

**Biyani's Think Tank**  
*Concept based notes*  
**Functional Management**  
*B.Com. Part-III*

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## Preface

I

am glad to present this book, especially designed to serve the needs of the students. The book has been written keeping in mind the general weakness in understanding the fundamental concept of the topic. The book is self-explanatory and adopts the “Teach Yourself” style. It is based on question-answer pattern. The language of book is quite easy and understandable based on scientific approach.

Any further improvement in the contents of the book by making corrections, omission and inclusion is keen to be achieved based on suggestions from the reader for which the author shall be obliged.

I acknowledge special thanks to Mr. Rajeev Biyani, *Chairman* & Dr. Sanjay Biyani, *Director (Acad.)* Biyani Group of Colleges, who is the backbone and main concept provider and also have been constant source of motivation throughout this endeavour. We also extend our thanks to Biyani Shikshan Samiti, Jaipur, who played an active role in co-ordinating the various stages of this endeavour and spearheaded the publishing work.

I look forward to receiving valuable suggestions from professors of various educational institutions, other faculty members and the students for improvement of the quality of the book. The reader may feel free to send in their comments and suggestions to the under mentioned address.

**Author**

## Section-A

# Human Resources

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**Q. 1. What do you mean by Human Resources Management? Briefly, discuss the nature and importance of Human Resources Management?**

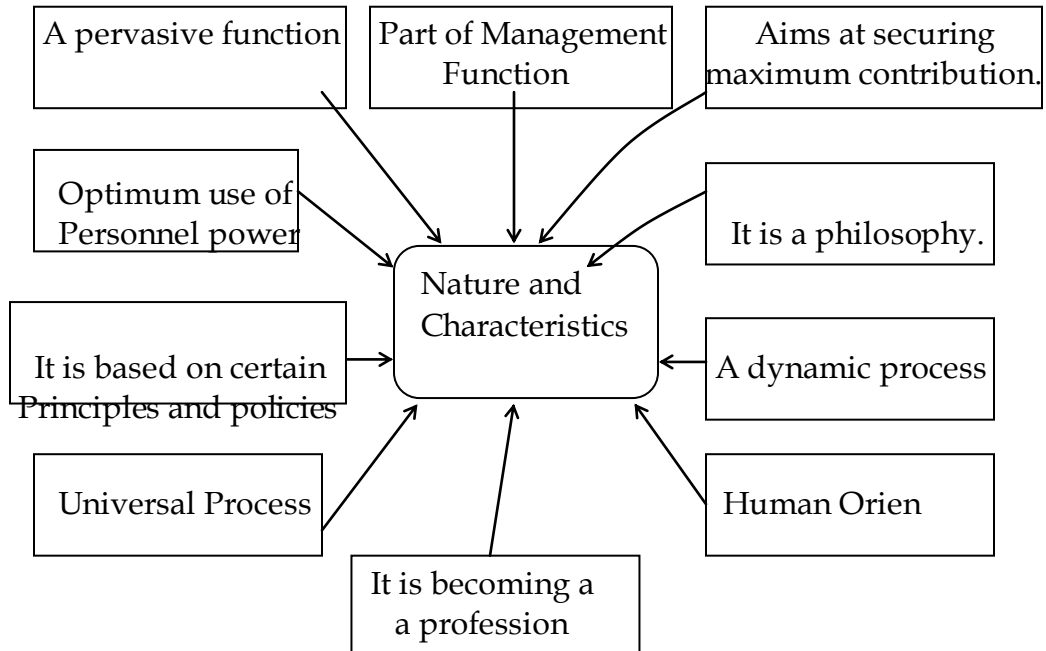
**Ans:** Human Resources Management is a function of management with the primary objectives of ensuring that every employee makes his fullest contribution to the achievement of the objectives of business.

**George R. L Terry observes;** - "Human Resources Management is concerned with the obtaining and maintaining of a satisfactory and satisfied work force".

In the words of **"Edwin B. Flippo,** "Personnel Management/Human Resources Management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration and maintenance of people for the purpose of contributing to organization goals.

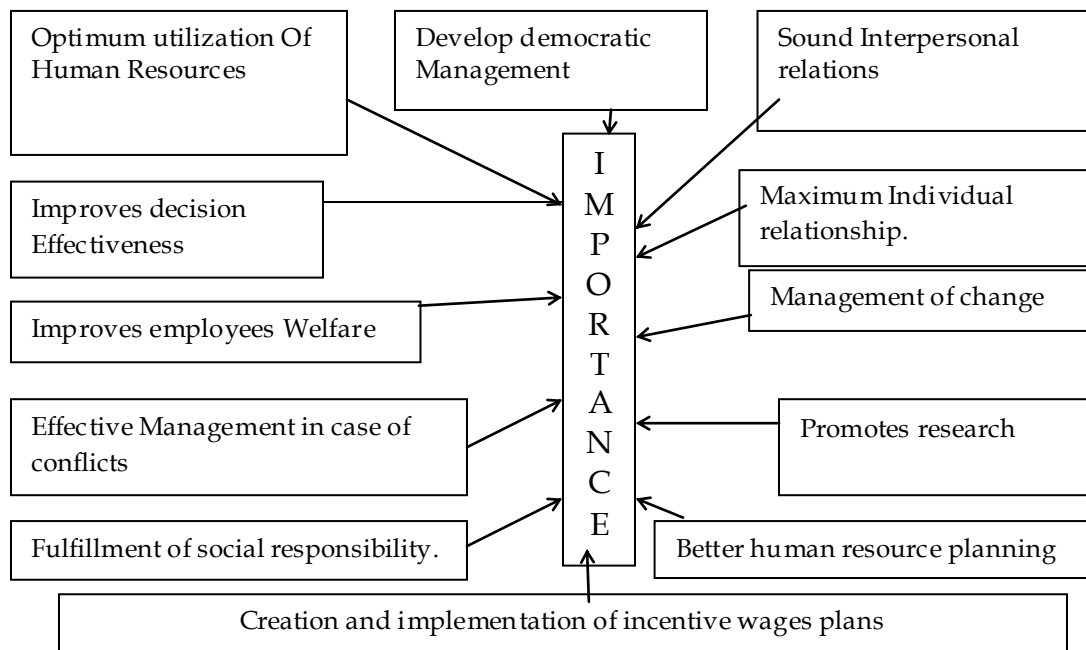
In the words of **Pigars and Myeres** "Personnel Administration is a method of developing the potentialities of employee that they get maximum satisfaction out of their work and give best efforts to the organization".

Thus personnel management is the part of the Management function which is concerned with the people at work. It aims at calculating the people at work with the activities necessary to achieve the organizational goals.



**Need and importance of Personnel Management**

The needs and importance of personnel management in modern organization can be enumerated as below:-



**Q.2. Explain various functions of Human Resources Management?**

**Ans.** Broadly speaking, personnel management functions may be classified into two categories namely:

- i) Managerial Functions and
- ii) Operative Functions

I. **Managerial Functions:-** A brief description of various managerial functions is given below:

- Human Resource Planning
- Organizing
- Motivation
- Controlling

II. **Operative Functions:-** Important operative functions of personnel Management are as follows:

- Procurement (Recruitment and selection)
- Job Analysis and design
- Performance appraisal functions
- Employee training and development
- Wage and salary administrations
- Employee welfare
- Maintenance
- Discipline
- Labor relations
- Personnel Research
- Personnel Record
- Public Relations

**Q.3. Write a short note on organization of Personnel Department.**

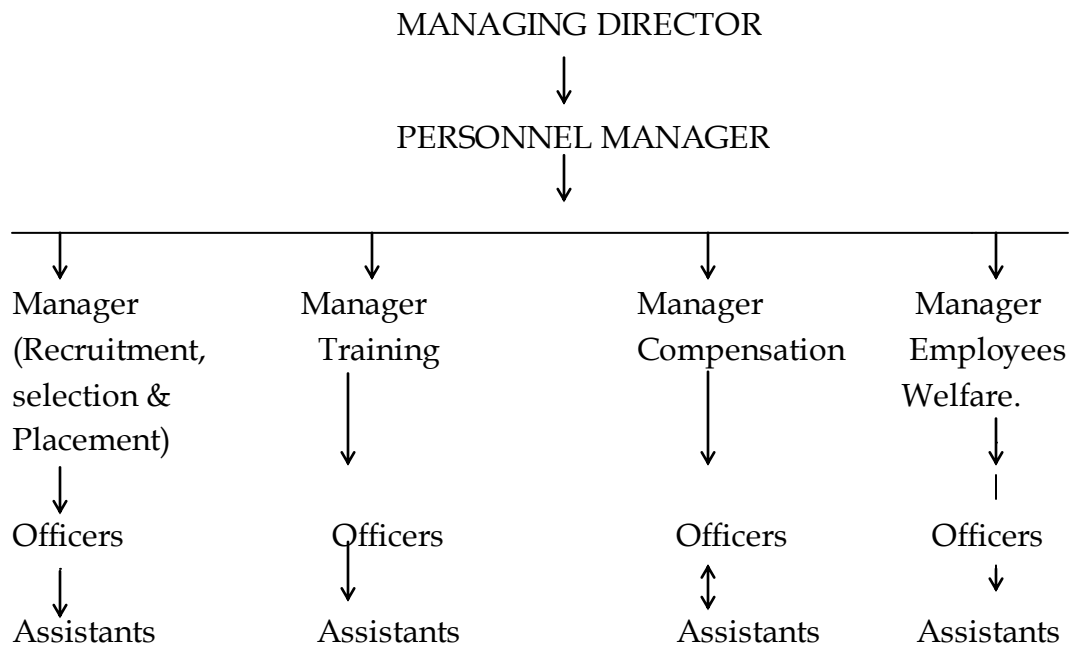
**Ans.** The internal organization structure of the personnel department varies widely depending upon the nature and size of enterprise, its philosophy and its external environment. On the basis of that, we come out with your type of organization :-

- i) Personnel department and Line Managers.
- ii) Personnel Department in Functional organization.
- iii) Personnel Department in line and staff organization.
- iv) Personnel department in Matrix organization.

**(1) Personnel Department and Line Managers:-**

- (i) In Line organizations, authority flows in straight line from top to the bottom and every supervisor has direct command over his immediate subordinate. Every employee is accountable to one superior, that is, there is unity of command.
- (ii) The authority relationships are clear and there is strict discipline.

- (iii) There is only disadvantage that there is lack of socialization and flexibility.



#### **Personnel Department in Functional Organization:-**

In functional structure call, activities in a company are grouped according to certain functions like production, Finance, personnel, marketing etc.

Every functional is put under the charge of a functional specialist and the functional head performs a specialized function for the company.

#### **Advantages:**

- 1) Functional organization provides advantages of specialization.
- 2) Every operating executive manager carefully concentrates on his function and gets experts advice and assistance.

#### **Disadvantages:**

The major drawback is that:

- 1) The line of authority is not clear.
- 2) In the absence of unity of command, coordination and control are affected.



**Personal Department in line and staff organization:-**

The line and staff structure was evolved to combine the advantages of both line organization and functional organization under it staff positions are attached to Line Executives. Line and staff organization is more appropriate to large enterprise. Line executives can avail of the expert advice and help of staff. But there can be conflicts between line and staff experts.

In a large organization, where, a personnel department which acts generally in advisory capacity and is not responsible for the result which emanates from the advice given.

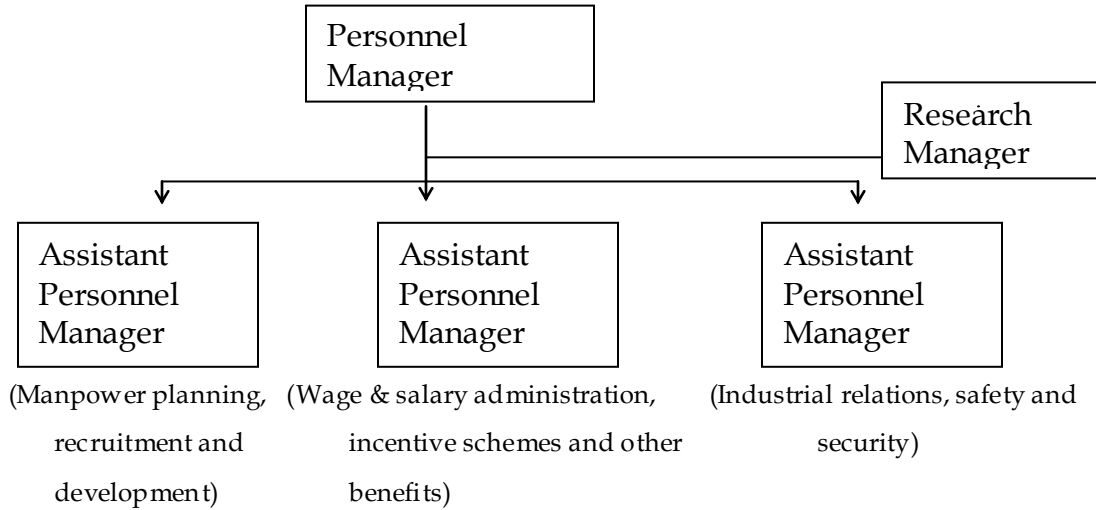
**Responsibility of Personnel Department:**

The Personnel Director or Manager acts as the head of the department. He is shouldered with the responsibility of the entire personnel functions.

Following are the qualities of Personnel Manager:

- i) He must be a person of sufficient caliber who can report with confidence to top line officials and talk intelligently with highly skilled departmental heads with a view to help them solve their management problems.
- ii) He is concerned more with developing the policies and programmes regarding employment, wages and salary, administration, training and development, placement, industrial relations, safety and health, employee benefits and services.
- iii) He is responsible formulating industrial relations, objectives and policies of his company.
- iv) He must maintain overall supervision of recruitment, placement, training programs, preparation and maintenance of reports required and in short effective executives of his department's functions.
- v) He has to participate in the department's staff meeting.
- vi) He must also help to improve the managerial skills in the organization.
- vii) The Personnel Director or Manager has also to consider carefully how much staff is required in the light of what the organization can afford. He may also have an Assistant Personnel Director or

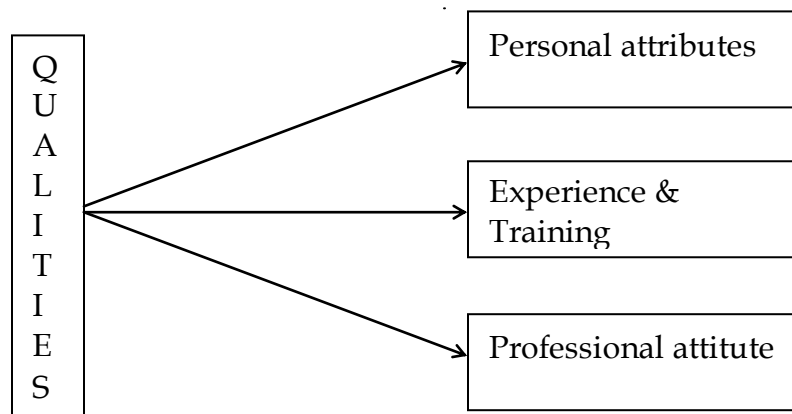
Manage to help him. For example, the organization structure is as under:



**Qualifications of Personnel Staff:-**

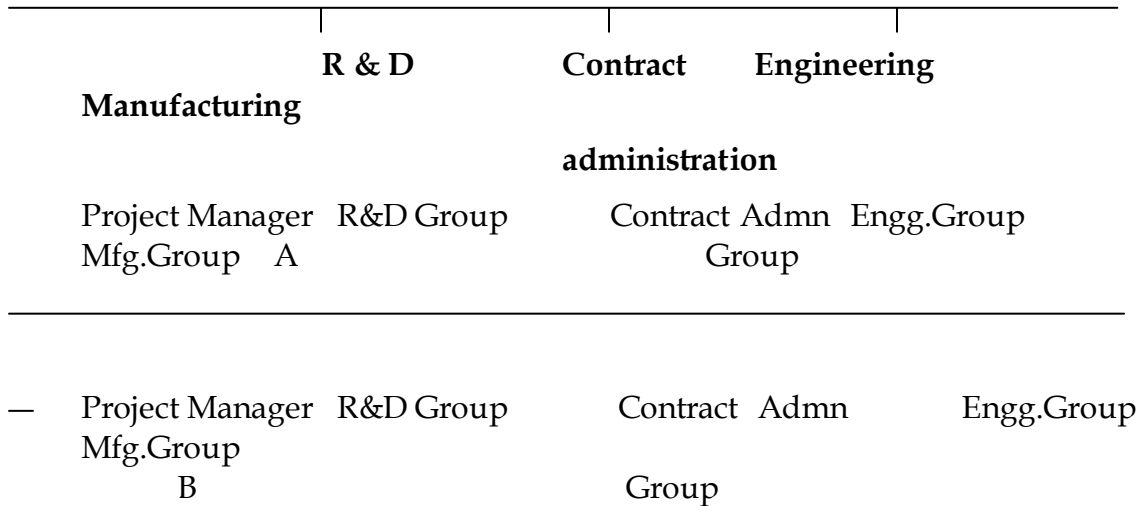
The qualifications required in the personnel staff must vary with the organization concerned. For example, some organizations have no unions in that case wage and salary administration may not be complicated, some organizations have no formal training or program for development of their employees. Thus the qualifications required in the personnel staff must vary with the organization concerned.

However, generally the qualities required can be summarized into three basic groups, namely.

**Personnel Department in Matrix Organization:**

In a matrix system, every employee has two bosses. One boss is the head of their own department to which the member permanently belong. The other is the head of the project to which the members have been temporarily assigned on computation of the project. They revert back to their respective departments until the next such assignment is made. A typical matrix organization is exhibited in the below figure.

**GENERAL MANAGER**



**Advantages of Matrix organization**

- i) One individual namely the project Manager becomes the local point for all matters pertaining to the project.
- ii) Specialized knowledge is available to all projects on an equal basis.
- iii) There can be better balance between cost and performance.
- iv) This type of organization is very flexible and can respond quickly.

**Disadvantages:**

- i) It violates the traditional organizational principle of unity of command.
- ii) It also creates conflicts among members.

**Q.4 What do you mean by Human Resource planning? Explain the objectives, importance and also its limitations.**

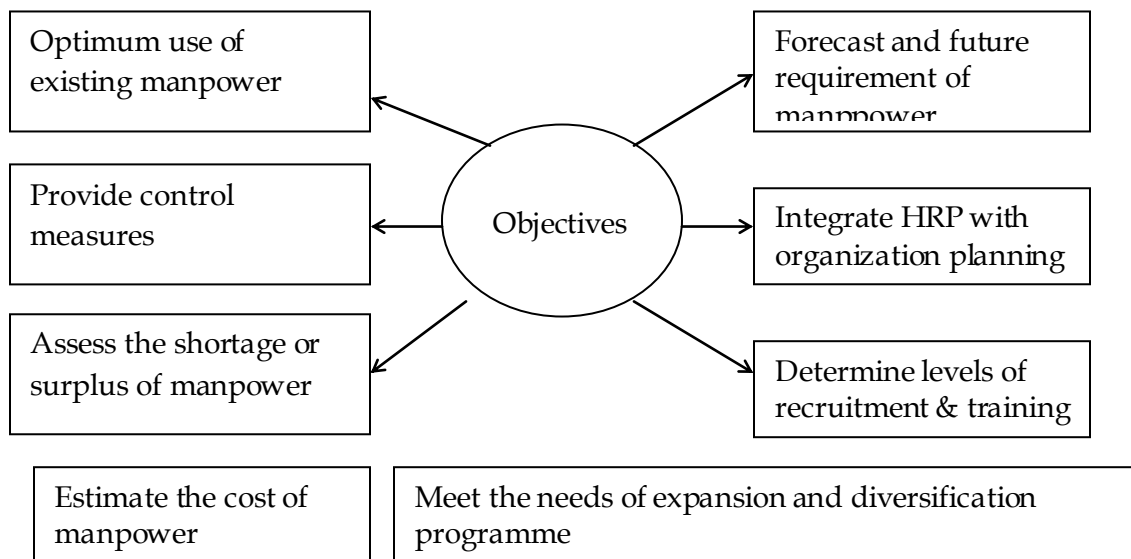
**Ans.** Manpower planning is the process by which an organization ensures that it has the right number and right quality of people at the right place, at the

right time capable of effectively and efficiently completing those tasks that will help the organization in achieving its overall objectives.

In the words of Eric W. Vetter "Manpower planning is the process by which management determines how an organization should move from its current manpower position to its desired manpower position. Through it, management strives to have the right number and the right kind of people at right places, at the right time doing things which result in both the organization and individual receiving, maximum long range benefit"

### **Objectives :**

The main objectives of manpower/human resources planning are as follows:



### **Needs and Importance of Human Resource Planning:**

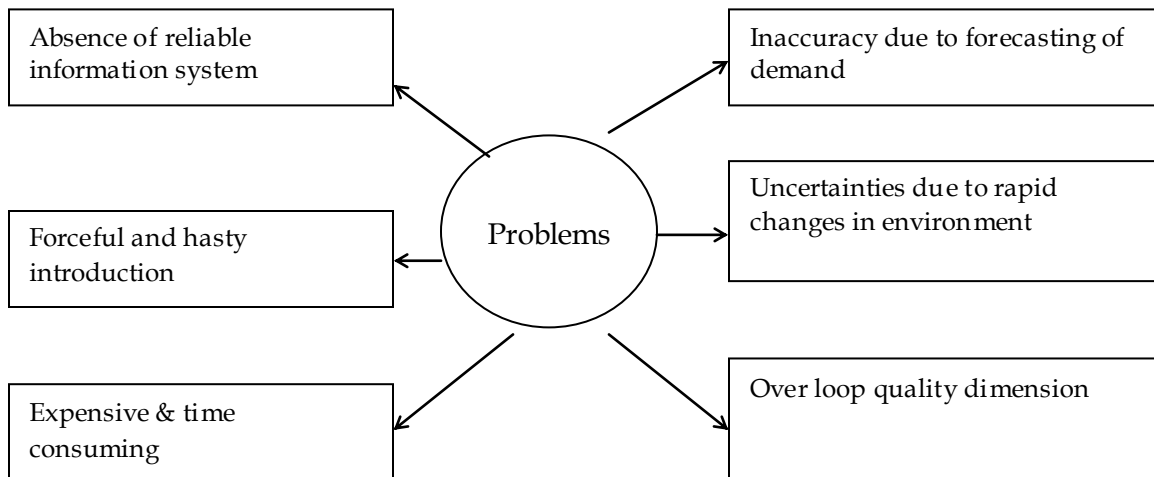
Needs and importance of human resource are as follows:

- i) Manpower planning facilities selection and training of employees with adequate knowledge, experience and aptitudes.
- ii) It facilitates in identifying gaps in existing manpower in terms of their quantity and quality.

- iii) Every year, certain number of employees who retire, die, resign etc. such type of vacancies can be filled through human resource planning.
- iv) It helps in judging the effectiveness of human resource policies and programmes.
- v) Develops awareness on effective utilization of human resources.
- vi) Take steps to control the costs on manpower resources/human resources.
- vii) It helps in planning labor welfare activities like canteen, housing, medical and health education etc.
- viii) Human resource planning facilitates expansion and diversification of an organization.
- ix) It facilitates in locating surplus manpower employed.
- x) Helps in planning career development programmes for the employees. .

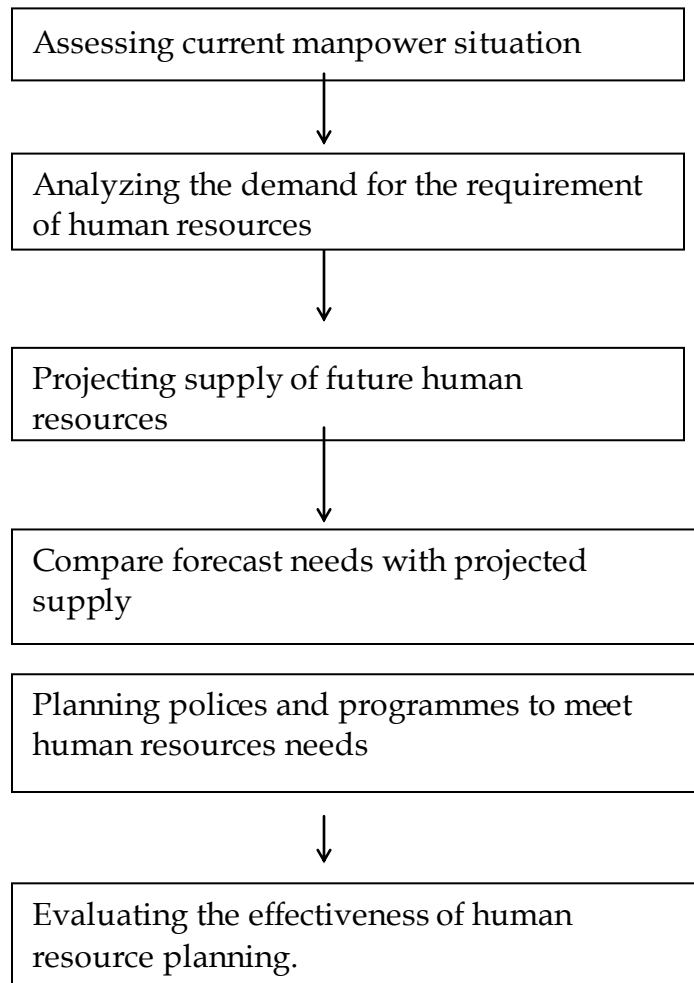
**Problems or limitations in Human resources planning :**

The major problems which come across in the process of human resources planning are as follows:



**Q.5 Write the steps for the process of human resource planning.**

**Ans.** The human resources planning process has six stages which are as follows:



**Q.6 What do you mean by recruitment? Write the steps involved in recruitment process.**

**Ans.** Recruitment is a process of identifying the source for prospective candidates and stimulating them to apply for job in the organization

**Definitions:-**

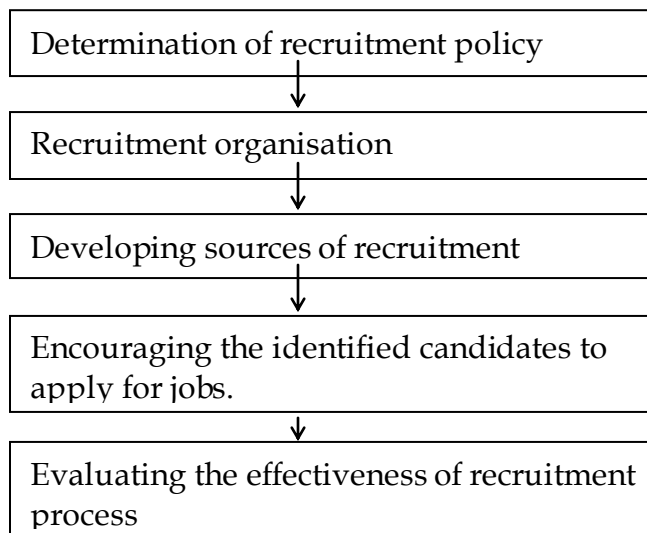
According to **Victor P. Buell**, "Recruitment is the search for the best available candidate for a job."

According to **Edwin B. Flippo**, "Recruitment is the process of searching for prospective employees and stimulating and encouraging them to apply for jobs in the organisation. Hence according to the definitions, the basic features of recruitment are as under :

- i) It is a process involving various activities.
- ii) It is a linking activity.
- iii) The basic objective of recruitment is to determine the sources of recruitment
- iv) Recruitment is a pervasive activity.
- v) It is important managerial function to make it possible the required number of people selected for different jobs according to job requirement.

#### **Steps in Recruitment Process:**

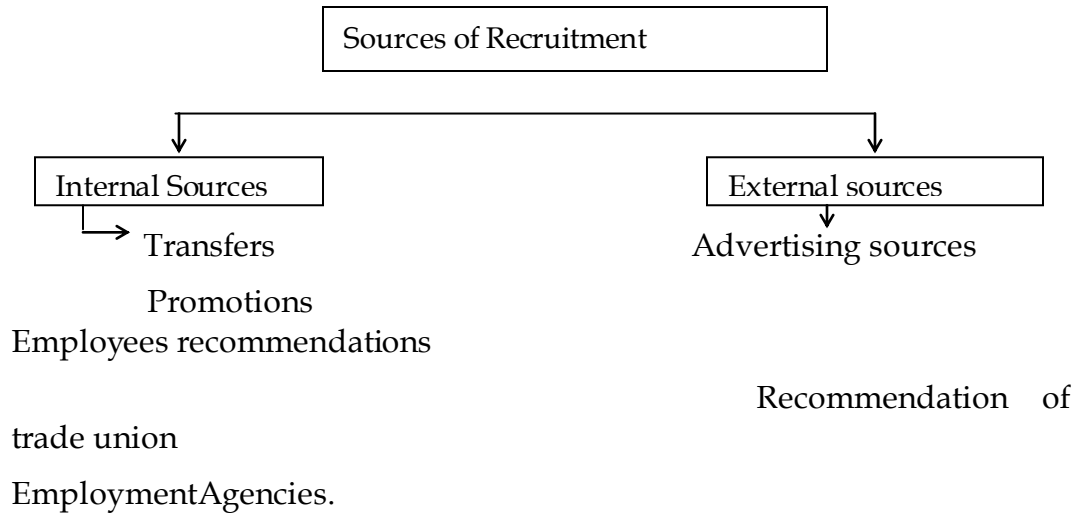
A good recruitment process consists of the following steps:



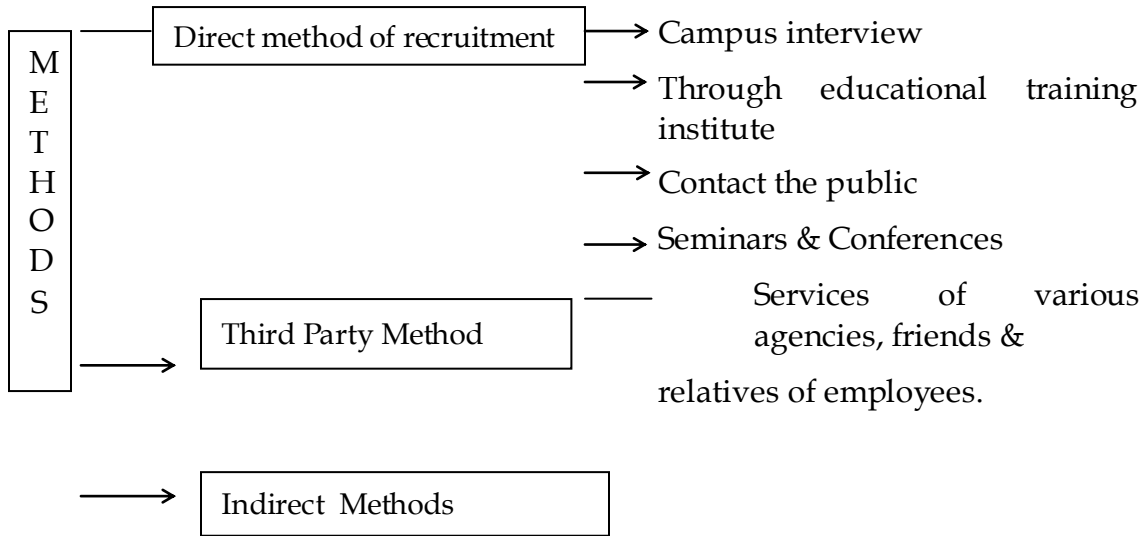


**Q. 7 What are the different sources and methods used for recruitment?**

**Ans.** There are basically two types of sources of supply of manpower from which the potential employees can be drawn. These sources are as follows:



**Methods of Recruitment:** Various methods used for recruitment can be classified into the following three categories:



**Q.8 What do you understand by selection? Also write down the steps involved in selection process.**

**Ans.** The selection is a process of ascertaining whether or not candidates possess the requisite qualifications, training and experience required. It is a process of matching the essential qualifications of applicants with job requirements.

In the words of Odan Dale "Selection is the process in which candidates for employment are divided into two classes; those who are to be offered employment.

**Selection Process:**

Information Sought: A variety of information may be gathered about candidates for vacancies. The efforts made on gathering such information may be studied in terms of (a) the information which is sought and (b) the means of delivery desired information.

- i) The Screening interview
- ii) The Application blank
- iii) Selection Tests: Interviews, Aptitude Tests, Achievement or Trade Motivation Tests, Situational Tests.

**Q.9 What do you mean by Placement and Induction?**

**Ans.** In the words of Pigors and Myers, "Placement is the determination of the job in which an accepted candidate is to be assigned and his assignment to the job. It is a matching of what the supervisor has reason to think he can do with the job demand

**Induction or Orientation**

Induction is a process by which a new employee is introduced to the job and the organization that the new entrants feel at home and develop a sense of pride in the organization and commitment to the job.

In the words of Michael Armstrong “Induction is the process of receiving and welcoming and employing when he first joins a company and giving the best information that needs to settle down quickly and happily and start work”.

**Q.10 What do you mean by training. Also explain its importance.**

**Ans. Training** – Training is a continuous process of increasing knowledge and skills for doing particular job. It is an organized process through which employees learn knowledge and skill and the purpose of training is basically to bridge the gap between job requirements and competence of an employee.

According to National Society of Sales Training, USA “Training is the international sound application of ordinary sense to the problem of helping the trainees to make the most of their talents.

**Need and Importance of Training:**

- Job Requirements
- Frequently changing technology
- Organizational Viability
- Better quality of work
- Internal Mobility
- Reduce the time and cost involved on learning.
- Economic use of materials and machines.
- Minimum Supervision
- Lower accident rate
- Good Industrial relations
- Career Development of participants
- Organizational stability

**Q.11 What are the types of Training?**

**Ans.** The types of training are:

- Induction/Orientation training
- Job training
- Safety training
- Promotional Training
- Refresher Training
- Remedial Training

**Q.12 What are the methods/techniques of training.**

**Ans.** The methods/ techniques of training are as under:

- On the job Training
- Vestibule Training
- Apprenticeship training
- Class room training

**Q.13 What do you mean by Human Resource Development (HRD) and its need and importance.**

**Ans.** Human Resource Development is an organized experience aimed at matching the organizational need for human resource together with career development of individuals. It is a process involving a series of learning activities designed to produce behavioral and attitudinal changes in individuals so that they may acquire the desired level of competence to execute their roles.

**Need and Importance of HRD**

- HRD improves the capabilities.
- HRD improves communication system
- Helps on procuring right people

- Improves employee commitment
- Helps for continuous and all round growth
- Improves team work
- Helps on adaptation of skills

**Q.14 What do you mean by Executive Development?**

**Ans.** Executive or Management Development is a process of learning and apply knowledge, skills and insights to manage the work on their organizations effectively and efficiently. Management Development is a process of relating experience to learning.

**Objectives of Executive Development:**

- To sustain good performance of Managers.
- To ensure availability of required number of managers with the needed skills.
- To expose the managers to the latest concepts and techniques in their respective areas of specialization.
- To replace elderly executives who have risen from the ranks by highly competent and academically qualified professionals.
- To provide opportunities to executives to satisfy their career aspirations.
- To ensure optimum utilization of managerial resources.

**Importance of Executive Development:**

**Importance:**

- Increasing size & Complexity of organizations
- To cope with socio-economic changes
- The rapid rate of technological & social change on society
- Reorganization of social & public responsibilities
- Management of public utilities
- Shift from owner Manager to Professional Manager

- Labor management relations are becoming increasingly.

**Q.15 Explain the methods or techniques of Executive Development.**

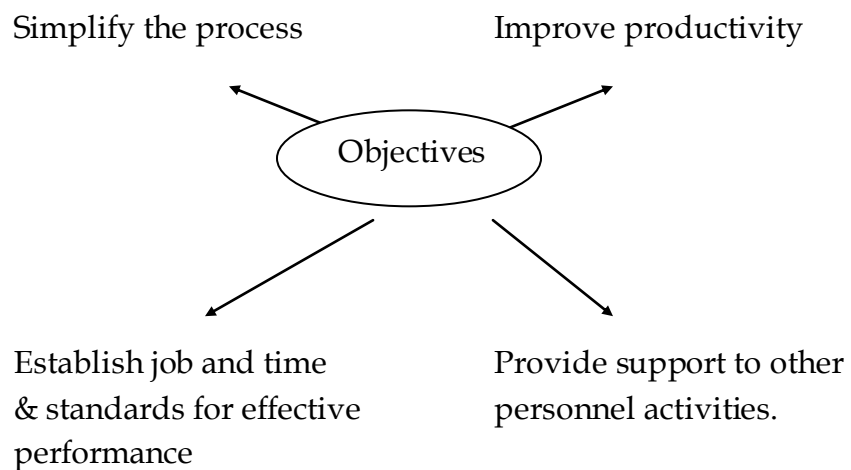
**Ans. Methods:**

<b>Off the job techniques</b>	<b>On the job techniques</b>
• Lectures	Coaching
• Case studies	Understudy
• Group Discussions	Position Rotation
• Conferences	Project Assignment
• Role playing	Committees
• Management grades	Multiple Management
• Programme Instructions	

**Q.16 What do you mean by Job Analysis. Also explain its uses and objectives.**

**Ans. Job Analysis :** Job analysis provides information relating to job in terms of its title, the operations and tasks involved in the job, including their timing, significance, complexity and sequence.

**Objectives of Job Analysis :**



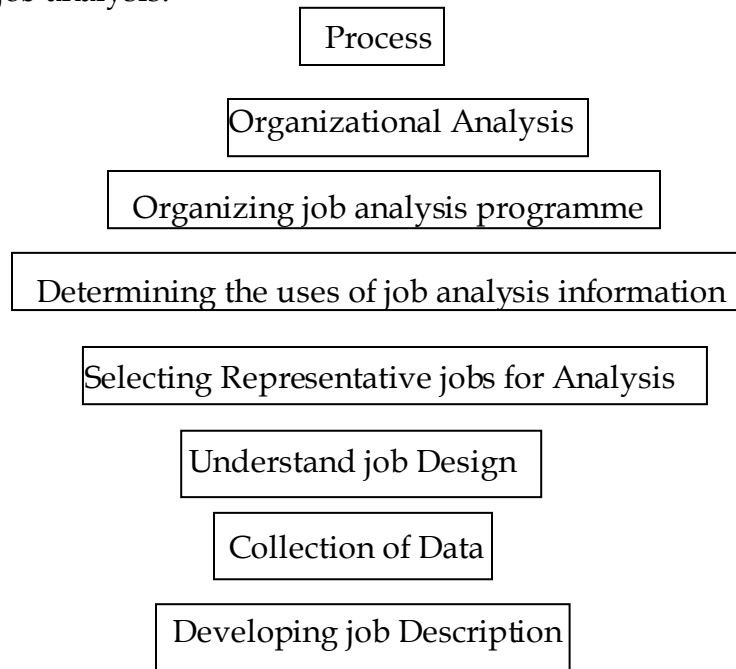
**Uses of Job Analysis:**

The important benefits from the job Analysis are as follows:

1. Job Analysis is useful in classifying the jobs.
2. It provides useful information for forecasting manpower requirements.
3. Helps in determining quality of human resources required in an organization and facilitate division of work.
4. It helps in advertising the posts on the basis description and specification.
5. A clear understanding of job requirements help in matching the requirements with the abilities, interests and attitude of people.
6. Job analysis provides valuable information required to identify training needs, to design training programmes and to evaluate training effectiveness.
7. Employee development programmes such as job rotary, job enlargement.
8. It facilitates in determining performance standards.
9. Improvement in work design and work methods.
10. Job analysis determining the relative worth of different jobs so as to develop appropriate wage and salary structures.
11. It can also contribute to resolve trade disputes and employee grievances.
12. Job analysis reveals unhealthy and hazardous environment condition in various jobs.

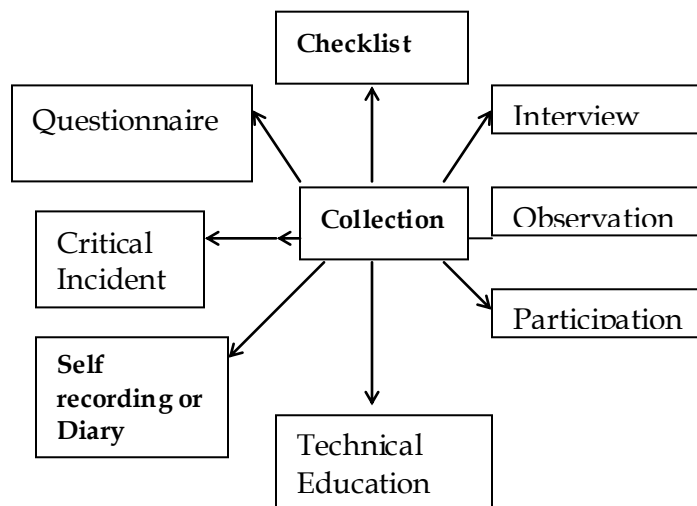
**Q.17** What are the steps involved in job analysis. How will you gather information for job analysis?

**Ans.** Process of job analysis.



#### **Collection of information for job Analysis:**

Following methods may be used to collect information for a job analysis :



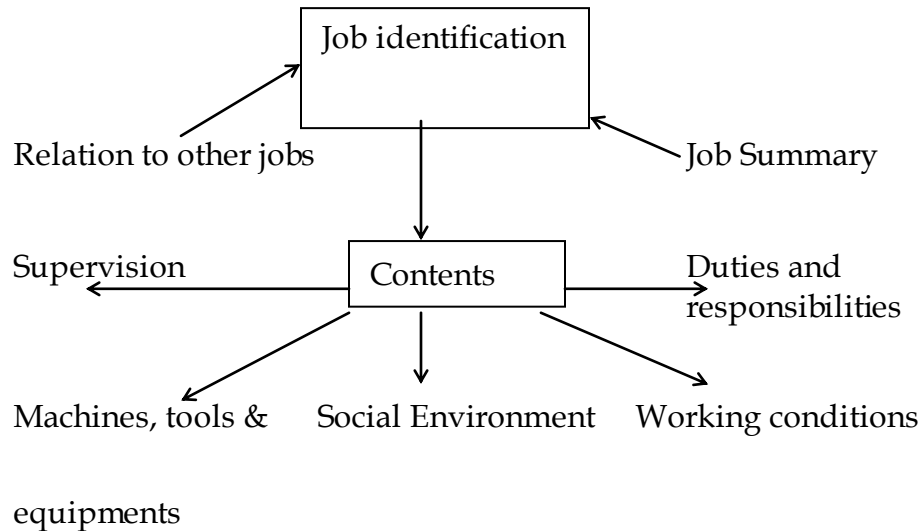


**Q.18 Write a short note on job description, job specification, job enlargement and job enrichment.**

**Ans. Job description:** - Job description is a functional description of what the job entails. It is descriptive in nature and defines the purpose and scope of a job. Job description is a written record of the appropriate and authorized contents of a job. It is a factual and organized statement describing the job in terms of the title, location, duties, responsibilities, working conditions, hazards and relationship with other jobs. It tells us what is to be done how it is to be done and why.

**Uses of job Description:-**

- i) Job grading and classification
- ii) Placement of new employees on a job orientation towards basis duties & transfers.
- iii) Promotions and transfers.
- iv) Redressal of grievances relating to duties and responsibilities.
- v) Investigations accidents and location faculty work procedure; and duplication
- vi) Work measurement and work improvement
- vii) Defining the limits of authority.
- viii) Health and Fatigue studies.
- ix) Developing performance standards
- x) Organizational change & development
- xi) Employee counseling vocational guidance.

**Contents of Job Description :-****Job Specification or Man Specification:**

Job specification also called man specification is a statement of the minimum acceptable human qualities required for the proper performance of a job.

**Utilities of job Specifications:** The utilities or the benefits of job specification are as follows:

**Utilities :** - Job specification tells what kind of a person is required for a given job.

- It serves as a guide in the recruitment and selection processes.
- It is also helpful in training and appraisal of employees.

**Job Enlargement and Job Enrichment:****Job Enlargement:**

It is the process of increasing the scope of a job by adding more related tasks.

**Definition :**

In the words of Strauss and Sayler "Job enlargement implies that, instead of assigning one man to each job, a group of men ;can be assigned to a group of jobs and then allowed to decide for themselves how to organize the work. Such changes permit more social contacts and greater control over the work process".

**Advantages of job enlargement :**

Advantages are as follows :

Job enlargement reduces monotony and boredom by providing the employee a more complete or whole job to do.

**Advantages :**

It helps to increase interest on work and efficiency.

It is a method of training and developing more versatile employees.

**Job Enrichment:**

Job enrichment involves designing a job in such a way that it provides the worker greater autonomy for planning and controlling his own performance.

**Techniques of Job Enrichment:**

The important techniques of job enrichment are as follows :

1. Increasing the scope of a job by adding variety of tasks.
2. Assigning a natural work unit to an employee
3. Allowing the employee to set his own standards or targets.
4. Minimizing controls to provide freedom to the employee.
5. Making an employee directly responsible for his performance.

**Techniques**

1. Providing the employee control information, so that he may monitor his own performance.
2. Encouraging employees to participate in deciding organizational goals and policies.

3. Introducing new, difficult and creative tasks to the employees.

Job enrichment is thus a very powerful motivational tool.

**Q. 19** What do you mean by performance appraisal. Explain the objectives and importance of performance appraisal in human resource management?

**Ans.** Performance appraisal, the process of deciding how well employees do their jobs has also been called employee rating, employee evaluation, performance review, performance evaluation and results appraisal. Appraisal system measures how well employees are performing their duties and meeting their job responsibilities.

**Definition:** In the word of **Edwon B.Flippo** "Performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in matters pertaining to his present job and his potential for a better job.

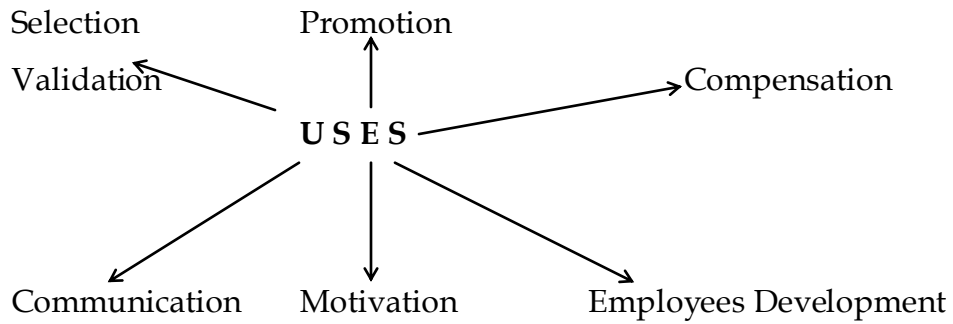
In merit rating, the focus is on judging the caliber of an employee so as to decide salary improvement.

#### **Objectives of Performance Appraisal**

1. It helps in determining the wage structure, salary level and compensation package of employee.
2. Analysis the strength and weaknesses.
3. Identify employees who have the potential for future growth and advancement.
4. To provide feedback to the employee.

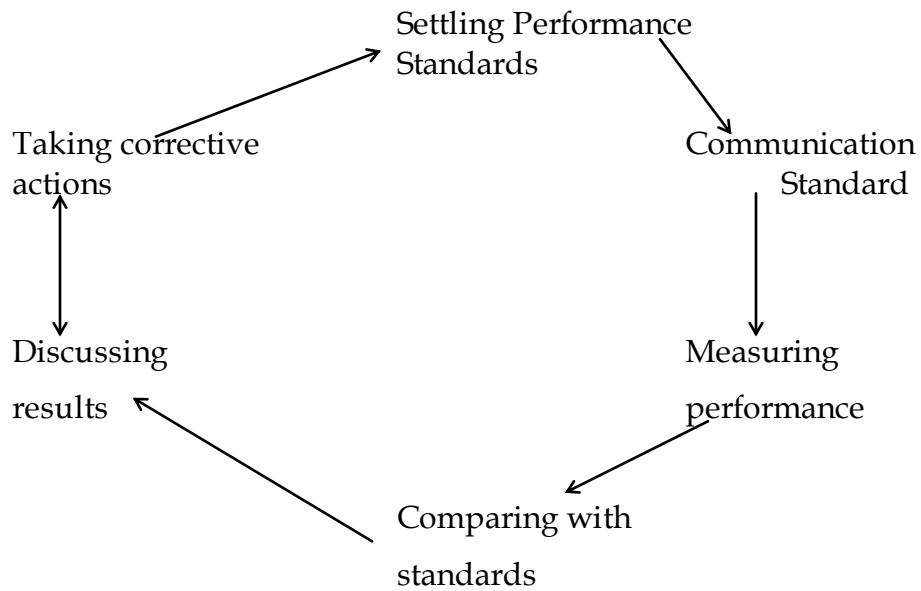
This continuous monitoring of the performance or periodic evaluation is aimed at rating promotional and training policies.

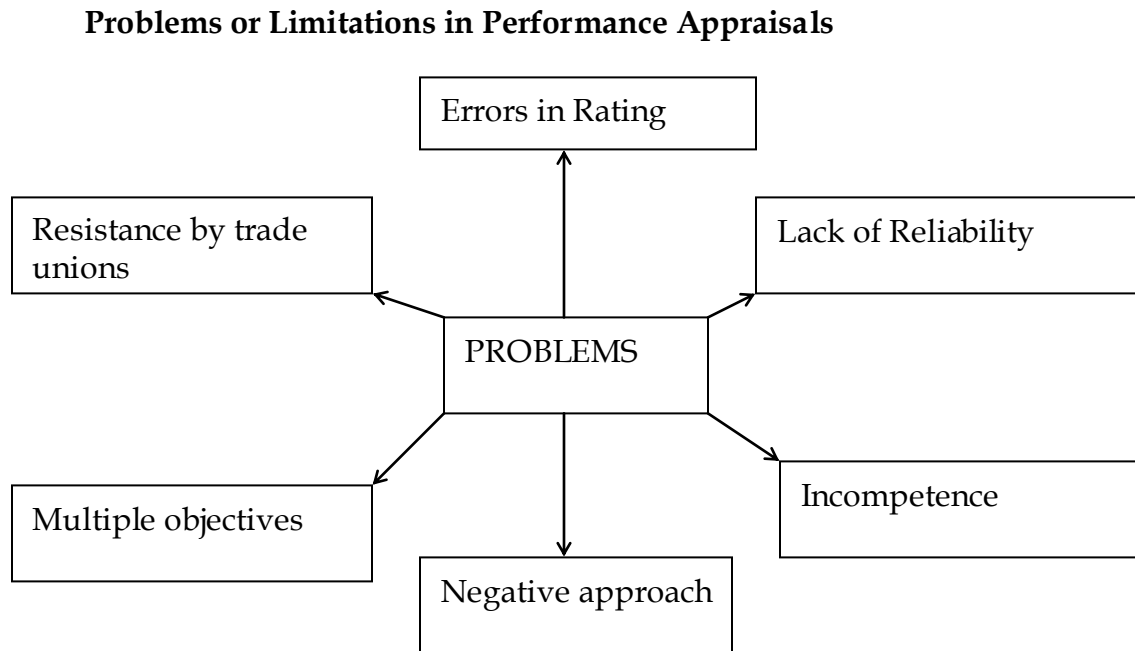
**Importance of uses of Performance Appraisal:**



**Q.20 Discuss the process of evaluating employee performance.**

**Ans.** The process of performance appraisal:





**Q.21 Write down the techniques of performance appraisal and merit rating.**

**Ans.**

**(A) Traditional Methods:**

- i) Confidential report
- ii) Free form or Essay method
- iii) Straight ranking method
- iv) Paired Comparison methods
- v) Graphic rating scales methods
- vi) Checklist method
- vii) Critical Incidents method
- viii) Group Appraisal
- ix) Field review

**(B) Modern Methods**

- i) Assessment centre
- ii) Human Resource Accounting
- iii) Appraisal through MBO

# Case Study

## Hr Management: A Case Study

Hr management is one of the most critical functions in service industry where the key assets of the company are the intellectual capability of its people. Companies in service industry invest heavily on building up their people so that they are able to deliver quality services to its customers keeping them happy and thus earning higher revenues and profits. In essence managers realize that keeping people happy has a larger impact on the performance outcome and thus business outcomes and profits. But Unlike the manufacturing industry, the service industry runs with a larger risk of losing its assets i.e. people, since in a manufacturing once an asset is bought, that remains with the company but in a service industry, hiring a talent doesn't mean that the talent would continue to be with them for the rest of his life. He has the option of moving out after acquiring essential knowledge and skill set.

A global service company was facing a similar issues where the people in the organisation were hired at a very basic level because then they could be hired at a lower salary but they would not stay with the company for long and after acquiring essential skills they would look out for higher paying jobs outside of the company and then the company would have to rehire and retrain leading to higher cost of hiring and training and it was also historically proven that the resource would not be able to work during training days but even few months after training, their performance levels were not optimal because they were still gearing up. it was only 4-6 months after training that these resources would be 100% utilized. But it was observed that roughly most of the employee's would leave the organizations within 1 year of joining. The industry standard standard for annual attrition was 30% but the organization was running at 40%-50% attrition rates.

The business owner was worried about the rising cost of training and hiring and it also started affecting his customer's feedback since they were being handled by

fresh hires instead of experienced resources who could solve for customer queries better. The business hired an HR consultant to look at their organization and recommend suggestions for improvement in customer satisfaction. The consultant immediately realized that the prime reason for low customer satisfaction was low service levels given to customer and that was because most of the members solving for customer issues were not experienced enough to work with customers. The consultant formed a team of 4 members from within the organization and set forward a study for three weeks. They looked at organization behavior, org structure and working culture. They also rolled out a survey among employees across all levels to know what prompted them to leave and what were they not happy about in the organization and what worked best for them in the organization.

The key outcome of the research and survey were

- 1) Employees didn't find themselves comfortable with the work culture.
- 2) Over 80 of the employees suggested that even though there was a pay rise but still they would pursue an equal opportunity outside of the company
- 3) Supervisors felt that the workers were mostly inefficient and needs to be treated according to work performance
- 4) There was no even org structure and no performance incentive

Basis the research, it was immediately realized that the employees were demotivated and this requires immediate attention. The entire organization was divided basis skill levels and the current experienced employees were given higher authority to monitor and control giving them a sense of ownership which will keep them engaged and which in turn could be utilized to drive higher value to customer. Customers with more critical and prolonged issues were assigned to these senior resources and to give these customers special attention and also to make these resources feel more important.

Another system established was to conduct performance assessment which was not there in the earlier structure. Every employee was being assessed at the end on the performance and was given additional incentives for higher performance. This enabled every employee to learn faster and achieve more than usual which in effect pushed the overall performance level of the company to newer heights.



This also meant that managers had to ensure that every employee was given equal opportunity to perform to ensure that there was no bias on work.

The organization structure was revisited; there were 2 key elements of the revised organization structure

- a) Teams were divided basis same work types to ensure that people do not have to learn everything but they would not focus on learning and acquiring one specific skill set and then master the skill.. This meant that the employees were getting trained faster and were able to deliver to optimum faster than usual. Any employees who have mastered a skill set and have worked for a certain time in the domain were allowed to enhance their skill set in other areas. This also gave them the opportunity to learn more and they would always aspire to reach to the next level and get differentiated among their peers.
- b) Even with the same skill sets, the teams were divided equally among team leaders and managers to ensure that proper attention was given to all the resources within the team and manager's don't feel the lack of opportunity or even feel overworked.

The company was found to be good at providing employees functional training i.e. training employees about the job. But the company had very little to no focus on providing training to employees on soft skills. It was recommended that the managers be given training on how to handle teams better and also about how to effectively communicate. Even the production resources were targeted for training on communication skills and other inter personal skills. The company also tied up with leading universities to provide their employees with advanced education.

All these efforts clubbed with a few others enabled the business leader to each back to optimal customer satisfaction levels. His attrition rates were lower than 30% for the 1<sup>st</sup> year and it eventually went below 25% in years to come. This was a gradual journey since these changes were not easy to build in the system since initially there were a lot of people resistance and even management resistance

but eventually this became part of the company's DNA. A lot of similar companies were now interested to know about the people practices of the company so they could best practice the same in their organizations.

**Questions:**

- Q1) What would have been the typical people issues that the consultant have faced while building these changes in the organization? Please also provide your approach to the problem?
- Q2) Explain in your own words the need for organization structure changes to build more efficient people practices?
- Q3) Assume this is a manufacturing company, suggest if these practices would have still been relevant? And why?
- Q4) Why was the new incentive plan important for driving these changes?

## Multiple Choice Questions

- Q.1 Which of the following is not a Cognitive Method of providing training?
- (a) Lecture
  - (b) Coaching
  - (c) Demonstration
  - (d) Discussion
- Q.2 ..... strives to have right number & right kind of people at the right place & at the right time.
- (a) Human Resource Acquisition
  - (b) Human Resource Planning
  - (c) Human Resource Development
  - (d) Human Resource Planning
- Q.3 .....does not require face to face interaction with the trainer.
- (a) Virtual Reality
  - (b) Coaching
  - (c) Case Studies
  - (d) Role Playing
- Q.4 ..... is the process of describing & recording aspects of jobs & specifying the skills & other requirements necessary to perform the job.
- (a) Job Specification

- (b) Job Description
  - (c) Job Analysis
  - (d) Job Evaluation
- Q.5 Which of the following is the traditional method for imparting training?
- (a) Demonstration
  - (b) Discussion
  - (c) Lecture
  - (d) Coaching
- Q.6 ..... covers union-management relations, joint consultations, collective bargaining, grievance & disciplinary procedures, settlement of disputes, etc.
- (a) Personal Aspect of HRM
  - (b) Welfare Aspect of HRM
  - (c) Industrial Relations Aspect of HRM
  - (d) All of the above
- Q.7 ..... is creating computer versions of real-life games.
- (a) Intelligent Tutorial System
  - (b) Programmed Instructions
  - (c) Virtual Reality
  - (d) Simulations
- Q.8 Which of the following is not a type of Role Play?
- (a) Single Role Play
  - (b) Multiple Role Play
  - (c) Double Role Play

- (d) Role Rotation

Q.9 ..... is a one-to-one interaction.

- (a) Lecture
- (b) Mentoring
- (c) Demonstration
- (d) Coaching

Q .10 HRM can be performed by .....

- (a) HR Managers
- (b) Line Managers
- (c) Both
- (d) None

## Key Terms

**Compensation:** The total reward received by any employee in return for the services performed by him in the organization is termed as compensation. It includes both direct payment in the form of salaries and wages and indirect payment in the form of different benefit programs.

**Goals:** A desired result that any system or person plans, envisions and commits to achieve within a particular time frame by setting deadlines are termed as goals.

**Training:** Training is a learning activity that involves acquiring knowledge, sharpening of skills, rules, concepts or changing of behaviors and attitudes to enhance and improve the performance of the employees.

**Development:** Development refers to the systematic implementation of technical and scientific knowledge in order to achieve the desired goals and objectives. It is also an extension of the practical and theoretical aspects of a design, concept, invention or discovery.

**Monotony:** Monotony refers to the frequent occurrence of similar type of activity which produces a dull uniformity and lack of variety.

**Boredom:** It refers to an unpleasant state which involves difficulty in concentrating on current activity and a continuous lack of interest.

**Working Conditions:** Working condition refers to the working environment in which an individual works and it involves the physical environment, degree of safety, noise and stress levels etc.

**Employee Counseling:** It refers to a kind of psychological intervention for health care and aims at assisting both employee and employer with a problem solving approach to tackle the various problems.

**Organizational Change:** Organizational change refers to a process when any organization goes through a process of transformation and the major sections of the organization and business strategies are altered.

**Employment Agency:** Employment agencies are those organizations that help in matching employers to employees, thus, providing easy employment opportunities. There are public as well as private employment agencies.

**Employee Grievances:** Employee grievances are genuine or imaginary feeling of dissatisfaction experienced by the employee regarding his job and its nature as well as the management policies and procedures.

## Section-B

# Marketing & Finance

**Q.1** What do you mean by marketing. Explain its objective?

**Ans.** Marketing: It is the art of identifying and understanding customer's needs, wants; and coming up with a suitable solution that satisfy them and earn sufficient profit for the owners.

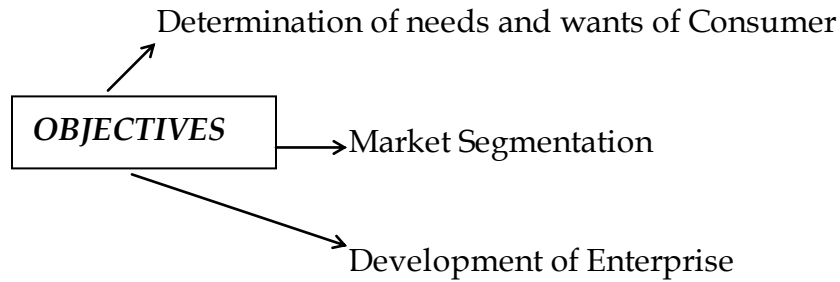
Marketing starts with the identification of specific needs of consumer and terminates with satisfaction that needs.

**Marketing Management:** Marketing management is a managerial activity and includes planning, organizing, directing, motivating and controlling in the field of marketing. It searches the needs and wants of customers, transforms them into goods and services and dedicates these goods and services for consumption.

**Definition:**

1. In the words of Philip Kotler, "Marketing Management is the analysis, planning implementation and control of programmes designed to bring about desired exchanges with target audiences for the purpose of personal or mutual gain. It relies heavily on the adoption on ward of product, price, promotion and place for achieving response."
2. In the words of Cundiff and Stoll, "Marketing Management is directly concerned with the direction of purposeful activities towards the attainment of marketing goods."

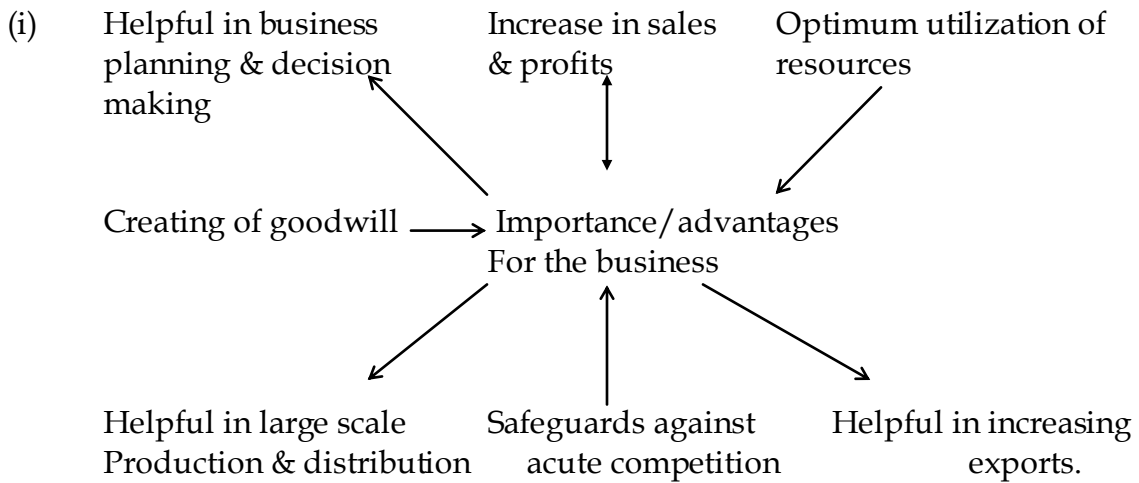
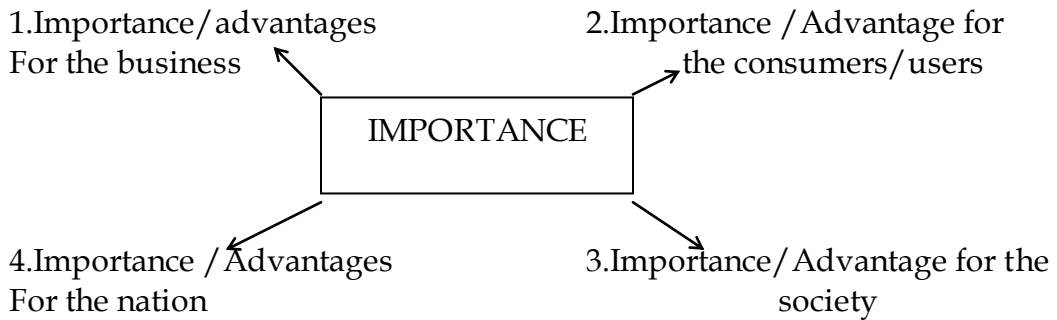


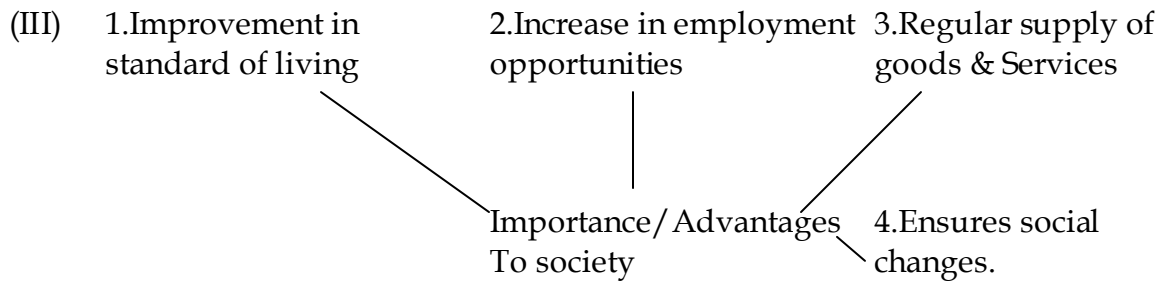
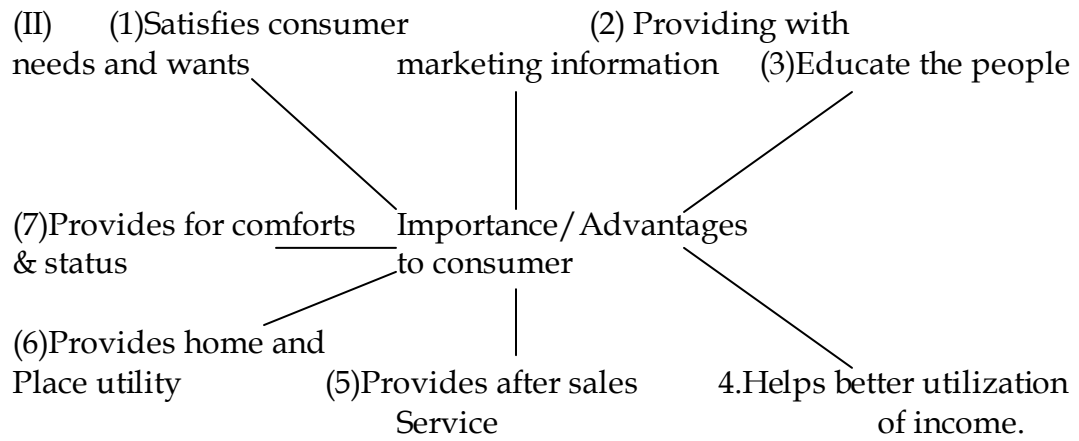


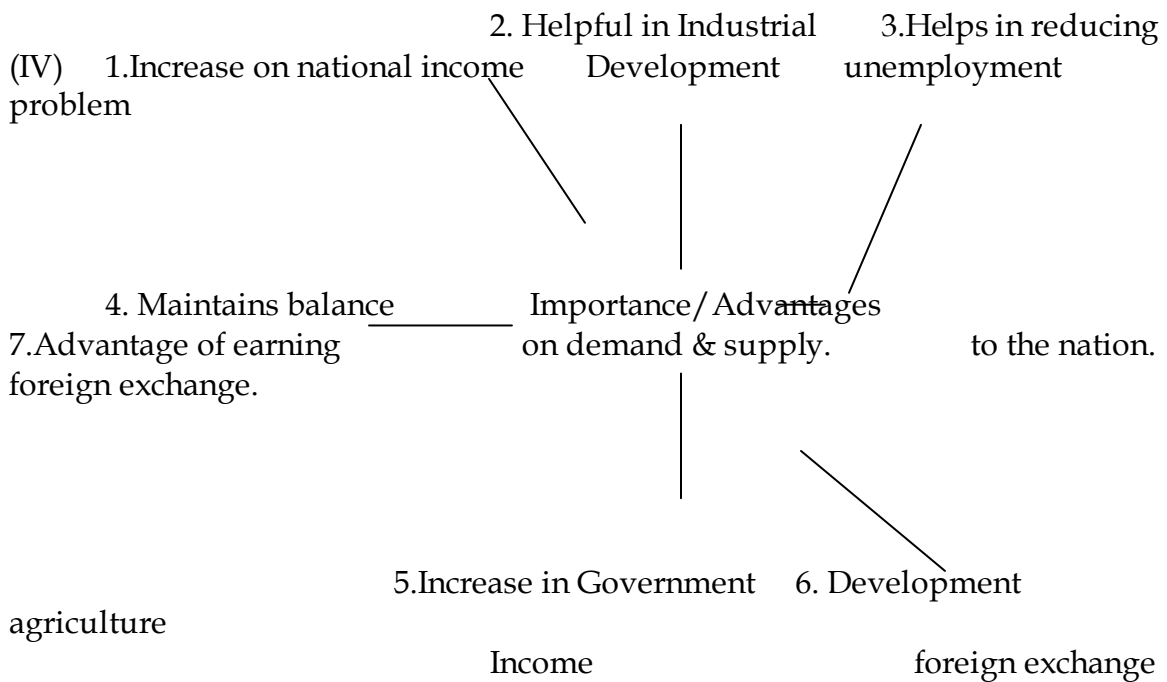
**Q.2 Explain the importance and functions of the Marketing?**

**Ans. Importance of Marketing/Management:**

For convenience of study, the importance of marketing management may be grouped into the following.







**Functions of Marketing/ Marketing Department :**

**Functions of Marketing**

Merchandising	Physical Distribution	Auxiliary Function
1. Production planning & development	1. Transporting	1. Market Research
2. Standardization & Grading.	2. Storing	2. Packaging
3. Buying & Assembling		3. Branding
4. Selling		4. Pricing

5. Promotion
6. Financing
7. Risk Bearing
8. Marketing information

**Q.3 What is a product? Write a short note on Product Planning, Product Development & New Product Development?**

**Ans. Product:-** A product is anything that can be offered to a market for attention, acquisition, use or consumption and that might satisfy a want or need (Philip Kotler).

In recent years, marketers have broadened the concept of a product beyond tangible products and services, namely organization, persons places and ideas.

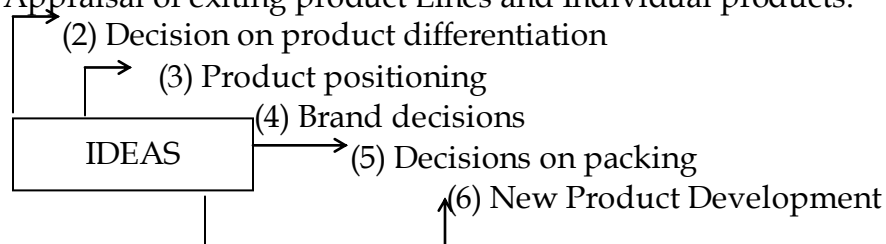
**Product Planning :**

Product planning involves a systematic analysis of company policy and product lines (optimum length and depth) in relation to consumer needs, desorbs, preferences etc. Franklin Root has summed up the essence of product planning as "Find out what people's want, then try to give it to them".

The products being offered on the market must have some special features and advantages which will motivate prospective buyers to buy in preference to other products or services.

**Basic Idea behind product Planning:**

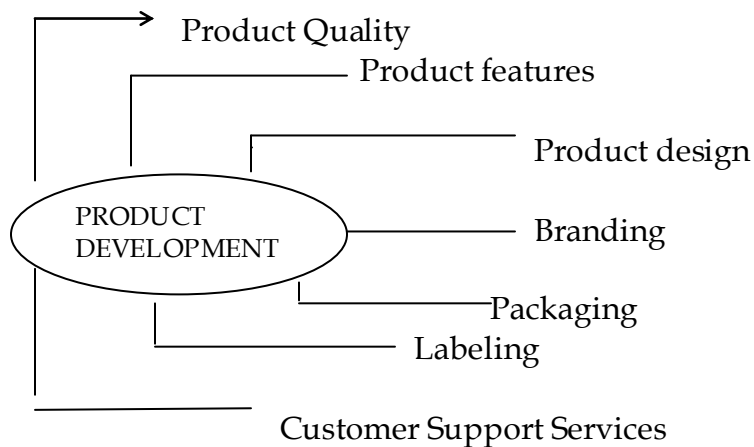
(i) Appraisal of exiting product Lines and Individual products.



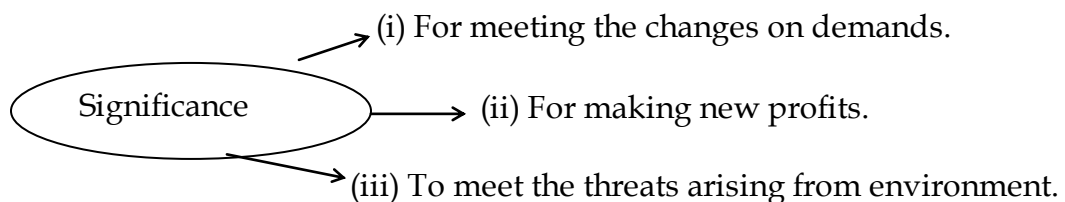
**Product Development:**

Developing a product or service involves defining the benefits that it will offer to the buyers. These benefits are communicated and delivered by product attributes such as quality, features and design.

The product development involves all those activities which are described below:

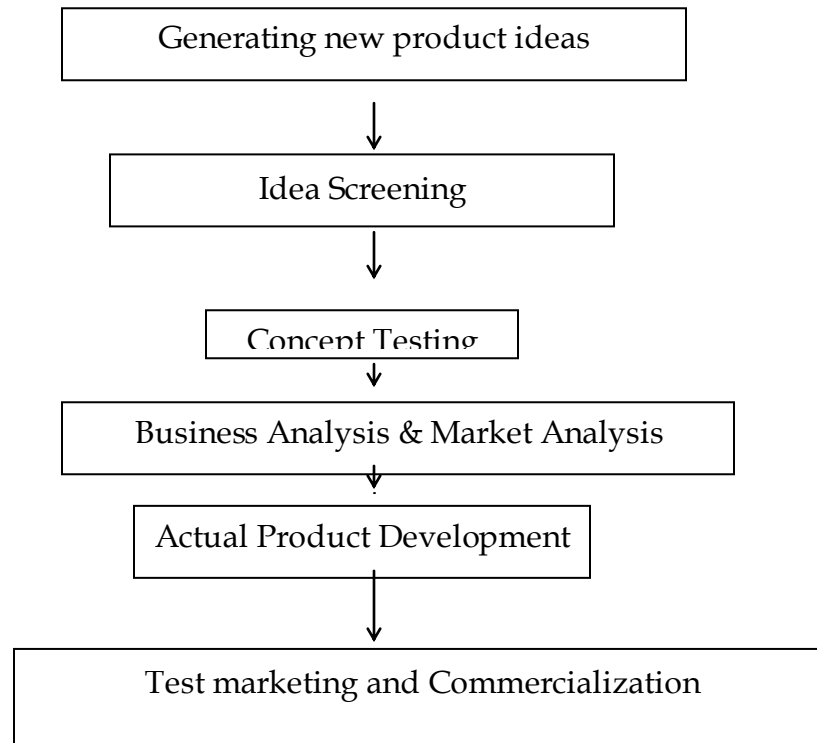
**New Product Development:-**

New Product Development is one of the most important components of product policy and product management. A progressive firm must always consider new product development as a cardinal element of its product policy.

**Significance of New Product Development:**

**Q.4** What are the stages involved in product development?

**Ans.** Stages in product Development.



**Q.5** What do you mean by marketing research? Explain its objectives, importance and scope of marketing research?

**Ans.** Marketing Research is concerned with the systematic and objective collection analysis and evaluation of information about specific aspects of marketing problems on order to help Management to make effective decision.

**Definition :-** According to cundiff and still , "Marketing research is the systematic gathering recording of analyzing of data about marketing problems inwards the end of providing information useful in marketing decision-making."

### Objectives of Marketing Research

- To define the characteristics of the market for specific products.
- To study the size of the market and market demands.
- To study the nature and types of products already existing in the market.
- To study the territorial sales products.
- To study the competitors' brands and their protection under regulation provisions.
- To study the economic factors affecting sales including the need for consumer credit.
- To study the consumer behavior and bungling motives.
- To study the Geographical structure of the market.
- To study the comparative effectiveness of distribution channel.
- To study the company's expected share in the market.

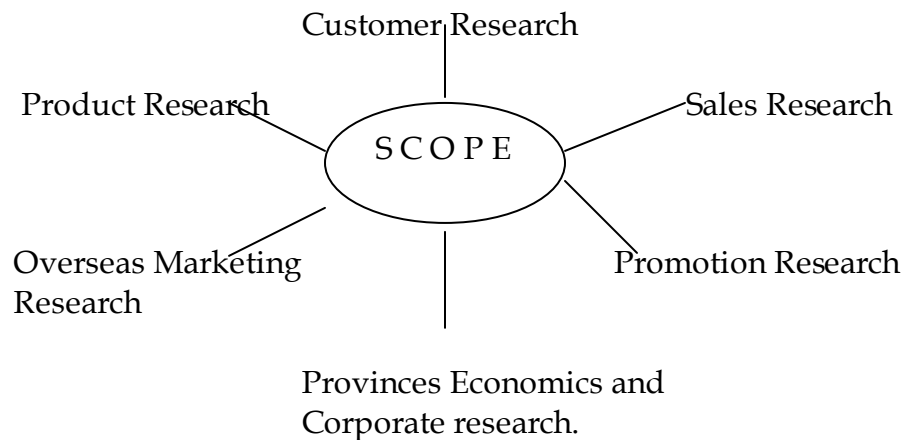
### Importance :

- Effective decision making
- Marketing strategy
- Helps to understand the brand preferences in fashion etc.
- Helps to understand consumer buying behavior and buying motives.
- Ascertaining company's share in the market.
- Modification and diversification products.
- Helps in understanding the product's life style.
- Understanding the competitors activities
- Identifying new markets to enter into or withdraw a product.
- Determining the promotional tools.
- Helps in determining their best distribution channel.
- Helps in identifying the best consumer services.

- Helps in identifying the need to credit sales or making available finance to buyers of product.
- Helps to study the competitors' strategy.

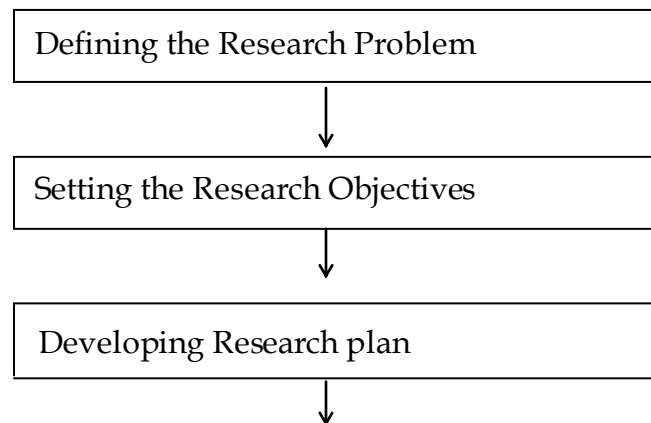
### Scope of Marketing Research :

The scope of marketing research is wider and includes the overall aspects of marketing. It can be depicted through the following diagram:

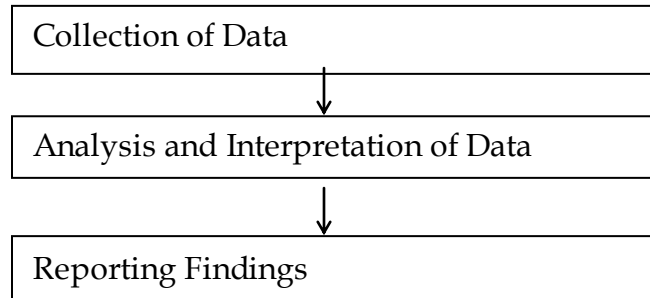


**Q.6 Write down the steps involved in marketing research?**

**Ans. Process of Marketing Research:**

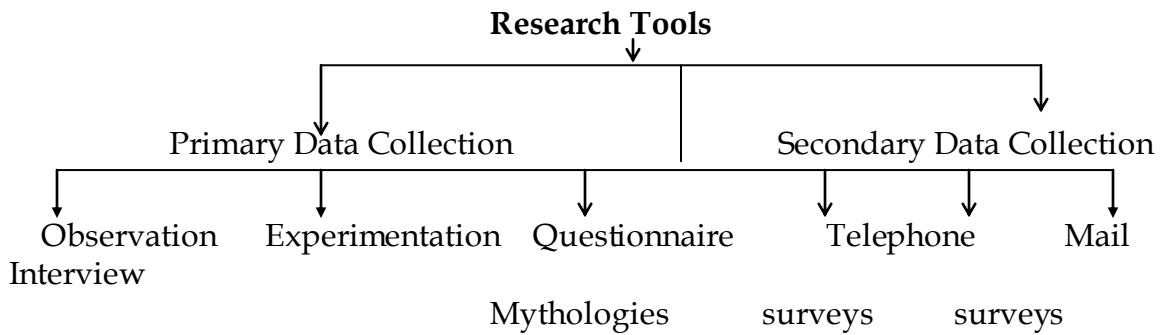




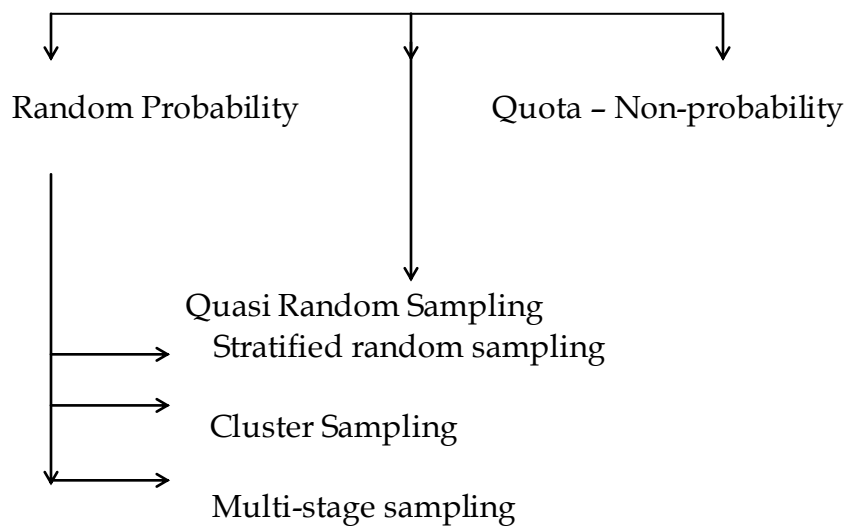


**Q.7** What are the different tools used for marketing research?

**Ans.**



**Sampling Methodology**



**Q.8 What do you mean by marketing channel? Also explain its role and importance of distinction channels.**

**Ans.** The number of trading organizations through which ownership or 'title' to goods or products is transferred from the seller to the ultimate user or consumer is called a Marketing channel.

In Distribution channels, intermediaries buy the large quantities from the producers and break them down into small quantities and broader assortments wanted by consumers. This way they help in matching supply and demand.

**Role and Importance of Distribution channels:** The role and importance of distribution channels are as under:

- Provide distribution efficiency to the manufacturers.
- Offer the products in assortments that are usable by and acceptable to the users.
- Promote the vital input of salesmanship.
- Help in merchandising
- Help implement the price mechanism.
- Look after the physical distribution functions and the financing functions.
- Promote transfer of technology and act as change agents.

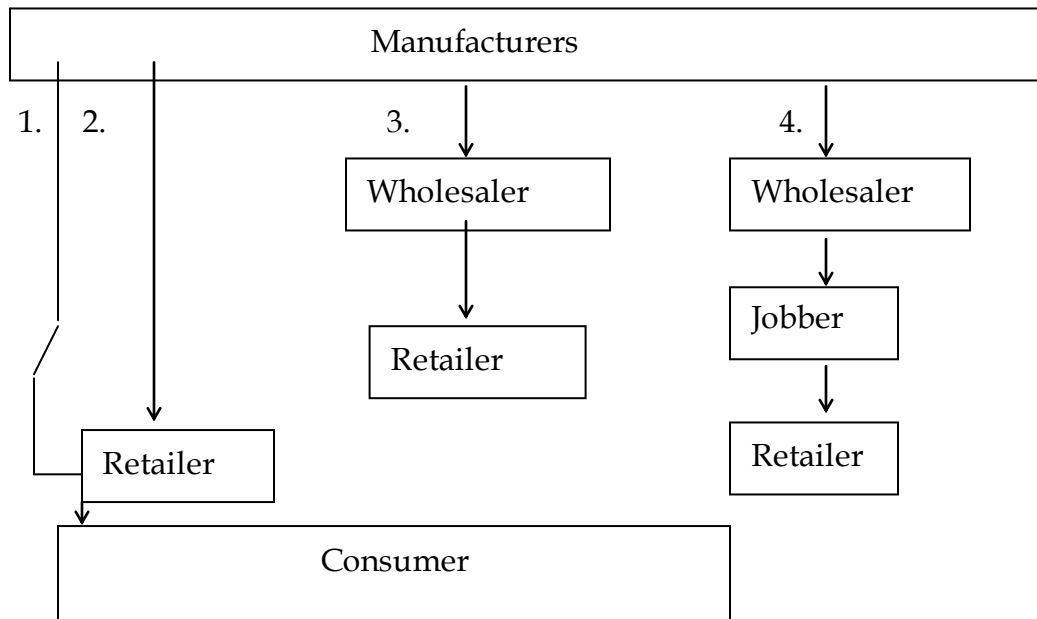
**Q.9 Describe the functions of Distribution channels. Also types of distribution channels.**

**Ans. Functions of Distribution Channels:**

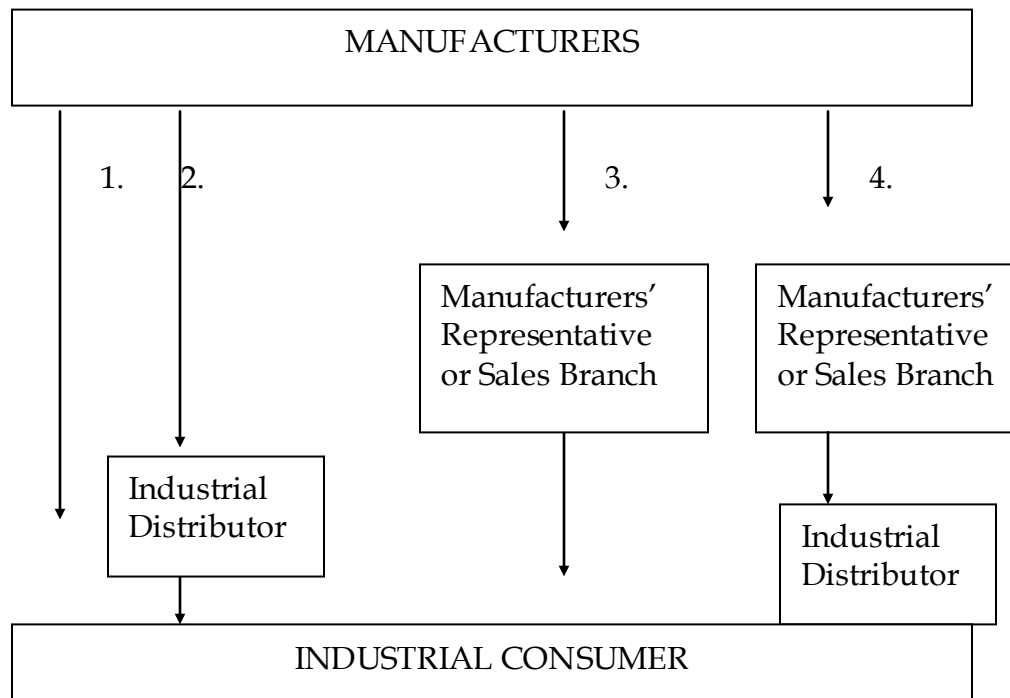
- Information function
- Promotion function

- Contact function
- Matching function
- Negotiation function
- Physical function
- Enhancing function
- Risk bearing function
- Utility creation function

**Consumer Marketing Channels (A)**  
**Types of Distribution Channels:**

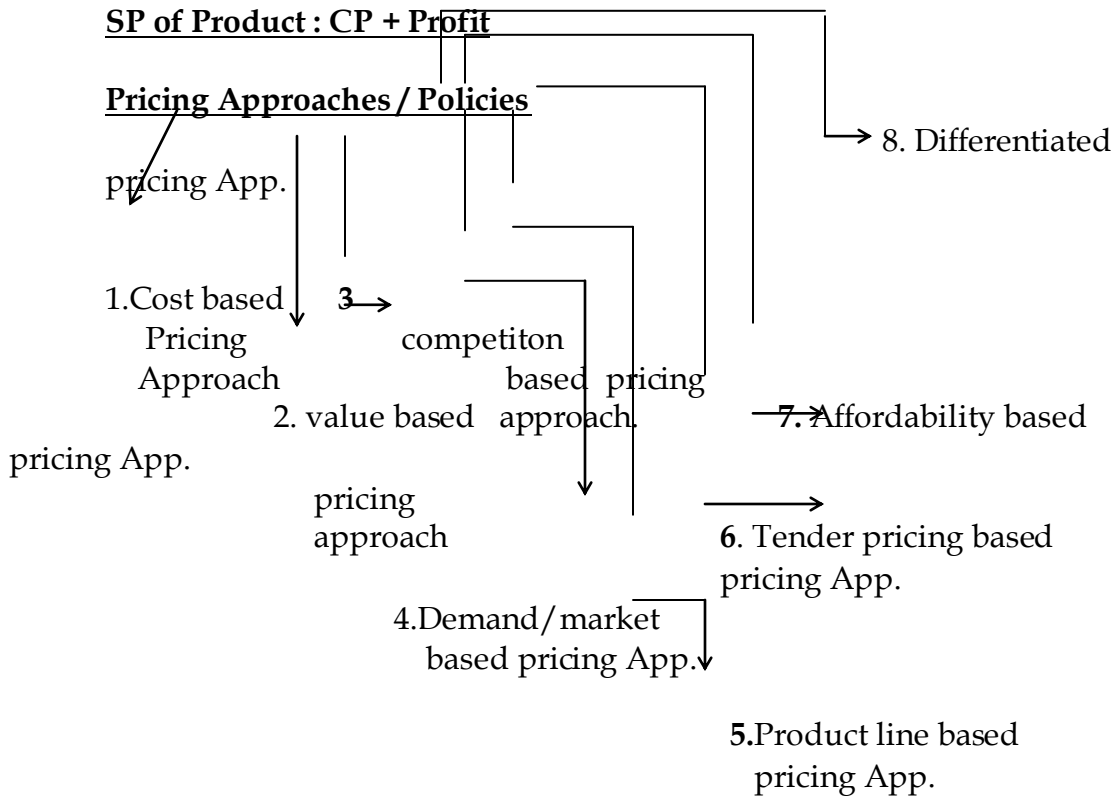


**Consumer Marketing Channels (B)**



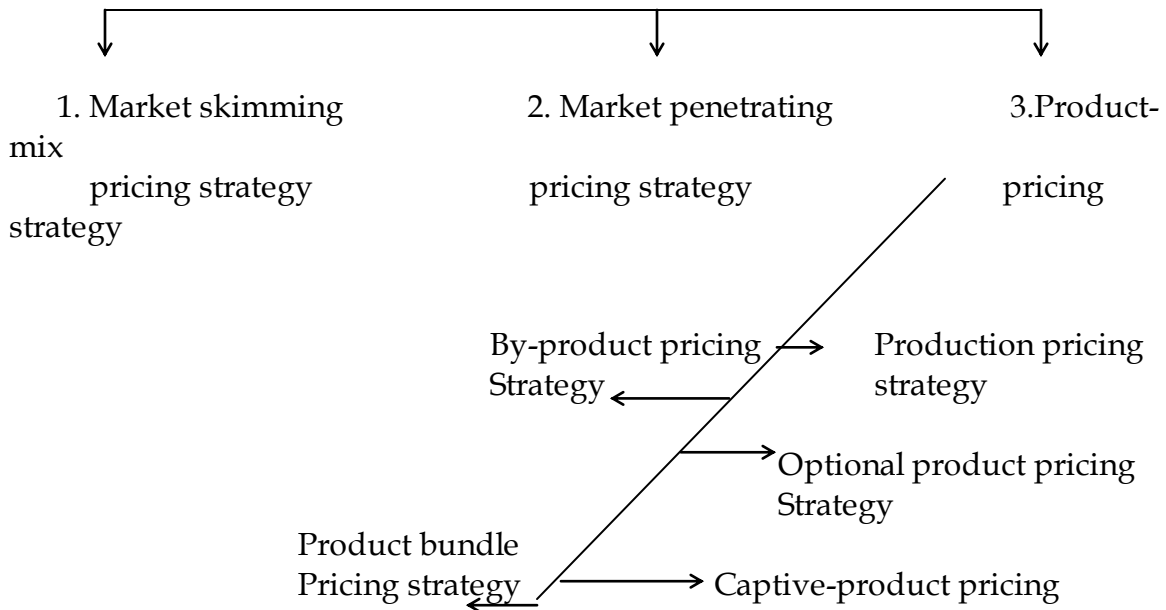
**Q.10** What do you mean by Price Concept? Also mention the different type of pricing policies and strategies used by company?

**Ans. Price Concept:** In narrow sense, price is the amount of money charged for a product or service. Bill is the sum of all the values that consumers exchange for the benefits of having or using the product or service.



**Pricing Strategies:**

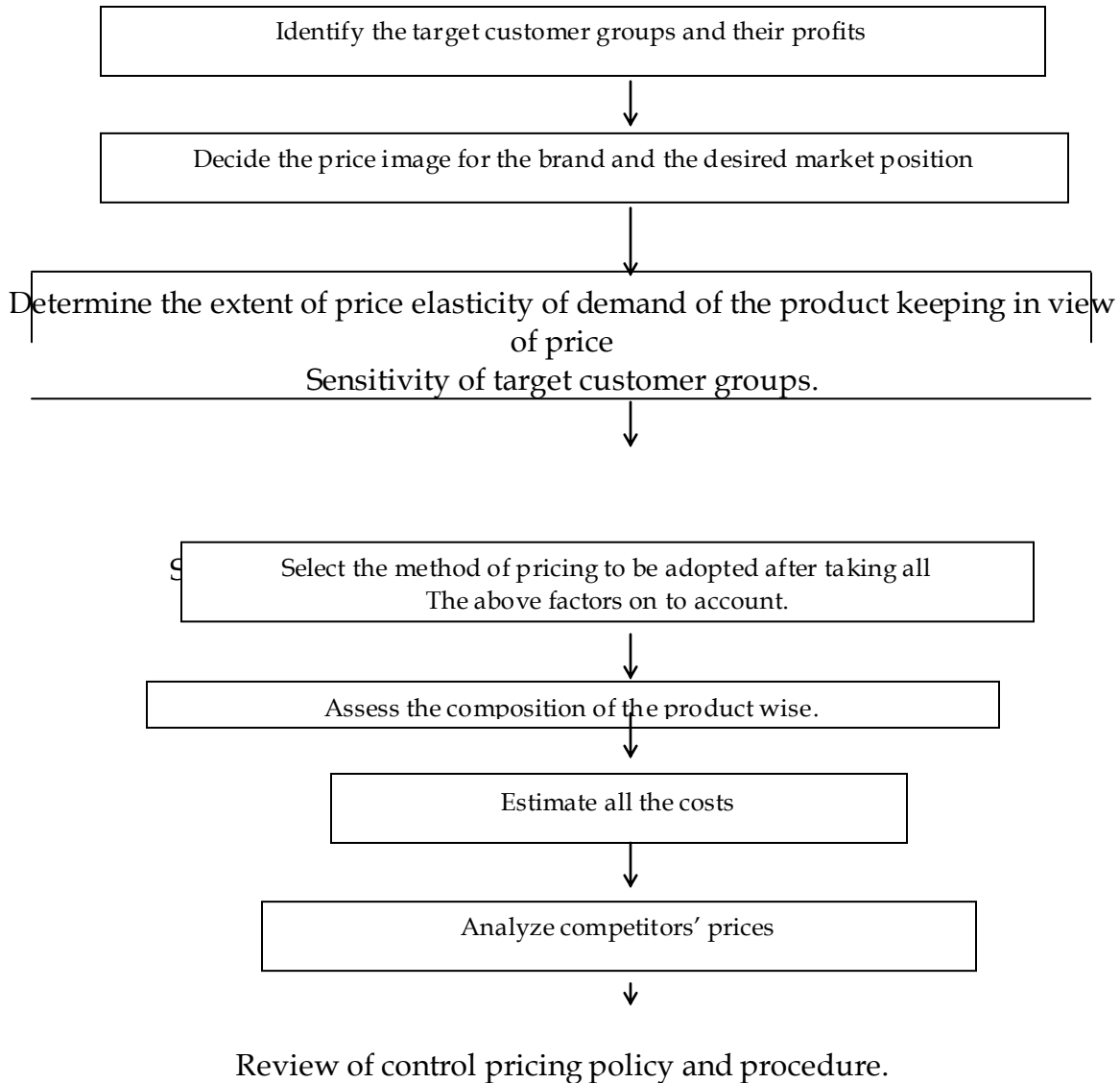
The important pricing strategies includes the following :



The two broad strategy alternatives available in new product pricing are :-

1. Market skimming pricing strategy.
2. Market penetrating pricing strategy

**Q.11** What are the steps used in pricing process/procedure?

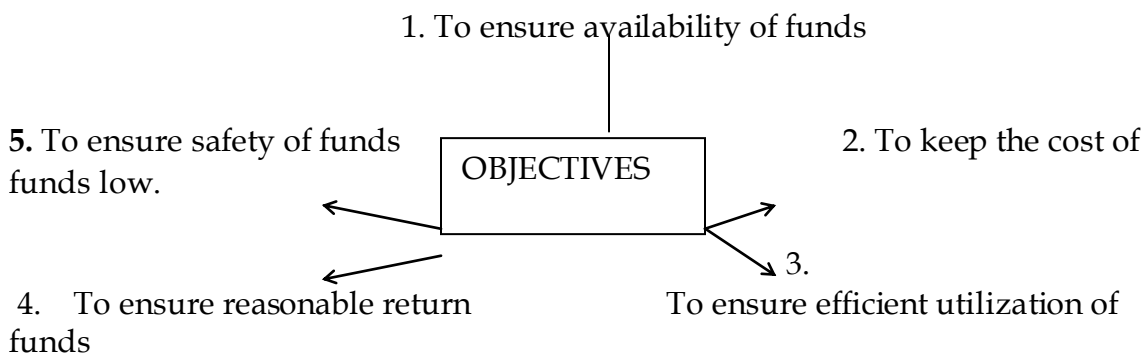
**Ans. Pricing Process/Procedure.**

**Q.12 What do you mean by Finance and Financial Management. Explain the objectives and importance and function of financial management?**

**Ans.** The term 'Finance' refers to money of funds available to a firm 'Financial Management of Funds. It may be defined as planning, organizing, directing and controlling of financial activities in a business enterprise. Financial Management is responsible for estimation of financial resources, their procurement and their application in a manner on which they help the enterprise grow according to well-defined objectives.

**Definition:** In the words of J.F. Bradley, "Financial Management is the area of business management devoted to a judicious. Use of capital and a careful selection of sources of capital in order to enable a business firm to move on the direction of reaching its goals.

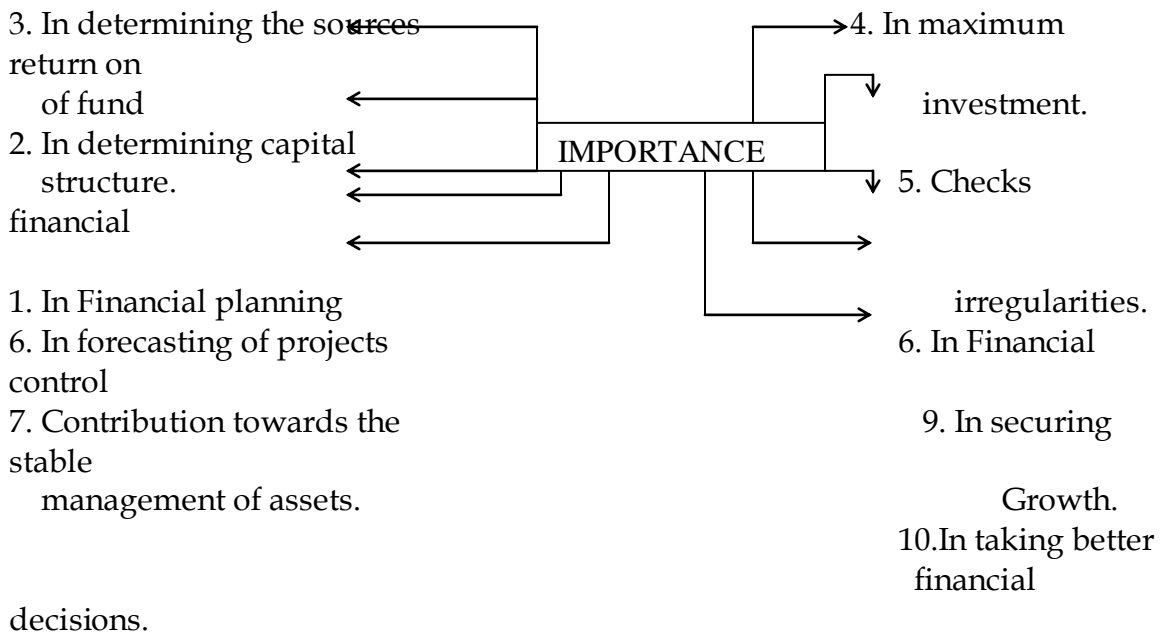
### Objectives of Financial Management:



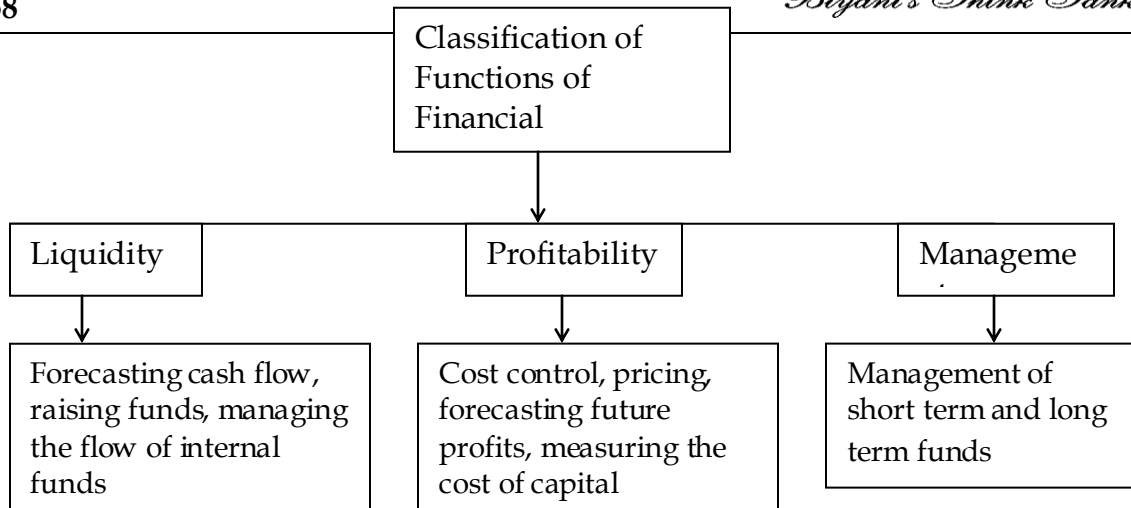


**Importance of Financial Management**

The importance of Financial Management can be ascertained from the following benefits :



**Scope and Functions of Financial Management:**



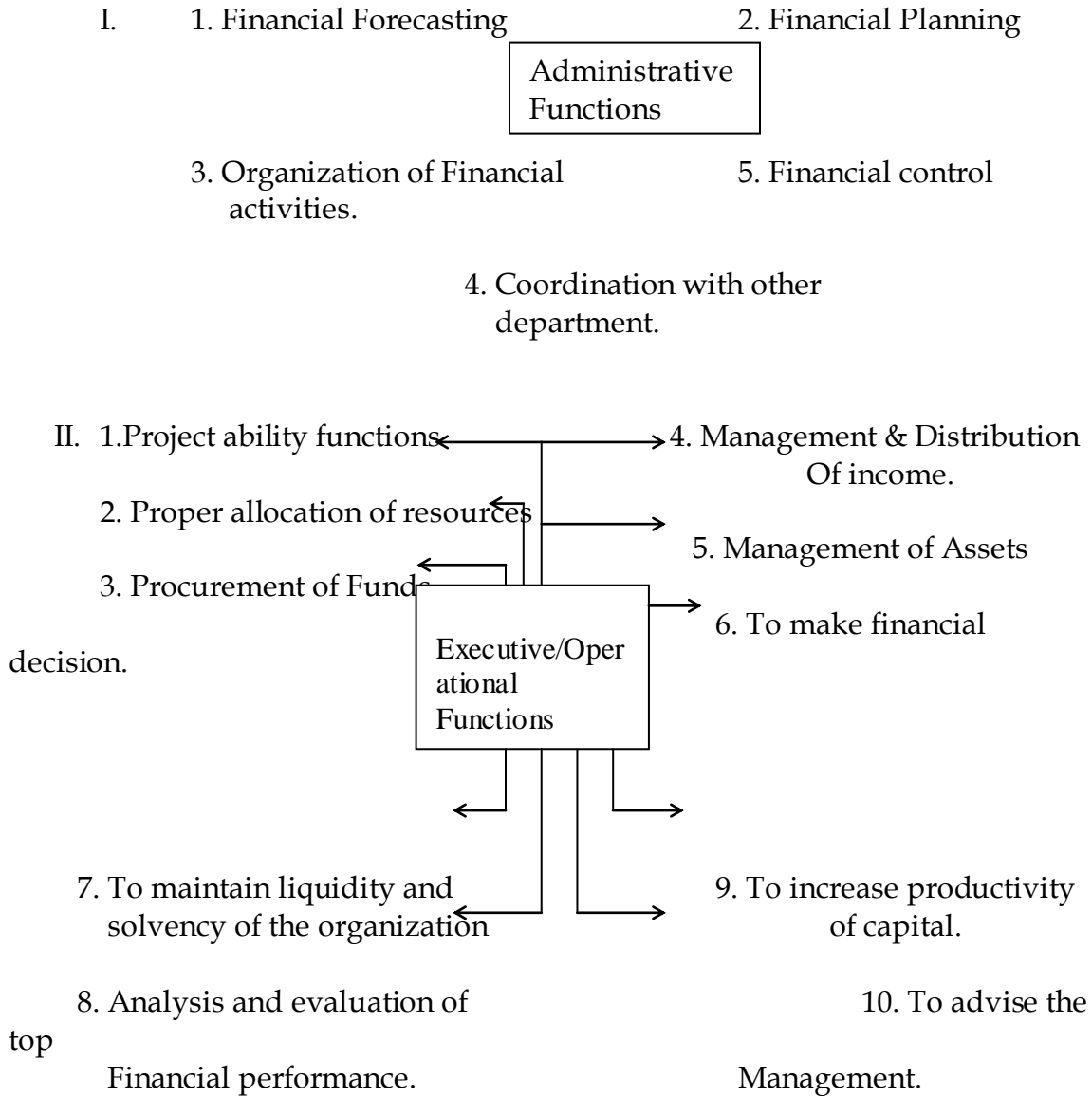
### **Functions of Financial Manager/Department**

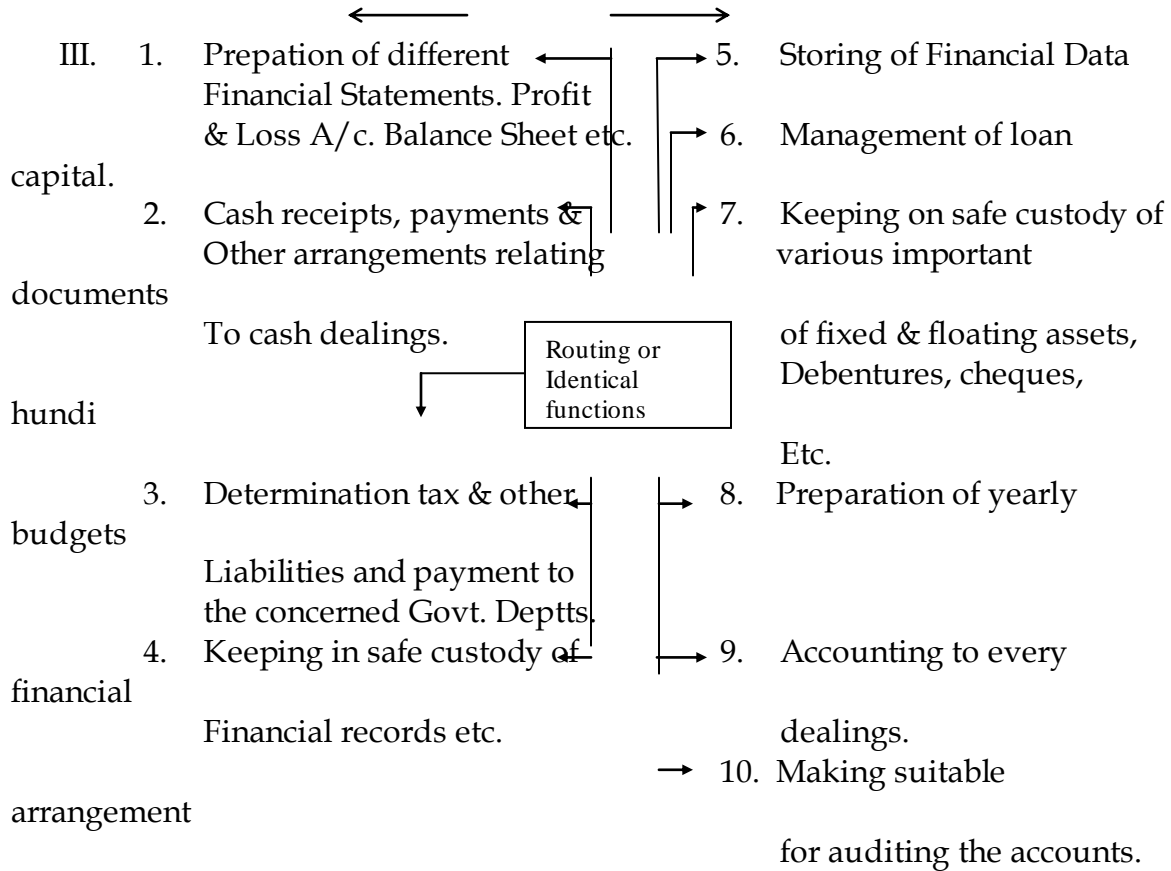
Financial Manager is the chief Executive of Finance department. He occupies key position on the team of top management officials. He is overall in charge of all the functions of Finance department i.e. planning, organizing and controlling. The functions of Financial Manager or Controller have been defined in different ways by different authorities. According to James C Vandorne, a Financial Manager performs two categories of functions of such as :

- i) Efficient and effective management of funds
- ii) Procuring of funds, John J. Hampton
- iii) Managing Funds
- iv) Managing Assets
- v) Liquidity functions
- vi) Profitability functions

On the basis of foregoing description, the functions of Finance Manager or Department can be grouped on to three main categories, namely.

1. Administrative functions &
2. Executive/Operational Functions and
3. Routine or incidental functions

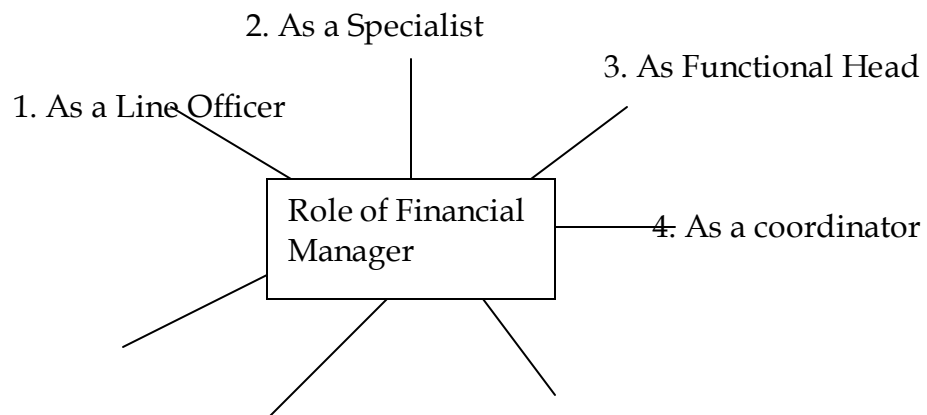




**Q.13 What are the Roles of Financial Manager in the Organization?**

**Ans. Role of Financial Manager or Controller:**

The role of Financial Manager in the organization structure is enumerated below :-



7. As Representative  
Of organization
5. As guide & guardian of investors.
6. As a leader & friend  
of employees.

**Q.14** What do you understand by the term **Financial Planning** and explain its role in **Financial Management**.

**Ans.** Financial Planning refers to the process of determining the objectives, policies, procedures, programmes and budgets to deal with the financial activities of an enterprise.

**Definition:**

According to Walker and Banghor "Financial Planning pertains only to the functions of finance B includes the determination of the form's financial policies and developing financial procedures.

**Role of Financial Planning in Financial Management:**

The important role of financial planning can be explained as below:

**1. It brings efficiency in Management and Business Operations :**

Finance is required for all the activities of a business enterprise. Financial planning by ensuring the availability of required finance at required time brings efficiency management and business operations.

**2. It facilitates the expansion and growth of business:**

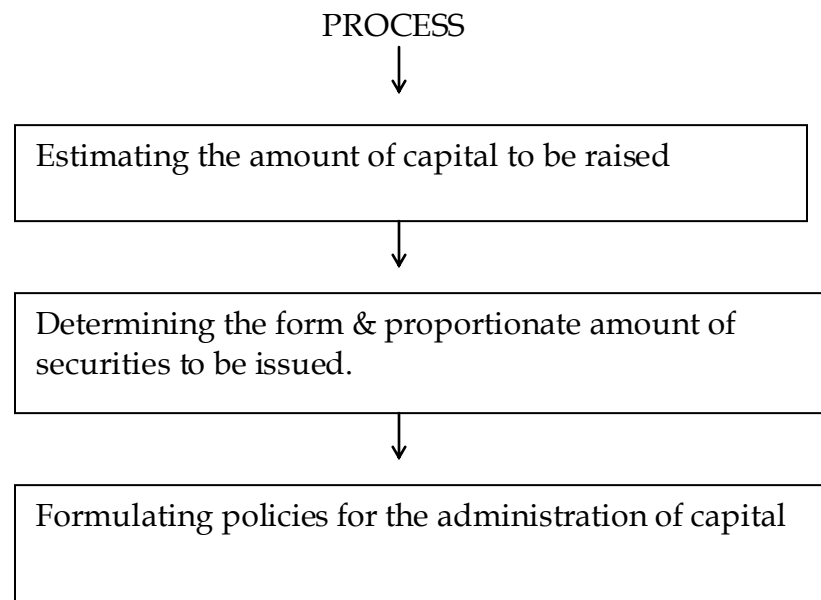
Financial planning by considering all the present and future plans and programmes of enterprise ensures regular floor of funds for business activities which is very essential for the growth and expansion of an enterprise.

**3. It brings economy and co-ordination in business Activities:**

Financial planning helps on preventing all the wastages allocating available funds in the best possible manner and taking most valuable capital decisions. Thus, it brings economy and co-ordination in business activities.

**Q.15 Write down the steps used in financial planning process.**

**Ans. Financial Planning Process:**



**Q.16 What are the limitations of Financial Planning?**

**Ans. Limitations of Financial Planning:**

1. Since reliable data and information are the backbone of successful financial planning, such information may not be available or procurable, poor information may cause poor judgments.
2. Another limitation of financial planning is high expectations and quick implementation.

3. Formulating a good financial plan covers several years, but reliability of forecasting decreases with the passing of time.
4. Another limitation is the management's inability to forecast future conditions due to failure of improving the forecasting techniques.

**Q.17** What do you understand by the term 'Capital Structure' and what are its important features? What are the features of an appropriate capital structure?

**Ans.** Capital Structure: It refers to the composition or make up of long term sources of funds such as equity shares, preference shares, debentures and long term loans. All these types of finances have to be on the right proportion on order to ensure an optimum capital structure. Basically there are two types of long term funds.

- (i) Owner's Capital
- (ii) Borrowed capital

**Definition:** According to Robert H. Wesswel, "Capital structure refers to funds employed in a business enterprise..

**Important Features of Optimum Capital Structure.**

The important features are as follows:

1. Optimum mix of Sources of Finance
2. Minimum cost of capital
3. Minimum Financial risk
4. Maximum returns of investment.
5. Effective financial control
6. Flexibility to adjust with charge
7. Balanced capitalization

**Features of an appropriate capital structure:**

According to Johnson R.L. a sound or appropriate capital structure should have the following features.

**Profitability - Features:**

- Control
- Solvency
- Conservation
- Flexibility

**Q.18 What are the factors determining capital structure?**

**Ans.** Factors determining capital structure are as follows:

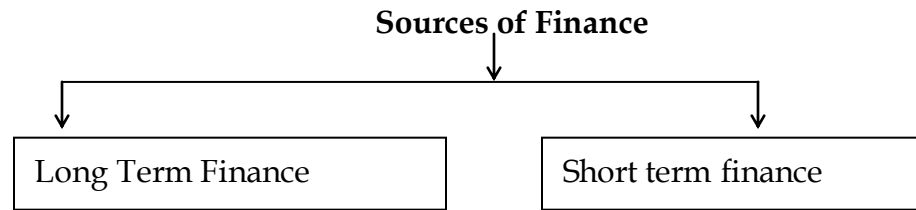
1. Trading on Equity
2. Nature of Enterprise
3. Object of Finance
4. control on Management
5. Attitude of the investment market
6. General level of interest rates
7. Business cycle
8. Government Taxation policy
9. Period of Finance

**Q.19 What is the source of Finance? Also explain working capital and its sources.**

**Ans.** The financial requirements of a business may be long term finance, should term finance. Long term finance is required to be invested in the business for a long period on permanent assets, short term finance is required to meet day to day operating expenses and for holding stocks of raw materials (working capital).

**Sources of Finance**





Issue of Shares and Debentures

Terms loans

Loans from Financial institutions

Retained profits

Public deposits

Trade credit

Accrued expenses

Deferred Income

Barrowings from banks.

### **Working Capital:-**

Funds available for a period of one year or less is called short term finance. In India, short term finance is used in finance working capital.

### **Sources of working capital finance:**

- 1) Trade credit
- 2) Accrued expenses
- 3) Borrowings from banks

## Case Study

### Marketing Management: A Case Study

**Back Ground:** A Global Business Consulting and outsourcing firm was very well known for its process delivery expertise of servicing banking and financial services industry for over 15 years. Most of its experience was coming from servicing one of the global financial services Giant with Global presence. Along with its ability to manage backend processes, it also developed six sigma capabilities which enabled it to not only provide business consulting services but also get engaged in improvement in delivery of key metrics most important for a CXo level person of the organizations. These improvements could directly be a result in streamlining backend processes or while improving the core front ending processes.

**Business Case:** The Company wanted to grow its client base beyond the current client it was servicing. Even though the company had very good voc(voice of customer) but they were only known to service this client and was recognized in the outside market. It was a proven fact that the company had the capability to compete in the market to services the financial service industry but they had establish them in the outside market. Company hired a consulting firm to enable them to grow their financial services client base.

The consulting form was given a timeline to come up with suggestions of marketing and then the implementation plan. The firm spent the first 60days of the firm to understand the market positioning of the firm.

The research steps included

- Detailed understanding of the company's capability
- Comparison of its capabilities with market Demand
- Understanding Market/ Competition space
- Understanding company's positioning to compete
- Feedback from The only client across its business verticals

Basis their research the Suggested feedback was as below

A) **Current state Analysis:** The consulting firm realized that the company was at best in class performance levels when it comes to process delivery and thus the existing process was ready to compete in the current environment. Consultant also suggested that the current products that the company was offering was lucrative to the market but it needs to be packaged and marketed differently such that the prospect would find it appealing.

B) **Smart Marketing:** The consulting firm suggested that the company now has to start investing in smart marketing. The consultant indicated that the target audience for the BPO firm would not be the mass audience but would rather be the CEO's and top level management banking and financial services organization. Smart Marketing indicated that they identified opportunities to showcase the firm to top executives more often. Some key opportunities identified were:

- 1) **Business Journals / magazines:** The consulting firm identified that there are a few magazines in every geography which will be at the desk of every cXo in a banking and financial services company. The magazines were niche in nature but were very effective in reaching out to the target audience i.e. the key top level executives.
- 2) **Business Conferences/Meeting:** It was realized that there was a bi-annual meeting of top CXo's of the industry across companies to come together and share/discuss industry trends and plans. This was a great opportunity for the firm to showcase to these executives what they could do to service these prospects. Participating in these conferences ensured that the company would get adequate visibility in the market for their services. The company also sponsored events within these conferences to be getting to be known more. This was a great marketing activity because the company while showcasing their products also got the opportunity to connect with key leaders of other organizations.
- 3) **Utilizing Customer Voc :** Their parent client had great faith in this company's capability because they have been a great service partner for them for over 15 years. Consultants suggested that wherever there was an

opportunity of utilizing existing clients personal connect to get introductory meetings, and then they would utilize them since word of mouth was the best form of marketing especially in mature markets.

4) **Building Marketing Collateral:** The consultants suggested that the company should now invest to develop whitepapers on banking and financial services earnings that they have gained over the last 15 years. Multiple whitepaper were built on key industry trends and insights. There were other marketing journals that was simultaneously developed e.g., marketing journals, case studies etc. As part of building marketing collaterals, the company website was also developed and the marketing content was uploaded to the web so that it becomes easily accessible for the interested parties.

C) **Brand Positioning:** With the effort that was now going to be taken on marketing, consulting firm also suggested that significant efforts were need to be taken for brand positioning. Immediately Brand Logo and Brand Punch Line was developed and included on marketing collaterals since this could ensure that the prospects are now able to better connect and thus relate to the company and its product.

The feedback from consultant was presented to the CEO and was accepted along with approval for required budget for performing the marketing activities. The company implemented these suggestions over next 18-24 months and this yielded multi fold results since the company was able to add 80 new customers in a space of 3 years and they started operating in multiple geographies which will cater to client needs.

Questions:

- a) Do you think “current performance level” is a marketing tool? Please elaborate in your own words why superior performance levels will/wont enable sustained growth?
- b) Please describe why targeted marketing efforts were key to growth in sales in the above example? Please suggest if this was a toothpaste

manufacturing firm, then what would have been the targeted marketing strategy?

- c) Describe how would Brand Positioning have helped them in growing sales?

## Multiple Choice Questions

1. Which of the following is not a category of marketing ethical issues?
  - a. Morality of the marketing director.
  - b. Infringement of consumer rights.
  - c. Price collusion among large producers.
  - d. Over-pricing
  
2. Which of the following is not a common source of criticism against marketing?
  - a. Individuals
  - b. United Nations
  - c. Society
  - d. World Trade Organizations
  
3. The marketing concept holds that the customer will remain loyal if
  - a. The company offers numerous 'specials'.
  - b. The company's marketing activities are persuasive enough.
  - c. The customer needs are met at a price that represents value for money.
  - d. The company produces a product with enough features to satisfy everybody.

4. Select the correct definition of a market
  - a. A market is a collection of people who actually or potentially want or need a product, and are able to exchange in order to acquire it.
  - b. A market is a collection of buyers and sellers willing to exchange a product.
  - c. A market is a mechanism that determines the price of products and services.
  
5. The process of turning market strategies into specific day to day, month to month actions is called
  - a. Marketing control
  - b. Marketing analysis
  - c. Marketing implementation
  - d. Marketing planning
  
6. A major tool of marketing control which is comprehensive, systematic, independent and carries out a periodic review of the company's environment, objectives, strategies and activities to determine problem areas and opportunities is called
  - a. Profitability plan
  - b. Strategic plan
  - c. Marketing plan
  - d. Marketing audit
  
7. The characteristics of customers is part of
  - a. Demographics

- b. Market audit
  - c. Target market
  - d. Marketing mix
8. Which among the following is essentially a projected profit and loss statement?
- a. Current marketing situation
  - b. Action program
  - c. Budget
  - d. Executive summary
9. Which of the following is currently the fastest growing form of marketing?
- a. Social marketing
  - b. Online marketing
  - c. Word of mouth marketing
  - d. Mass media marketing
  - e. Consumer generated marketing
10. The ultimate aim of customer relationship marketing is to produce
- a. Profit
  - b. Market share
  - c. Customer equity
  - d. A reliable database
  - e. Sales volume



- 
11. The shareholder wealth in a firm is represented by
- The number of people employed in the firm.
  - The book value of the firm's assets less the book value of its liabilities.
  - The amount of salary paid to its employees.
  - The market price per share of the firm's common stock.
12. The long run objective of financial management is to
- Maximize earnings per share.
  - Maximize the value of the firm's common stock.
  - Maximize return on investment.
  - Maximize market share.
13. The market price of a share of common stock is determined by
- The board of directors of the firm.
  - The stock exchange on which the stock is listed.
  - The president of the company.
  - The individuals buying and selling the stock.
14. The focal point of financial management in a firm is
- The number and types of products or services provided by the firm.
  - The minimization of the amount of taxes paid by the firm.
  - The creation of value for shareholders.
  - The dollar profits earned by the firm.

15. The decision function of financial management can be broken down into the following decisions
- a. Financing and investment
  - b. Investment, financing and asset management.
  - c. Financing and dividend.
  - d. Capital budgeting, cash management and credit management.
16. A company's potentially effective instruments of corporate governance are:
- a. Board of directors.
  - b. Employees
  - c. Common stock shareholders
  - d. Top executive officers
17. Accounting ratios are important tools used by:
- a. Managers
  - b. Investors
  - c. Researchers
  - d. All of the above
18. Financial planning deals with:
- a. Preparation of financial statements.
  - b. Planning for a capital issue.
  - c. Preparing budgets

- d. All of the above.
19. Which of the following is not a part of the Master Budget?
- a. Projected balance sheet.
  - b. Capital expenditure budget.
  - c. Operating budgets.
  - d. Budget manual
20. Process of financial planning ends with:
- a. Preparation of projected statements.
  - b. Preparation of actual statements.
  - c. Comparison of actual with projected.
  - d. Ordering the employees that the projected figures may come true.

## Key Terms

**Profit:** Profit may be considered as a financial benefit which is realized when revenue from any business activity exceeds the costs, expenses and taxes required to carry out and sustain the activity.

**Target Audience:** Target audience or target market is basically a specific group of people of certain age group, gender, marital status etc. for whom the marketing efforts and its merchandise is ultimately aimed at.

**Goodwill:** Goodwill represents an accounting concept that relates to the value of an entity above of value of its assets. It is intangible in nature but is quantifiable and depicts the prudent value of an organization resulting from the reputation that the firm enjoys with its clients.

**Promotion:** Promotion is one of the important marketing mix elements that aim at adding extra value to the products and services in order to increase their demand among the consumers. It may include allowances, temporary discounts, coupons, premium offers, contests etc.

**Place:** Place in marketing basically refers to distribution of products and relates to providing the products at a place easily accessible to the customers.

**Branding:** Branding refers to a process of creating a unique name and identity for a particular product in the mind of customers through various advertisement campaigns. It helps in attracting new customers and retaining old ones and

makes way for establishing a differentiated and significant presence in the market.

**Product Design:** Product design is the systematic process of developing a new product through the effective and efficient generation of ideas. The product designer's role is to combine art, science and technology to develop new products ready for customer use.

**Funds:** Fund refers to the collection of all the financial resources of an organization in the form of bank balance, cash in hand, accounts receivable etc. Any change in these resources will bring about a considerable change in the financial position of the organization.

**Assets:** Assets are the resources with economic value and aims at increasing the value of a firm and its operations. Assets can be current assets or fixed assets.

**Liquidity:** Liquidity refers to the degree to which any asset can be bought and sold in the market or the ability to convert an asset easily to cash. Assets which are easily bought and sold are called liquid assets.

**Debentures:** Debentures are debt instruments which are not secured by collateral or physical asset and are backed by the reputation and general creditworthiness of the issuer.

**Budget:** Budget refers to an estimation of the future revenue and expenses over a specified period of time. It is a microeconomic concept and can be made for an

individual, family, group, business, multinational organization, government or country.

**Capital:** Capital refers to the cash or goods used for the purpose of generating income. It represents the net worth of a business which means when assets exceeds liabilities.

## Section C

# Production & Materials

**Q.1 Define Production Management. Discuss its importance and functions.**

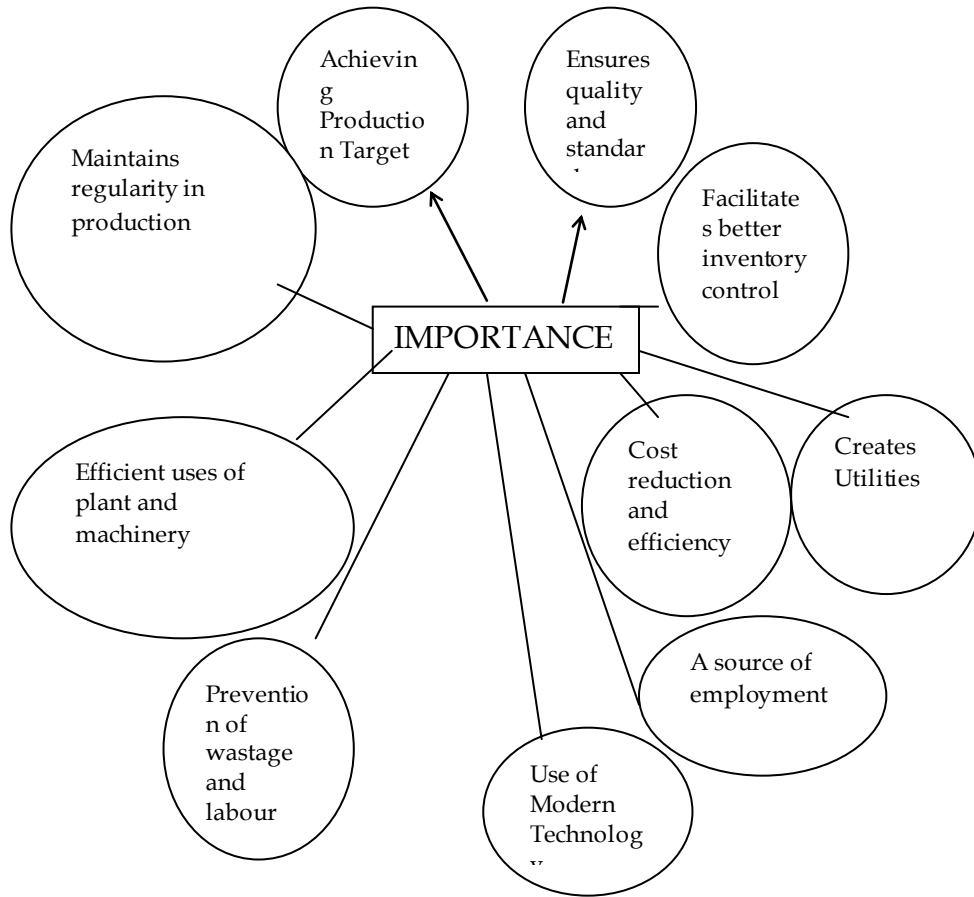
**Ans. Production:** - The term production is wide in its scope. It includes manufacturing process also by which raw material are transferred into finished goods for final consumption.

According to **Carl Heyal** "Production is the process of transforming components into finished goods for sale."

**Production Management Meaning:**-Production Management refers to a process of production planning, organizing, coordinating and controlling the operations, so that the goods and services are produced in accordance with the production schedule and specifications at a minimum cost.

In the wards of **E.F.L Brech**, "Production management then becomes the process of effectively alarming and regulating the operations of that point of an enterprise which is responsible for the actual transformation of materials into finished product.

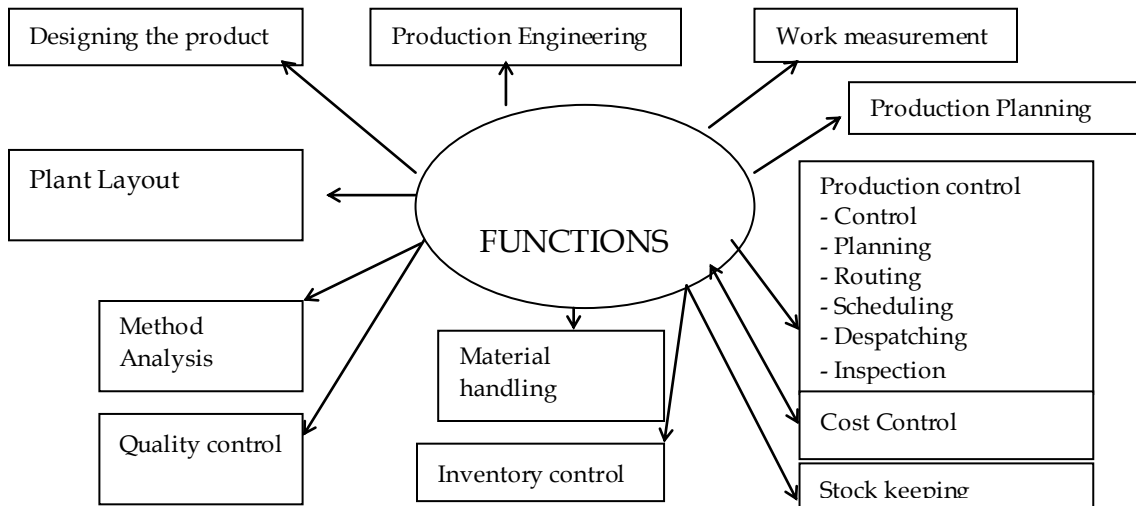
**Importance of Production Management :-** The importance of production management can be discussed under the following points :





### Functions of Production Management:

Some important functions of production management are as follows:



### Q.2 What do you mean by production planning? Discuss its objectives.

**Ans.** It is a process of coordinated activities whether the production management determines what shall be produced, when it shall be produced and where it shall be produced and assembled.

In the words of **Bethal, Atwaten, Smith and Stackman**, "Production planning is a series of related and co-ordinated activities performed by not one but a number of departmental groups, each activity being to systemize in advance.

In the words of **B.P.L Brech**, "Production planning which decides and issue schedules for when work is to be done and covers materials and stock records. Preparation of long and short term manufacturing programmes, shop and machines loading and progress chasing."

#### Objectives of Production Planning:

**Objectives:** Determine the production of goods and services:

- Produce the goods and services to the quality, size, design price range etc.
- Study the machines, equipment and tools etc. required.
- Determine number and quality level of worker to be appointed.
- Study all the methods of production process or technique.
- Study the requirement of buildings, stores, production rooms, godown etc. and mapping planning for them
- Make planning in such a way so that large scale production could be possible at minimum costs.
- Plan for commencing production as early as possible.
- Maintain coordination with other department and maintain balance between the functions of different departments.
- Plan in such a way that effective use of plant and machinery.
- Make possible the customers orders completed in time.
- Make efforts to bring down the labor costs.

**Q.3 Discuss production planning process?**

**Ans.** What is/are the purposes for the existence of our organization? What are the priorities in these purposes?

What are the internal strengths and weakness

What are the present and future opportunities? What are the threats to the organization?

Set realizable, quantifiable targets with respect to time.

Plan for the marketing of production land/or services.

Consideration of constraints in the plan. Is the plan realizable : No

**YES**

Plan production operations facilities, manpower ;and materials.

Constraints in the plan: Is the plan realizable? NO

YES

Financial Plan

Constraints in the plan: Is the plan realizable ? NO

YES

Implementation of Plan.

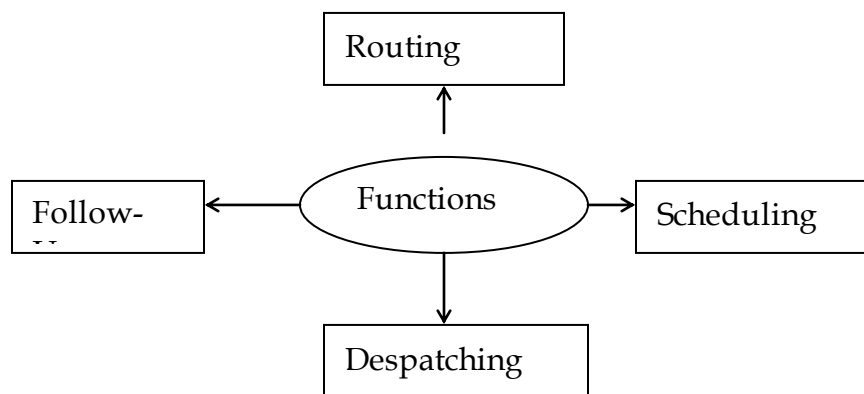
**Q.4 Define production control? Describe its importance?**

**Ans.** Production control is the process of planning production in advance of operations, establishing the exact route of each individual item or part thereof.

In the words of **Bethel and others**: "Production control regulates the orderly flow of materials in the manufacturing process from the raw state to the finished product. It tapes the influx of sales orders, boils them down into production orders and feeds them to the plant at a rate and in a sequence that enables the plant to digest them most readily and within a minimum of internal disorders."

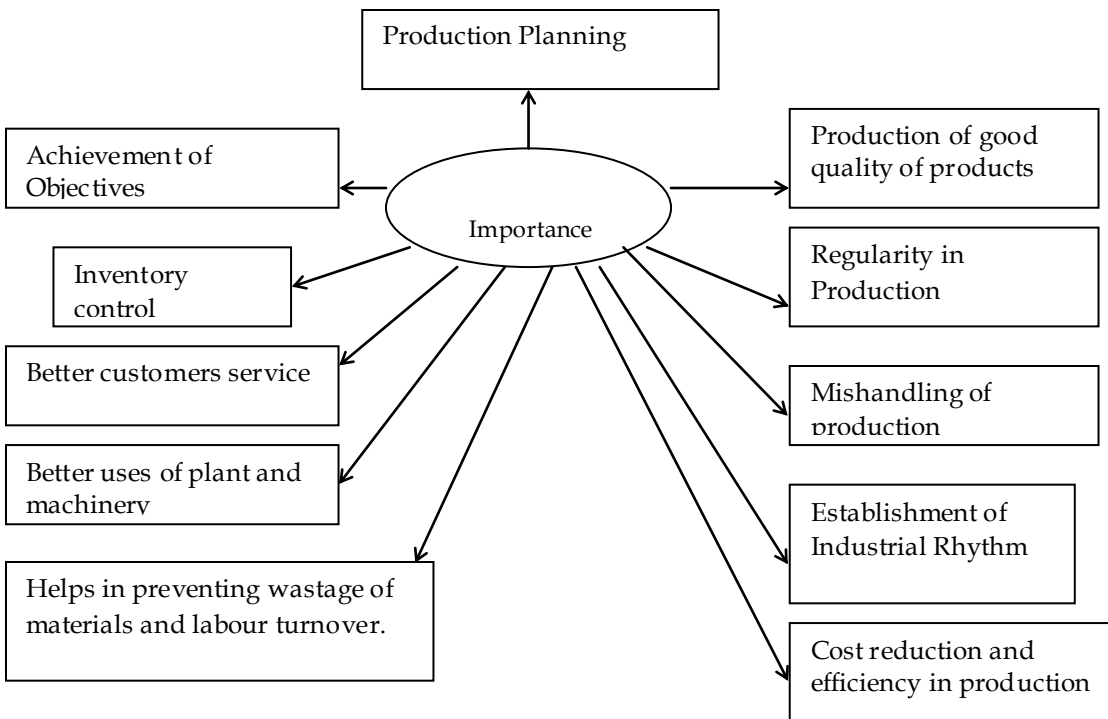
**FUNCTIONS OF PRODUCTION CONTROL AND PRODUCTION PLANNING.**

The functions of production planning and control are:



**Importance or advantages of Production Control:**

Production control provides the following advantages:



**Q.5** What do you mean by Quality Control? Also explain its objectives and importance.

**Ans.** **Quality Control:** In its broad sense, quality control is the mechanism by which products are made to measure up to specifications determined from customer demands transformed into sales, engineering and manufacturing requirements. It is concerned with making things right rather than discovering and rejecting those made wrong.

In other words, the procedure for meeting the Industrial quality Val is termed as 'Quality control'.

In the words of Stanley Oliver, "In its broadest sense, quality control is a technique which enables products to measure up to customer's specifications.

**Objectives of Quality control:**

- i) To determine the standard of items.
- ii) To arrange production of goods according to standard.
- iii) To check deviations of my quality of goods produced.

- iv) To determine the tolerance wants in case of deviations from quality.
- v) To evaluate the production process, to check quality
- vi) To present suggestions for improvement on production process.
- vii) To increase customer satisfaction through improvement on quality.

**Need & Importance of Quality Control:**

The importance of quality control is given below:

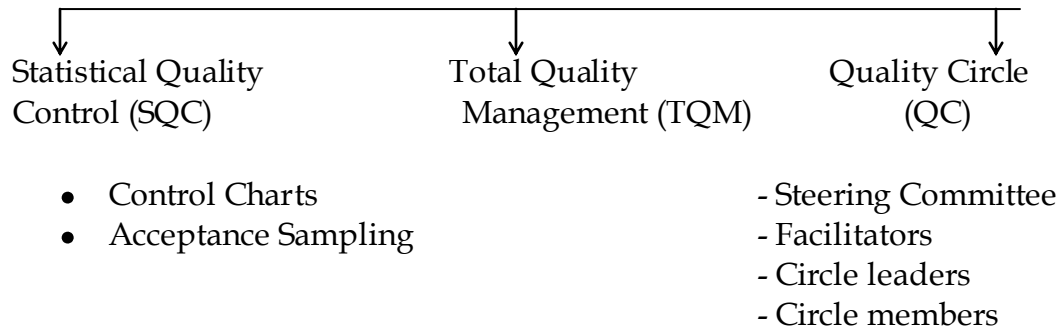
- Increase in Sales
- Minimizes cost of production
- Improves production effectiveness
- Fulfillment of social responsibility
- Complies with Government rules & standards
- Increase in goodwill of the firm
- Consumer satisfaction

**Q.6 Write down the steps and techniques of quality control?**

**Ans.** Steps or techniques of Quality control.

- Raw material control
- Standards and specification
- Control over production operations
- Testing the suitability of machines and equipment
- Proper location of inspection points
- Decision as to the amount of inspection
- Control of accuracy of inspection
- Development of quality conscious
- Application of statistical methods
- Maintenance of quality control records

### QUALITY CONTROL TECHNIQUES



**Q.7 Write a short note on Products Designing & Product Research.**

**Ans.** Really speaking, product designing is a step on market research, changing markets, new technologies other factors are always creating new trends in the design of products.

Certain factors affect product design strategy. These factors mainly include the following:

- i) Narrowing product Lines
- ii) Product simplification

**Narrowing Product Lines:**

**Product Design Strategy:**

The product design strategy involves the following techniques:

- i) Product standardization
- ii) Modular design
- iii) Product Reliability
- iv) Redundancy
- v) Design by computers
- vi) Designing services

**Product Research:**

Research has produced the scientific knowledge that was behind the development of television, jet aero planes, electronic computers, wonder drugs, Insecticides, nuclear power plants and thousands of other things.

New discoveries and innovations are harder to come by, even though occasionally there is new major scientific break through which creates whole new products which have substantial impacts on existing products, possibly making them absolute overnight. But, even in these cases, competition usually holds projects down to nominal accounts. Out of reach, yet, because of competition, the makers of these products have earned only nominal profits.

**Sources of Research Ideas:** Although research provides the base from which new innovative applications can be developed, innovative ideas come from many sources rather than just from researchers. Marketing people see the need for something their customers want. Production people see opportunities to improve methods and processor. Everyone in an organization is a potential source of ideas.

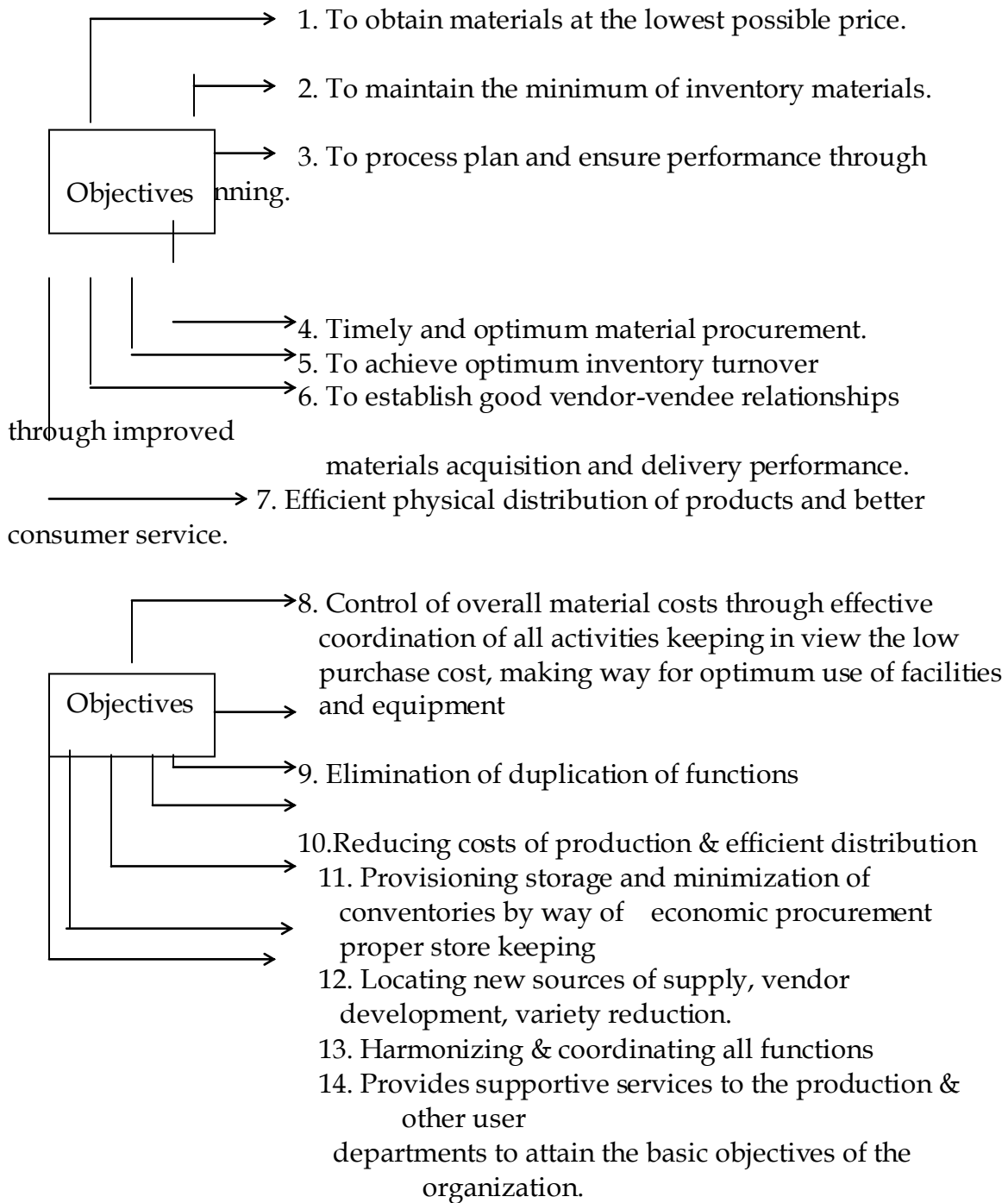
In order to try to tap this source of ideas, many firms try to generate a creative environment for their people. They tell them about technical advances and ask for ideas about how they can be incorporated into products and services.

**Q.8 What do you mean by Materials Management and also explain its objectives.**

**Ans.** Materials management refers to the movement of production materials from the stage of their acquisition to the stage of their consumption.

According to **A.K.Datta**, "Materials management can be said to be that process of management which coordinates, supervises and executes the tasks associated with the flow of materials to through and out of an organization in an integrated fashion.

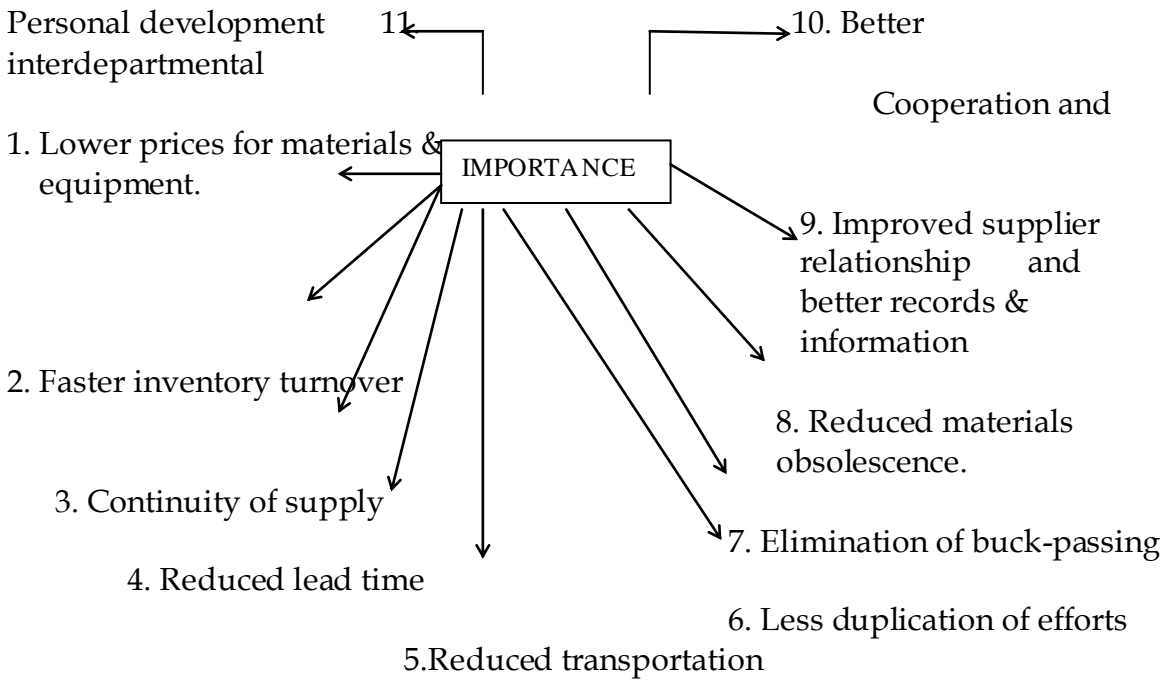
### Objectives of Material Management:



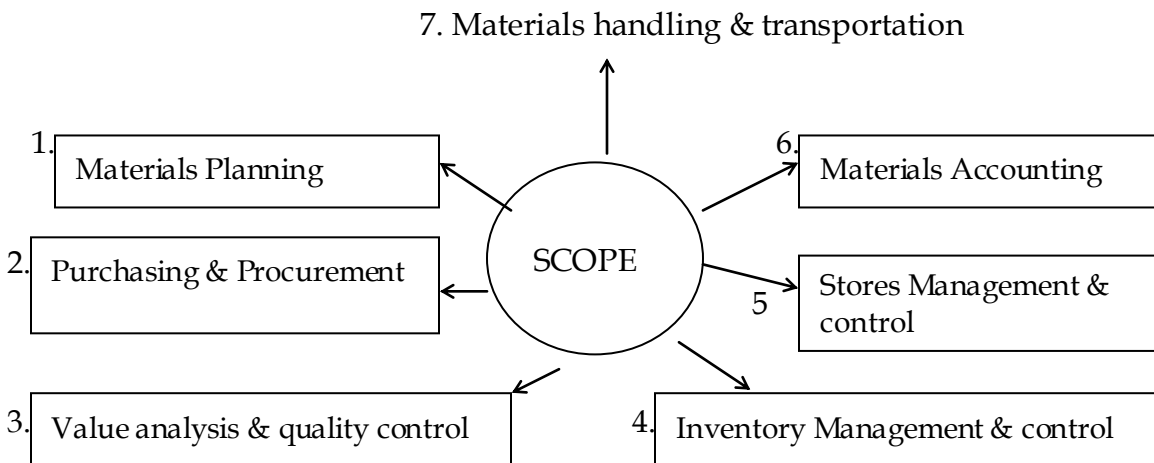


**Q.9 What are the importance and scope of material management?**

**Ans.** Importance of Material Management is as follows:



**Scope of Materials Management:**



**Q.10** What do you mean by Inventory? Also explain the objective4s of inventory.

**Ans. Inventory:** Inventories are stock of materials of any kind stored for future use, mainly in the production process.

1. According to **B.D. Khare** "The term inventory includes material raw in process, finished packaging, spares and others stocked in order to meet an unexpected demand or distribution in the future.

Inventories are maintained basically for the operational smoothness which they can affect by successive stages of production, whereas the monetary value of inventory serves as a guide to indicate the size of investment made to achieve this operational convenience.

**Objectives or need for inventories:**

The objectives of inventories include the following:

1. The raw materials inventories are needed in the production process for conversion into semi-finished goods.
2. In some industries where materials are processed in lots or batches, it is desirable from economic consideration, to keep inventories in sufficient quantities.
3. To a considerable extent, the need for finished goods inventories becomes necessary due to the nature of product, nature of customers demand, and the nature of manufacturing process.
4. In general, inventory facilitates transit and handling.
5. Inventories permit the procurement of raw materials on economic lot sizes as well as processing of these materials into finished goods on the most economical quantities.
6. Another purpose of holding inventories is to reduce material handling costs.
7. Another reason for holding inventories is to obtain a reasonable utilization of people and equipment.
8. Finally, inventories are held to facilitate product display and service to customers, hatching on production in order to take advantage of longer production runs and provide flexibility on production scheduling.

**Q.11 What are the different types of Inventories?**

**Ans.** Types:

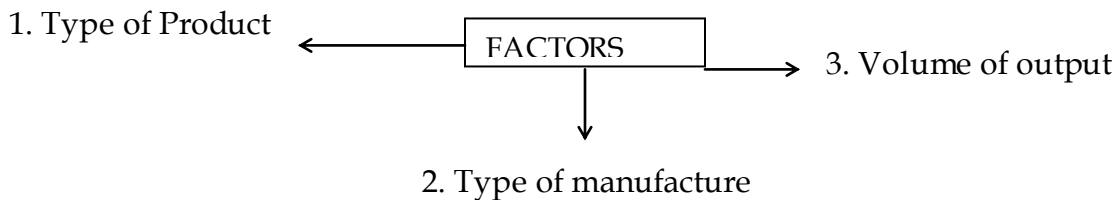
- Raw materials and production inventories.
- In process inventories
- MRO Inventories

- Finished Goods Inventories
- Movement or Transit Inventories
- Lot-size inventories
- Fluctuation inventories
- Anticipation inventories

**Q.12** What do you mean by Inventory planning and control. Also write down the factors influencing inventory planning and controls.

**Ans.** Inventory management involves the development and administration of policies, systems, and procedures which will minimize total costs relative to inventory decisions and related functions such as customer service, requirements, production scheduling, purchasing, traffic etc.

Inventory Control, on the other hand, is defined on a narrower sense than inventory management and pertains primarily to the administration of established policies, systems and procedures.



**Q.13** Write down the advantages of inventory planning and control and also write down the process of Inventory Planning & Control?

**Ans.** Advantages:

1. Inventory control ensures an adequate supply of materials stores etc, minimizes stock outs and shortages and avoids costly interruptions in operations.
2. It keeps down investment in inventories, inventory carrying costs and obsolescence losses to the minimum.
3. It facilitates purchasing economies through the measurement of requirement on the basis of recorded experience.

4. It eliminates duplication in ordering or in replenishing stocks by centralizing the source from which purchase requisitions enumerates.
5. It permits a better utilization of available stocks by facilitating inter-department transfers within a company.
6. It provides a check accounting activities by providing a means for allocating materials costs to products departments or other operating accounts.
7. It enables management to make cost and consumption comparisons between operations and periods.
8. It serves as a means for the location and disposition of inactive and obsolete items of stores.
9. Perpetual inventory values provide a consistent and reliable basis for preparatory financial statements.

#### **Process of Inventory Planning & Control**

1. Determination of optimum inventory levels.
2. Determination of the degree of control.
3. Planning and design of the degree of control.
  - Fixed order quantity system
  - Fixed order period system
4. Planning of the inventory control organization
5. Two-bin techniques max-Minimum Tech, Economic order quantity, ABC Analysis.

#### **Q.14 What do you mean by Safety Stock?**

**Ans.** In many practical situations it can be observed that neither the consumption rate of materials is constant throughout the year, nor in the lead time. It means that the time interval between placing an order and final replenishment is constant. To face such a situation of uncertainties, an extra stock is maintained by the stores to meet the demands. This extra stock is termed as safety stock.

**Q.15 What do you mean by Vendor Development?**

**Ans.** Vendor Development: Vendor Development is a continuous process and may start from the collection of names and addresses from the DGS&D, trade journals and also from other trade directives such as Directory of small scale industries etc. After collecting the following details, a list of prospective vendors may be drawn up for evaluation. The following information may be needed.

- Forms of organization
- Manufacturing capability
- Technical skill and testing facilities
- Financial capacity
- Location & infrastructural facilities
- Past performance and after sales service
- vendor-vendee relations

**Vendor-Vendee Relations**

One of the basic objectives of materials management is to activate and maintain good relationship with supplies. Many manufacturing firms have been unwillingly compelled to manufacture their own needs owing to some bad relationship cropping up with their former sources of supplies. Since corporate plans are drawn up on the premise that materials and supplies will be forthcoming at right quality and quantity, it is all the more essential that good vendor-vendee relationship exists. No matter how carefully purchasing plans are made. These are dependent on outside sources of supplies. Only suppliers' cooperation and goodwill can make them effective. In case of emergencies and also in cases where actual material needs deviate substantially from anticipated initial requirements, a good vendor-vendee relation pay handsome dividends. Moreover, on shortages of many basic raw materials, noncompliance and even unfriendly attitude, on the part of the suppliers may seriously jeopardize production plans.

In practice, even suppliers with a proven track record, sometimes do fail to keep delivery promises and do not always meet the quality requirement due to many reasons. Some of them may be attributed to the supplier's negligence but in many cases, this may be due to situations beyond the control of the suppliers. It may be because of some unforeseen manufacturing difficulties on the manufacturing plant of the supplies, or labor trouble transportation difficulties and a host of other constraints. It may also be due to mismanagement of the suppliers' plant.

However, the purchasing department probably has more outside contacts with firms and individuals than any other department except sales.

As such, the buyer has the chance to enhance the reputation and goodwill of number companies especially by way of cultivating and maintaining good vendor-vendee relationship.

**Q.16 Write a brief note on DGS&D purchase.**

**Ans. Purchase of Stores through DGS&D:**

Purchase of stores through DGS&D is made by submitting on "indent" in the prescribed form. The indenter, however, has an authority to take purchases on his own in respect of demands upto Rs.25,000/- in value. The DOS&D does not entertain a demand less than this value of Rs.25,000/- but in the following circumstances, the Directorate does so.

If a rate or running contract for the stores in question is in existence and the value of the individual item exceeds Rs.1000/-,

If the stores requirements cannot be obtained conveniently by the indenter, in such cases, however, the indenter has to give the details of the efforts made by him for the purpose.

**Form of Indents**

The indents to be submitted to the directorate are to be prepared in triplicate and submitted on standard indent form as follows:

- (i) For civil indenters (a) Form DGSD-85
- (ii) For Defence services demands (b) Form DOSD-86

For supplementary demands

Defence Services

(c) Form DGSD-138

**Direct Demanding Officers (DDOs)**

Any individual indenter, who has the responsibility of the purchase section concerned may be declared a Direct Demanding Officer against the rate contract.

The DDO is authorized to place an indent directly for the items under the rate contract with the DGS&D. The criterion for inclusion on the list of DDOs is to have a large quantity and recurring demands for particular stores and a request for inclusion on the list is made by the indenter. The list is routed through the coordination suppliers Section, which after finalization, recommends the inclusion and the pay and accounts officers are informed accordingly.

**Fees for services rendered**

Since the DGS&D is a service department, no charges are claimed for service rendered by this Central Purchasing Organization from the non commercial civil departments of the government of India. However, in respect of supplies made with effect from April 1, 1986, the departmental charges from the following are being charged.

Commercial departments of the Central Government

State Government

Defence Services

Quasi-public bodies

Overseas indenters, payment procedure against DGS&D contracts.

**Payment procedure against DGS&D contracts**

Trade and industry which are registered and are regular suppliers receive advance payments to the extent of 90 to 95% as the case may be immediately after dispatch of the stores to the consignee. Generally, the suppliers bills are to be paid by the Pay And Accounts Officer, within 14 to 21 days of their presentation if they are found otherwise in order.



## Case Study

### Production Management

**Business Case:** The era of globalization brings highly competitive environment and company put a lot of emphasis on reducing costs of operations and supply chain sections within the company. A global automotive company was faced with the similar situation where the chief controller of the production house was tasked by the directors to streamline its internal operations and reduce cost of manufacturing. The benefit they would give back to the consumers to stay competitive.

Key areas of concern to reduce cost pressure to better manage the production and material handling management. Production Management was directly related to production control, i.e. right amount manufactured at the right time. Materials handling is intrinsically associated with production flow. Because of this, it has direct influence on transit time, resources usage, and service levels.

A qualified team of 26 members led by project manager were designated to propose an improvement plan with execution timeline. The objective was to evaluate, in a systematic way, the impact of implemented changes in materials handling management on the internal customers' perceptions of cost, safety in service, service reliability, agility and overall satisfaction.

The team did a 10 day assessment of the end to end activities of the production management division. The team also looked at historical reports of sales and performance and related metrics.

Key elements of research were:

- Demand analysis
- Inventory Management
- Resource analysis
- Machinery capability analysis
- Production Flow

Production Management Improvement steps:

**Demand Analysis and Inventory Management :** The team did an intense analysis of the production v/s demand in the market and realized that the even though the factory was producing x numbers of cars per month but still the total cars sold per month was not equal to the demand per month. There were months where the demand was high but the production was low and vice versa. Even though the overall supply of cars was equal to the demand but company still faced issues with inventory turnover and thus months where excess cars were manufactured they had to be kept in garage for extended durations and months where demands were high then these cars were taken off from shelf, often resulting in depleted products and even cases of old technology. Even though the cars were sold but the customer satisfactions were low.

The teams immediately did demand analysis and suggested forecasting the demand during the peaks and troughs throughout the year so that only enough cars were being manufactured every month and there was a need of minimal inventory. This resulted in significant reduction in cost of manufacturing coz 68% of cost of warehousing was reduced and still the demand of customers were met.

**Resource Leveling and Machine Capability:** Another analysis of the study reflected that the manufacturing unit was underutilized in some areas and other areas it was over pressured. This was both with the case of Human resources and machinery. The team did activity analysis of each activity and assessed them with resources aligned to the activity and started reallocating resources to ensure that all resources get equal opportunity to perform because in both the cases of under utilization and over utilization the resources were demotivated. First, for not getting the right opportunity to perform and second, because of excess workload. Machinery utilization was also assessed and excess and old machinery were sold and new machinery was added wherever required leading to improved output. This meant a onetime cost but would yield a long term value.

**Production Flow:** The entire workflow was analyzed, how inventory moves from one department to another, analysis were to assess if there were lead time between 2 activities, if work was pulled or pushed from one department to the

other and process improvements were suggested and implemented basis the documented observations.

These suggestions were presented to the board of directors and were later implemented in the production house resulting in reduced costs and improved customer satisfaction.

**Questions:**

Q1) Define the role of resource leveling in production management?

Q2) How can demand Forecasting reduce costs and improve service levels for a manufacturing unit like above?

Q3) Please explain how cost of operations is linked to push/pull information in a workflow?

Q4) Please describe of the areas of above improvement which will have an impact on end customer satisfaction of the product?

## Multiple Choice Questions

1. Three commonly used productivity variables are:
  - a. Quality, external elements and precise units of measure.
  - b. Labor, capital and management.
  - c. Technology, raw materials and labor.
  - d. Quality, efficiency and low cost
  
2. Productivity tends to be more difficult to improve in the service sector because the work is:
  - a. Often difficult to automate
  - b. Typically labor intensive
  - c. Intellectual task performed by specialists
  - d. All of the above
  
3. Productivity can be improved by:
  - a. Increasing inputs while holding outputs steady
  - b. Decreasing outputs while holding inputs steady
  - c. Increasing inputs and outputs in the same proportion.
  - d. Decreasing inputs while holding outputs steady
  
4. Which of the following inputs has the greatest potential to increase productivity?
  - a. Labor
  - b. Globalization
  - c. Management
  - d. Capital

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5. Henry Ford is noted for his contributions to:
    - a. Standardization of parts
    - b. Statistical quality control
    - c. Assembly line operations
    - d. Scientific management
  
  6. A level production strategy is generally characterized by:
    - a. A constant rate of output
    - b. Matching output with demand
    - c. A set level of inventory
    - d. An unskilled workforce
  
  7. A chase production strategy is generally characterized by:
    - a. Matching output with demand
    - b. A constant rate of output
    - c. A set level of inventory
    - d. An unskilled workforce
  
  8. Which of the following is not a major activity of operations in supporting company success?
    - a. Provide products or services suited to the company's capabilities.
    - b. Provide products or services with consistent quality level.
    - c. Minimize cost
    - d. Provide product or service which has sufficient market
  
  9. The responsibilities of production manager includes:

- a. Planning, organizing, staffing, procuring and reviewing
  - b. Planning, organizing, staffing, leading and controlling
  - c. Forecasting, designing, accounting and financing
  - d. Marketing, selling, advising and auditing
10. Which came last in the development of manufacturing techniques?
- a. Lean Production
  - b. Mass Production
  - c. Division of labor
  - d. Craft Production
11. Documents generated at the design stage termed as part lists or building lists are also termed as:
- a. Material requirement planning
  - b. Bill of materials
  - c. Master production schedule
  - d. None of the above
12. The time that elapses between issuing replenishment order and receiving the material in stores is termed as:
- a. Replenishment time
  - b. Lead time
  - c. Idle time
  - d. None of the above
13. The task of buying goods of right quality in the right quantities at the right time and at the right price is termed as:
- a. Supplying

- b. Purchasing
  - c. Scrutinizing
  - d. Selling
14. The first activity of purchasing cycle is:
- a. Communicating requirement to the purchase
  - b. Source selection and development
  - c. Recognizing the need for procurement
  - d. Inspection of goods
15. Buying according to the requirements is termed as:
- a. Seasonal buying
  - b. Hand to mouth buying
  - c. Scheduled buying
  - d. Tender buying
16. Buying of the annual requirements of an item during its season is termed as:
- a. Hand to mouth buying
  - b. Seasonal buying
  - c. Speculative buying
  - d. Scheduled buying
17. Raw materials and Work in Progress can be classified under:
- a. Direct material
  - b. Indirect material
  - c. Standard part

- d. Finished material
18. In manufacturing a product, prime costs are:
- a. Raw materials and manufacturing overhead
  - b. Indirect materials and manufacturing overhead
  - c. Indirect labor and manufacturing overhead
  - d. Direct materials and direct labor
19. The inventory which is depended on alternative modes of transportation is known as:
- a. Seasonal Inventory
  - b. Pipeline Inventory
  - c. Safety Inventory
  - d. Decoupling Inventory
20. Inventory carried for the purpose of providing flexibility to each decision making unit to manage its operations independently is known as:
- a. Cycle Inventory
  - b. Seasonal Inventory
  - c. Decoupling Inventory
  - d. Safety Inventory



## Key Terms

**Finished Goods:** Finished goods refer to those products which are completely manufactured and are ready for sale and delivery to the marketplace.

**Sale:** Sale represents a commercial activity of selling any service or product in return for money or any other compensation. It involves the due settlement of a price by the passing of title or ownership from seller to buyer.

**Scheduling:** Scheduling in production refers to the process of managing and allocating resources, processes and events for the creation of goods and services. A production schedule in business is adjusted on the basis of availability of resources, efficiencies and client orders.

**Dispatching:** It refers to the release of work orders, shop orders and other instructions in accordance with previously planned routings and schedules. This is done for setting the production activities in motion.

**Labor Turnover:** It refers to the ratio between the numbers of employees leaving any company through dismissal, attrition or resignation to the number of employees on the muster rolls of that company during a specified period.

**Inventory Turnover:** It is also known as stock turnover and represents a measure of the number of times any inventory is used or sold during a particular period of time.

**Lead Time:** The delay or latency between the initiation and execution of any process is termed as lead time. In lean manufacturing, reduction of lead time is a very important process.



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**B. Com (Part-I) Examination, 2011  
(10+2+3 Patterns)  
(Faculty of Commerce)  
BUSINESS ADMINISTRATION  
First Paper: Functional Management**

Time : One Hour

Max. Marks: 40

**OBJECTIVE PART- I  
Attempt all Questions.**

1. Answer each of the following questions in not more than 20 words. Each question carries two marks.

- (i) What is job analysis?
- (ii) What is recruitment?
- (iii) What do you mean by Merit Rating?
- (iv) What do you mean by channels of Distribution?
- (v) What is 'Skimming the Cream' Pricing policy?
- (vi) What is meant by working capital?
- (vii) What is Financial Planning?
- (viii) What is product design?
- (ix) What is purchase planning?
- (x) What is meant by Inventory?

2. Answer each of the following questions in not more than 50 words. Each question carries four marks.

- (i) What is Human Resource Planning?
- (ii) What do you mean by Product Planning?
- (iii) What do you mean by Capital Share?
- (iv) Write the objectives of Quality Control.
- (v) What is Inventory Planning?

**DESCRIPTIVE PART- II****Time: Two Hours****Max. Marks: 60**

Attempt three questions in all, Selection at least one question from each Section. All questions carry equal marks of 20 each.

**Section-A**

3. What is Human Resource Management? Describe the functions of Human Resource Management.
4. What is Training? Describe the various methods of Training..

**Section-B**

5. What is Marketing Research? Describe the Process of Marketing Research.
6. What do you mean by Finance Function? Explain the Importance of Financial Management.

**Section-C**

7. What is Production Management? Describe the Importance of Production Management.
8. What do you mean by 'Material Management? Describe the functions of Material Management.

**B. Com (Part-I) Examination, 2010**  
**BUSINESS ADMINISTRATION**  
**First Paper: Functional Management**

Time : One Hour

Max. Marks: 40

**OBJECTIVE PART- I**  
**Attempt all Questions.**

1. Answer each of the following questions in not more than 20 words. Each question carries two marks.

- (i) What do you mean by Human Resource Management?
- (ii) What is job analysis?
- (iii) What do you mean by stress Interview?
- (iv) What is apprenticeship training?
- (v) What is 'Patent'?
- (vi) What do you mean by franchise shops?
- (vii) State any four limitations of a Financial Plan.
- (viii) What is meant by 'Production Research'?
- (ix) Who makes purchase for Government departments?
- (x) What is meant by operational supplies?

2. Answer each of the following questions in not more than 50 words. Each question carries four marks.

- (i) Distinguish between human resource management and personal management.
- (ii) Distinguish between marketing concept and societal marketing concept.
- (iii) Write a note on 'Capital Gearing'?
- (iv) Explain the continuous production system and batch production system.
- (v) What do you mean by open tender and limited tender?

**DESCRIPTIVE PART- II****Time: Two Hours****Max. Marks: 60**

Attempt three questions in all, Selection at least one question from each Section.  
All questions carry equal marks of 20 each.

**Section-A**

3. Define 'Fictional Management'. Explain its importance in modern business.
4. What is 'Performance appraisal'? Describe its different methods.

**Section-B**

5. What do you mean by Pricing? Discuss the various pricing methods.
6. What do are the various 'sources available to Indian industries for raising working capital for their needs?' Explain fully.

**Section-C**

7. What do you mean by 'Production Planning and Control'? Describe in brief the various components of Production Planning and Control.
8. What do you mean by 'Purchase Planning'? Briefly describe the various methods of material purchasing.

**B. Com (Part-I) Examination, 2009**  
**BUSINESS ADMINISTRATION**  
**First Paper: Functional Management**

Time : One Hour

Max. Marks: 40

**OBJECTIVE PART- I**  
**Attempt all Questions.**

1. Answer the following questions is not more than 20 words each. Each question carries 2 marks.
  - (i) What is functional management?
  - (ii) What is meant by wanted advertisement?
  - (iii) What is placement?
  - (iv) What is by meant by training?
  - (v) What is meant by product life cycle?
  - (vi) What is meant by channel of distribution?
  - (vii) What is meant by working capital?
  - (viii) What are preference shares?
  - (ix) What is production control?
  - (x) What is meant by inventory?
  
2. Answer each of the following in not more than 50 words each. Each question carries 4 marks.
  - (i) State the content of man specification.
  - (ii) Distinguish between job enlargement and job enrichment?
  - (iii) Distinguish between marketing research and market research?
  - (iv) Distinguish between financial planning and capital structure.
  - (v) Write a short note on re-order point.



**DESCRIPTIVE PART- II****Time: Two Hours****Max. Marks: 60**

Attempt three questions in all, Selection at least one question from each Section. All questions carry equal marks of 20 each.

**Section-A**

3. What do you mean by Human Resource Management?
4. Distinguish between recruitment and selection. Describe various methods of recruitment.

**Section-B**

5. Explain various concept of marketing. Discuss the importance of marketing in modern business.
6. What do you mean by finance function? Describe the main function of finance management.

**Section-C**

7. Define production management. Explain clearly the scope of production management.
8. Write short notes on the following :
  - (i) Economic order quantity;
  - (ii) A.B.C. analysis;

**B. Com (Part-I) Examination, 2008**  
**BUSUNESS ADMINISTRATION**  
**First Paper: Functional Management**

Time : One Hour

Max. Marks: 40

**OBJECTIVE PART- I**  
**Attempt all Questions.**

1. Answer the following in not more than 20 words each. Each question carries 2 marks each.
  - (i) What is Human Resource Management?
  - (ii) What is Job Analysis?
  - (iii) What do you mean by "Merit Rating"?
  - (iv) What is the 'Skimming the cream' Pricing Policy?
  - (v) What is a super market?
  - (vi) What is capital gearing ratio?
  - (vii) What do you mean by 'Quality Control'?
  - (viii) What is 'Product Design'?
  - (ix) What is rate contract?
  - (x) What is Inventory Planning?
  
2. Answer each of the following in not more than 50 words each. Each question carries 4 marks.
  - (i) Distinguish between training and development.
  - (ii) Distinguish between Brand and Trademark.
  - (iii) "Finance is the life blood of business." Comment.
  - (iv) "Production Planning and Control, two function but sole object." Comment on the statement.
  - (v) Write a note on VED analysis technique.

**DESCRIPTIVE PART- II****Time: Two Hours****Max. Marks: 60**

Attempt three questions in all, Selection at least one question from each Section.  
All questions carry equal marks of 20 each.

**Section-A**

3. What do you mean by Human resource planning? Explain its importance for a business institution.
4. What do you mean by Recruitment? Describe in detail the various sources of Recruitment.

**Section-B**

5. What is Marketing Research? Explain the process of marketing Research.
6. "Financial planning is the key to successful business operations." Explain the statement and discuss the essential characteristics of a sound financial plan of a company.

**Section-C**

7. Define 'Production Planning'. Explain various steps of Production Planning.
8. What do you mean by 'Purchase Planning'? Discuss the various steps involved in material purchase process.

**B. Com (Part-I) Examination, 2007**  
**BUSINESS ADMINISTRATION**  
**First Paper: Functional Management**

Time : One Hour

Max. Marks: 40

**OBJECTIVE PART- I**  
**Attempt all Questions.**

1. Answer the following questions in not more than 20 words each. Each question carries 2 marks each.
  - (i) What is Functional Management?
  - (ii) What is meant by Job Description?
  - (iii) What do you mean by Job Enlargement?
  - (iv) What is Sellers Market?
  - (v) What do you mean by market testing of a product?
  - (vi) What is meant by working Capital?
  - (vii) What do you mean by production Planning?
  - (viii) What is Product Research?
  - (ix) What do you mean by Purchase Planning?
  - (x) What is by Vendor Development?
  
2. Answer of the following questions in not more than 50 words each. Each question carries 4 marks each.
  - (i) Distinguish between Job Evaluation and Merit Rating.
  - (ii) State the stages of product life-cycle.
  - (iii) Write a note on capital Gearing.
  - (iv) Explain the need of Quality Control.
  - (v) What are the stores that cannot be purchased through Directorate General of Supplies and Disposal?

**DESCRIPTIVE PART- II**

**Time: Two Hours**

**Max. Marks: 60**

Attempt three questions in all, Selection at least one question from each Section.  
All questions carry equal marks of 20 each.

**Section -A**

3. What is meant by Human Resources Management? State the duties of Human Resource Manager.
4. What do you mean by training? Discuss the various method of training.

**Section - B**

5. Discuss briefly the various pricing policies and strategies.
6. Describe the various methods of raising industrial finance in India.

**Section - C**

7. Define production control. Explain the various theories or methods of production control.
8. What do you mean by materials management? Discuss the functions of materials management.

**B. Com (Part-I) Examination, 2006**  
**BUSINESS ADMINISTRATION**  
**First Paper: Functional Management**

Time : One Hour

Max. Marks: 40

**OBJECTIVE PART- I**  
**Attempt all Questions.**

1. Answer the following questions is not more than 20 words each. Each question 2 marks.
  - (i) What is the Human Resource Planning?
  - (ii) What do you mean by 'Job Analysis'?
  - (iii) What is Placement?
  - (iv) What is Merit Rating?
  - (v) What is the 'Skimming the Cream' Pricing policy?
  - (vi) State the four main functions of Finance Manager.
  - (vii) What do you mean by 'Lease Finance'?
  - (viii) Explain the meaning of 'Purchase Planning'?
  - (ix) What is 'Race Contract'?
  - (x) What do you mean by 'Production Process'?
  
2. Answer each of the following questions in not more than 50 words each. Each question 4 marks.
  - (i) State the components of HRP.
  - (ii) State the main objectives of Training.
  - (iii) Distinction between Brand and Trade Mark.
  - (iv) What do you mean by 'Social Marketing Concept'?
  - (v) Write a short note on scheduling.

**DESCRIPTIVE PART- II****Time: Two Hours****Max. Marks: 60**

Attempt three questions in all, Selection at least one question from each Section.  
All questions carry equal marks of 20 each.

**Section A**

3. Define 'Functional management'. Describe the various functional areas of management.
4. What do you mean by Recruitment? Describe the various internal and external sources of recruitment.

**Section-B**

5. What do you mean by 'Marketing Research'? Explain the process of marketing research.
6. What is a Financial Planning? What consideration would you take into account while estimating the needs for finance of an industrial concern?

**Section-C**

7. Define 'Production Planning'? Explain various steps of production planning.
8. What is 'Quality Control'? Describe the main methods of quality control.

