

O.C.M.
Justify The Following
(Question Bank Solution)

1. Planning is the first function of management.

Ans:

- I. Planning refers to detailed programme of future courses of action.
- II. It includes deciding the things to be done in advance.
- III. All other functions of management are based on planning.
- IV. Unless the plan is ready, other management functions such as organising, staffing etc. cannot be undertaken.
- V. Hence, it is the basic & first function of the management process.

2. Organising facilitates administration as well as operation of the organisation.

Ans:

- I. Organizing is the process of identifying, bringing the required resources together comma grouping and arranging them properly for achieving the objectives.
- II. Firstly organizing involves identifying various activities and grouping them together.
- III. Grouping and assigning activities the task of administration.
- IV. It also involves processing the activities is an operational activity
- V. Thus, organizing facilitates administration as well as operation of the organization.

3. Entrepreneur must be a good communicator.

Ans:

- I. An entrepreneur needs to communicate with customers, suppliers, creditors, employees, etc.
- II. He must be able to express his ideas and strategies effectively in order to succeed.
- III. The entrepreneur also has to motivate the employee so that the business grows overall.
- IV. It is necessary that there is a proper understanding between the sender and the receiver of a message.
- V. Hence, the entrepreneur must be able to communicator.

4. Entrepreneur must be an innovator

Ans:

- I. The entrepreneur introduces new combinations of means of production.
- II. He must introduce new products or bring changes in the existing products.
- III. Customers are satisfied only when new products or new features and existing products are introduced.
- IV. Innovation is also necessary to solve problems that arise in business.
- V. Hence, an entrepreneur must be an innovator.

5. Coordination between different functions of management is the essence of organisational success.

Ans:

- I. Coordination refers to the integration and synchronization of the group efforts.
- II. It provides unity of action for organizational goals.
- III. It also binds all other functions of management together.

- IV. It harmonizes a different elements and efforts of organization in order to ensure smooth flow of organizational activities and to achieve the common objectives.
- V. Hence, coordination between different functions and all levels of employees the essence of organizational success.

6. Principle of equity is important.

Ans:

- I. Principle of equity is one of the 14 principles of management suggested by Henry fuel.
- II. According do this principal management should be fair as well as friendly to the subordinates.
- III. While allocating any work, delegating the authorities, delegating the monetary terms etc, they should not be any discrimination between the employees.
- IV. Further the salary/wages of employees working at the same level should be same even though they belong to different departments.
- V. This Equity will help in avoiding conflicts in the organization.
- VI. Thus, the principle of equity is important.

7. Principles of management are flexible in nature.

Ans:

- I. The principles of management can be changed or modified according to the situation and need of the organization.
- II. Managers can be flexible while implementing principles to suit the requirement.
- III. They act as guidelines to managers and are not in the form of a law which is to be followed as it is.
- IV. Thus, principal the management of flexible in nature.

8. Warehousing is important.

Ans:

- I. Warehousing is a group of activities connected with the storing and preserving of stored goods from the time of production till the time of consumption.
- II. It is one of the important Services which support business activities.
- III. It performs a wide range of functions such as price stabilization, risk bearing, Financing, grading and packing, transportation processing etc.
- IV. Warehousing also creates time and place utility.
- V. Hence, warehousing is important.

9. Business services are necessary.

Ans:

- I. Services are intangible in nature.
- II. They are neither manufactured not transported nor stocked.
- III. Since Services cannot be stored for the future use they are produced and consumed simultaneously.
- IV. Unlike Goods no transfer of possession or ownership takes place within services are sold.
- V. Sometimes it may be difficult to identify Services since they are closely associated with Goods.

10. Outsourcing is important

Ans:

- I. Outsourcing in the process of contracting business function or specific business activities to specialized agencies.
- II. The need for outsourcing can be explained as follows:

- a) The services all over the world are becoming highly specialized.
- b) So you need a job in my email that is a need for finely tuned skills to provide most of the specialized services.

11. Expectations of society towards business organisations are changing.

Ans:

- I. Society's expectation from business firms have undergone drastic change over time.
- II. Earlier businesses were viewed just as provider of goods and services.
- III. Now they act as a responsible citizen besides providing goods and services.
- IV. Businesses are also expected to contribute towards social welfare.
- V. Hence, expectation of society towards business are changing.

12. Business organisations have responsibilities towards different interest groups.

Ans:

- I. Social responsibility of business implies the obligation of the management to protect the interest of society.
- II. No, business existing isolation. Every organ of the society contributes towards the success of business.
- III. So, it becomes important that business should do something for the society in return.
- IV. The commitment to society is important along with the motive of maximizing profit
- V. Hence, business organizations are said to have certain responsibilities.

13. Consumers are protected with various rights.

Ans:

- I. The consumer is the one who consumes or uses any commodity or service available from any natural resources or through a market.
- II. On 15th March 1962 the president of United States of America JF. Kennedy declared certain rights of consumers and therefore it is observed as the World Consumers Rights Day.
- III. Consumer rights protect consumers from being cheated by salesman manufacturer and shopkeeper.

14. CPA has set up various consumer dispute redressal forums at various levels.

Ans:

- I. The consumer protection act came into existence in the year 1986.
- II. This act prescribe the right of the consumers.
- III. It also provides three attire a quasi judiciary Machinery to solve consumer grievances.
- IV. The provision in the ACT safe got the consumer from exploitation by sellers.
- V. Hence, consumer protection act is blessing for consumer.

15. Role of NGOs is important in consumer protection

Ans:

- I. To organize campaigns and various programmes on consumer issues to create social awareness.
- II. To organize training programmes for the consumers and make them conscious of their rights and modes of redressal of their grievances.
- III. To publish periodicals to enlighten the consumers about various consumer related developments.
- IV. To provide free legal advice to members on matters of consumer interest and help them to take up grievances.
- V. To interact with businessmen and Chambers of Commerce and Industry for ensuring a better

deal for consumers.

- VI. To file Public Interest Litigation on important consumer issues, such as ban on a product injurious to public health.

16. Marketing is significant to consumers.

Ans:

- I. Marketing helps to create awareness about the product among the consumers and helps them in decision making.
- II. It creates a moral pressure on the business to provide quality Goods to the consumers.
- III. It ensures that business is provide variety of goods to cater to the needs of different market segments.
- IV. Marketing takes every effort to satisfy the customer.
- V. It helps to maintain a balance between demand and supply.
- VI. Hence, marketing is significant to the consumers.

17. Promotion plays an important role in marketing.

Ans:

- I. Promotion is an important tool of marketing as it creates brand recognition and sales.
- II. It helps to create awareness about the product among the consumers.
- III. It conveys features of the product to potential buyers and induces them to buy it.
- IV. Promotion mix includes tools such as advertising, direct Marketing, sales, promotion, personal selling etc.
- V. Hence, promotion plays an important role in marketing

2) Management principles are helpful in optimum utilization of resources.

Answer:

- a) In every organization two types of resources are used i.e. physical resources (material, machines, money etc.) and human resources (manpower).
- b) The basic function of management is to make proper balance between these resources by putting them to optimum use and control on wastage of resources.
- c) While maintaining discipline and healthy working environment, management always uses techniques and principles.
- d) It helps in establishing a cordial relationship between management and employees which increases the efficiency level of employees and also affects effective administration.
- e) Therefore, management principles are helpful in optimum utilization of resources.

3) Principle of equity is important.

Answer:

- a) Management should be fair as well as friendly to the subordinates.
- b) While dividing the work, delegating the authorities, deciding the monetary terms, etc. there should not be any discrimination between the employees.
- c) It is also suggested that the remuneration should not depend on the department but at the level on which subordinates are working.
- d) The employees working on the same level but in different departments should be paid same wages. This equity will help in avoiding conflicts in the organisation.
- e) Therefore, the Principle of equity is important.

4) Taylor emphasized on standardization of tools and equipment.

Answer:

- a) Taylor's management theory is based on scientific experiments. This theory involves the application of scientific approach to decision making and solving them at the same time.
- b) With the result of experiments conducted at workplace, Taylor advocated standardization of tools and equipments.
- c) Standardized working environment and methods of production help to reduce spoilage and wastage of material, cost of production, fatigue among the workers and it improves quality of work.
- d) Therefore, Taylor emphasized on standardization of tools and equipment.

5) Differential piece wage rate plan is necessary.

Answer:

- a) Remuneration should be fixed in such a way that average worker is motivated to attain a standard output.
- b) Taylor suggested the differential piece-wage system. Higher rates are offered to employees who complete the work more than the standard quantity under this system.
- c) On the other hand if an employee is performing below the standard; he shall be given lower rate of wages.
- d) This technique motivates the employees to attain higher standard performance and earn wages i.e. remuneration at a higher rate.
- e) Thus, a Differential piece wage rate plan is necessary.

1) Planning is the first function of management.

Answer:

- a) Planning is the basic and first function of management.
- b) Every function of management is based on planning.
- c) It includes deciding the things to be done in advance. Planning is an intellectual process of logical thinking and rational decision-making.
- d) Designing proper planning and implementing accordingly is the key for achieving the objectives of an organization.
- e) Unless the plan is ready, other management functions such as organizing, staffing, etc. cannot be undertaken. thus, planning is the first function of management.

2) Controlling is the last function of management.

Answer:

- a) Controlling is a function of comparing the actual performance with the predetermined standard performance. b) It measures deviation, if any, identifies the causes of deviation, and suggests corrective measures.
- c) The process of controlling help in the formulation of future plans also.
- d) The effectiveness of the planning function can be determined with the function of controlling.
- e) The function of management ends with controlling.
Thus, Controlling is the last function of management.

3) Organizing facilitates the administration as well as operation of the organization.

Answer:

- a) Organizing process leads to identifying and too group the activities.
- b) Grouping and assigning the activities is the task of administration whereas processing according to it is operational activity.
- c) Due to a proper grouping of the tasks and the employees, there is an increase in production and a reduction in wastage.
- d) Duplication of work is restricted and effective delegation becomes possible.
- e) Thus, organizing facilitates administration as well as operation of the organization.

4) Right person at right job with right pay is the basic principle of staffing.

Answer:

- a) The need of staffing arises since the initial period of organization.
- b) Due to promotion, transfer, business expansion, retirement, resignation, accidents, death of employee, etc. vacancies are created in organization.
- c) In this context, staffing function plays very important role in an organization.
- d) Thus, Right person at right job with right pay is the basic principle of staffing.

5) Co-ordination between different functions and all levels of management is the essence of organizational success.

Answer:

- a) Co-ordination between different functions and all levels of employee is the essence of organization success.
- b) It is an integration of different activities· which is essential for their smooth flow.
- c) It establishes harmony among all the activities of an organization in achieving desired goal.
- d) In an organization, a number of persons are working together to achieve a common goal. Their work is closely linked with each other.
- e) Therefore, it becomes necessary to bring together the group efforts and harmonize them carefully.

1) Marketing is significant to the consumers.

Answer:

- a) Marketing creates awareness among the consumers. It helps the consumer in making a buying decision.
 - b) Marketing creates moral pressure on businesses to provide quality goods to the consumers.
 - c) Marketing ensures businessmen provide a variety of goods to cater to the needs of the different market segments of the consumers.
 - d) Marketing helps the consumer to choose the best products and services from the different options available.
 - e) Marketing leads to consumer satisfaction through honest advertising, assurance of quality products, and availability of innovative products.
 - f) It helps to maintain the balance between demand and supply. It results into stable prices.
- Thus, marketing is significant to the consumers.

2) Promotion plays an important role in marketing.

Answer:

- a) Promotion is the process of informing the consumers about the products, their features, uses, prices, etc, and encouraging them to buy these products.
 - b) Advertising, Personal selling, Publicity, and Sales Promotion are some of the important tools of promotion.
 - c) Business uses a combination of all or some of these four methods for promotion as per the need of the business.
 - d) Promotional activities help to increase brand awareness in the market.
 - e) Promotion is an important element of marketing as it creates brand recognition and sales.
- Thus, promotion plays an important role in marketing.

3) Market can be classified on the basis of competition.

Answer:

The market can be classified on the basis of competition as follows

a) Perfect Market

A perfect market is a market where a large number of buyers and sellers buy and sell their homogeneous products. These buyers and sellers have perfect knowledge about market conditions and therefore, one single price prevails in the market.

b) Imperfect Market

An imperfect market refers to a market situation that is characterized by market imperfection such as a single seller, adjustment in demand and supply, imperfect knowledge on the part of buyers or sellers, etc. Imperfect markets are further divided into the following markets :

1) Monopoly: In a monopoly, there is a single producer or seller who controls the market. There are no close substitutes for the product. Monopoly controls the supply and can fix the price.

2) Duopoly: In a duopoly, there are two sellers, selling either a homogeneous product or a differentiated product. These two sellers enjoy a monopoly in the sale of the product produced by them.

3) Oligopoly: In an oligopoly, there are only a few sellers. They may be producing and selling either a homogeneous or a differentiated product.

4) Monopsony: Monopsony refers to a market situation when there is a single buyer of a commodity or service.

4) Marketing helps in increasing consumer awareness.

Answer:

- a) Through different marketing activities companies promote their products and services.
- b) This helps consumers to know about different products and services available in the market.
- c) Marketing helps the consumer in making a buying decision.
- d) It also creates awareness among the consumers about different brands and features of the product available in the market.
- e) Consumer can compare product features, price, availability, and other essentials because of marketing. Marketing helps to improve the quality of life of the consumer.

Thus, marketing helps in increasing consumer awareness.

5) There is a need of branding to get recognition among the consumers.

Answer:

- a) Every businessman wants to have a special identity in the market for his product.
- b) Branding is a process of giving a special identity to a product through a unique brand name to differentiate it from competitors' products.
- c) In simple words giving of a distinct name to one's product is called as branding. Registered brands are known as Trademarks.
- d) Trademarks can not be copied.
- e) Branding helps to get recognition among the consumers. It can help to get new business and increase brand awareness in the market.