneration will depend on one's contribution to organization.

Importance of Business Organization

1. **Products Growth.** All business activities directed towards the production of goods and services in betterment of business organization.
2. **Efficient Use of Resources.** Organizations play a vital role in the efficient use of factors of productions and other resources and thus reduced the cost of production of goods.
3. **Technological Improvements.** A good organization provides for the optimum use of technologies improvements.
4. **Creative thinking.** It stimulates independence creative thinking in various departments of production.

5. **Use of skilled salesman.** Another importance of business organization is that it is very useful in providing skilled salesmanship for satisfying the various needs of the customers.
6. **Quick decisions.** The business organization makes easy to take quick decisions.
7. **Recognition of the problem.** The recognition of the problem, selection of the solution, issuing of the necessary orders can be taken in the right time.
8. **Fixing of responsibility.** One of the most important things of business organization is that fixing of responsibility can easily be pin pointed.
9. **Feed back.** An organization makes it possible to take decisions in the right time about production and thus may take feedback. Before making any decision organization always research the market and combine the facts.

2) Write note on

- A Sole proprietorship: Sole Proprietorship in simple words is a one-man business organisation. It is the type of entity that is fully owned and managed by one natural person (not a legal person/entity) known as the sole proprietor. The business and the man are the same, it does not have a separate legal entity. A sole proprietorship usually does not have to be incorporated or registered. It is the simplest form of business organisations and the ideal choice to run a small or medium scale business. A sole proprietorship is the easiest type of business to establish or take apart, due to a lack of government regulation. As such, sole proprietorships are very popular among individual self-contractors, consultants or small business owners. Many sole proprietors do business under their own names because creating a separate business or trade name isn't necessary.
- B Partnership: In India, we have a definite law that covers all aspects and functioning of a partnership, The Indian Partnership Act 1932. The act also defines a partnership as “the relation between two or more persons who have agreed to share the profits from a business carried on by either all of them or any of them on behalf of/acting for all” So in such a case two or more (maximum numbers will differ according to the business being carried) persons come together as a unit to achieve some common objective. And the profits earned in pursuit of this objective will be shared amongst themselves. The entity is collectively called a “Partnership Firm” and all the individual members are the “Partners”. A partnership is a formal arrangement by two or more parties to manage and operate a business and share its profits. There are several types of partnership arrangements. In particular, in a partnership business, all partners share liabilities and profits equally, while in others, partners have limited liability. There also is the so-called "silent partner," in which one party is not involved in the day-to-day operations of the business.

3) Define Management. Explain its characteristics or nature of management

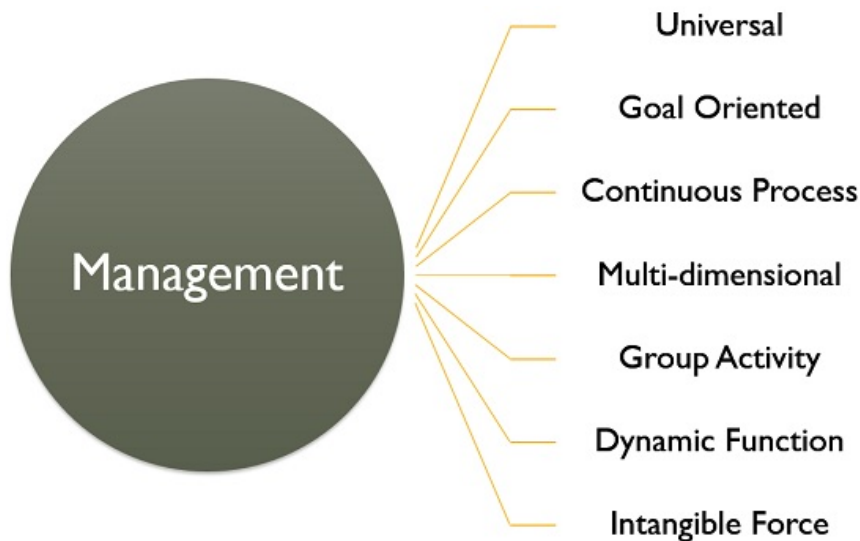
Ans. In today's world of complex and fast internationalization of business, most companies are going global. Unless they are effectively managed, they cannot survive in the fast changing international business environment. Management helps in doing and getting things done through others. It is the process that optimises human, material and financial resources of the organisation for effective achievement of its goals. The process involves a series of actions (functions) by managers, optimisation refers to getting maximum output (goods and services) out of minimum inputs (men, materials,

money, machine etc.) and goals are the results or ends that managers and other stakeholders (shareholders, consumers, suppliers, workers etc.) wish to achieve.

Terry and Franklin- "Management is a distinct process consisting of activities planning, organising, actuating and controlling, performed to determine and accomplish stated objectives with the use of human beings and other resources."

Koontz and Weihrich- "Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims."

Characteristics or nature of management



- **Universal:** All the organizations, whether it is profit-making or not, they require management, for managing their activities. Hence it is universal in nature.
- **Goal Oriented:** Every organization is set up with a predetermined objective and management helps in reaching those goals timely, and smoothly.
- **Continuous Process:** It is an ongoing process which tends to persist as long as the organization exists. It is required in every sphere of the organization whether it is production, human resource, finance or marketing.
- **Multi-dimensional:** Management is not confined to the administration of people only, but it also manages work, processes and operations, which makes it a multi-disciplinary activity.
- **Group activity:** An organization consists of various members who have different needs, expectations and beliefs. Every person joins the organization with a different motive, but after becoming a part of the organization they work for achieving the same goal. It requires supervision, teamwork and coordination, and in this way, management comes into the picture.
- **Dynamic function:** An organization exists in a business environment that has various factors like social, political, legal, technological and economic. A slight change in any of these factors will affect the organization's growth and performance. So, to overcome these changes management formulates strategies and implements them.
- **Intangible force:** Management can neither be seen nor touched but one can feel its existence, in the way the organization functions.