



Mount Abu Public School

H-Block, Sector-18, Rohini, New Delhi-110085 India

CLASS-12 (SESSION2020-21)

SUBJECT : Business Studies

CLASS XII

Chapter 1 to 3

Guidelines

- Refer to the content given below and view the links
- These notes will help you to understand the concept and complete the assignment

that follows

- The assignment is to be done in the business studies notebook
- Please read the Business Studies Sandeep Garg book before you begin answering

Instructional Aids / Resources

<https://youtu.be/boiD3R31kPs>

<https://youtu.be/MJ7Cqgt6pOc>

<https://youtu.be/r0aO2IBAvb8>

Learning outcomes

Each student will be able to :

1. Students will be able to learn about the concept of national Income
2. They get knowledge how to calculate national income
3. Reactivity series
4. Ionic compound

LESSON DEVELOPMENT

Chapter 1

Topic 1

Nature and Significant of management

Management: Management is the process of getting things done with the aim of achieving goals effectively and efficiently.

Definition of management: Management is the process of working with and through other to effectively achieve organisational objectives by efficiently using limited resources in the changing environment . ___krietner

Characteristic and Feature of Management

- 1) Management is goal oriented process
- 2) Management is group Activity
- 3) Management is an intangible force
- 4) Management is all pervasive
- 5) Management is multi dimensional
- 6) management is a continuous process
- 7) Management is dynamic function

Topic 2

Objective of Management

- 1) organisational objective
- 2) social objective
- 3) personal objective

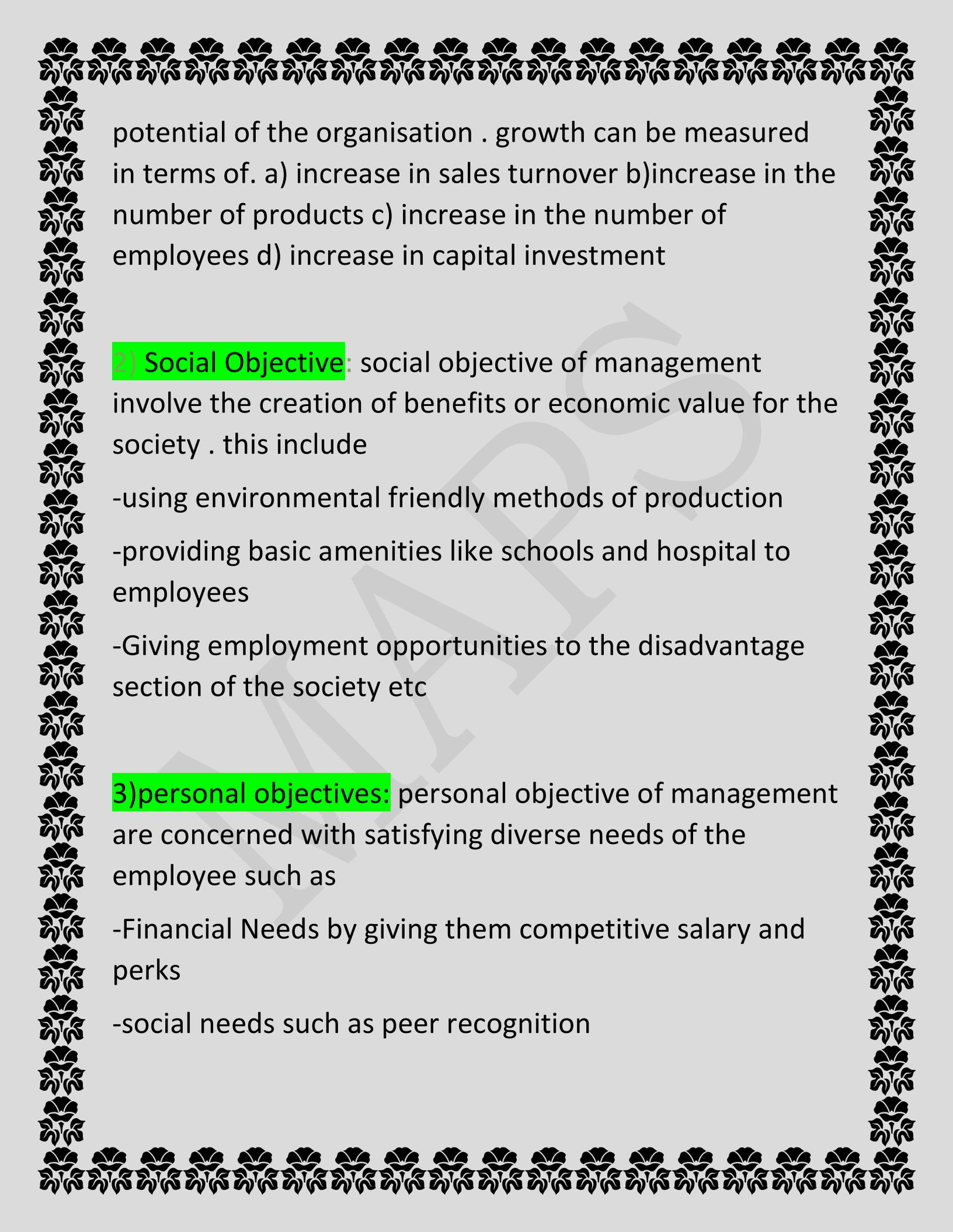
1) organisational objective: The main objective of any organization should be to utilise human and material resources to the maximum possible advantage to fulfil the economic objective of a business.

these objective are survival , profit, and growth.

i) **survival:** Management of an organisation must ensure the survival of the organisation by earning enough revenue to cover cost.

ii) **profit:** management must ensure that the organisation makes a profit, which is an incentive for the continued successful operation of the enterprise. Profit is essential to cover cost and risk of the business.

iii) **growth:** It is important for every business to grow in the long run . management must exploit fully the growth

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potential of the organisation . growth can be measured in terms of. a) increase in sales turnover b)increase in the number of products c) increase in the number of employees d) increase in capital investment

2) Social Objective: social objective of management involve the creation of benefits or economic value for the society . this include

- using environmental friendly methods of production
- providing basic amenities like schools and hospital to employees
- Giving employment opportunities to the disadvantage section of the society etc

3)personal objectives: personal objective of management are concerned with satisfying diverse needs of the employee such as

- Financial Needs by giving them competitive salary and perks
- social needs such as peer recognition

-higher level needs such as personal growth and development

Topic 3

Importance of Management

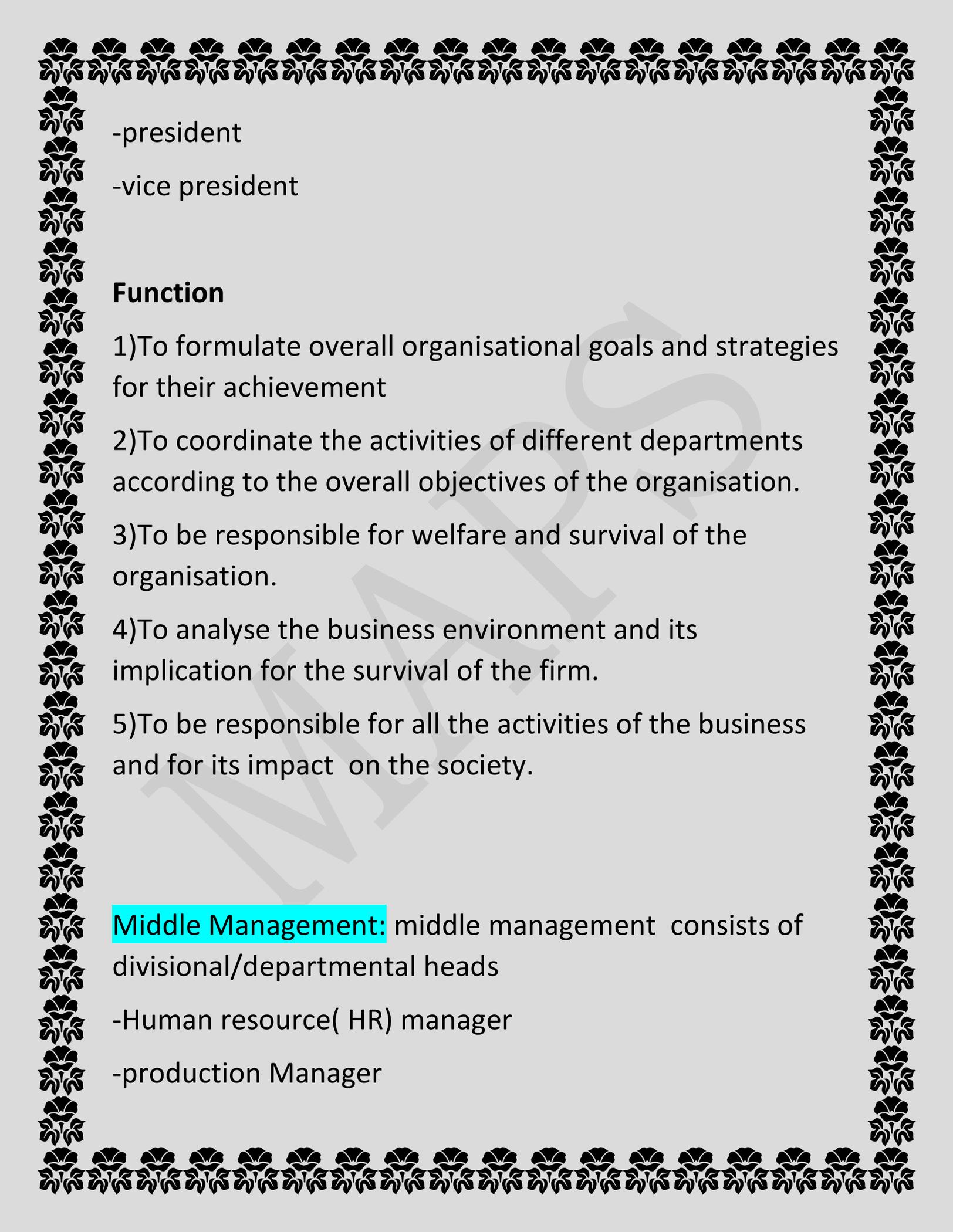
- 1) Management helps in achieving group goals
- 2) Management increases efficiency
- 3) Management helps in achieving personal objectives
- 4) Management helps in the development of the society
- 5) Management creates a dynamic organisation

Topic 4

Level of Management and its function

Top management: Top management consist of the senior most executives of the organisation and their team.

- chief operating officer
- chief executive officer(CEO)
- chief marketing officer(CMO)
- Managing director
- chairman



-president

-vice president

Function

1)To formulate overall organisational goals and strategies for their achievement

2)To coordinate the activities of different departments according to the overall objectives of the organisation.

3)To be responsible for welfare and survival of the organisation.

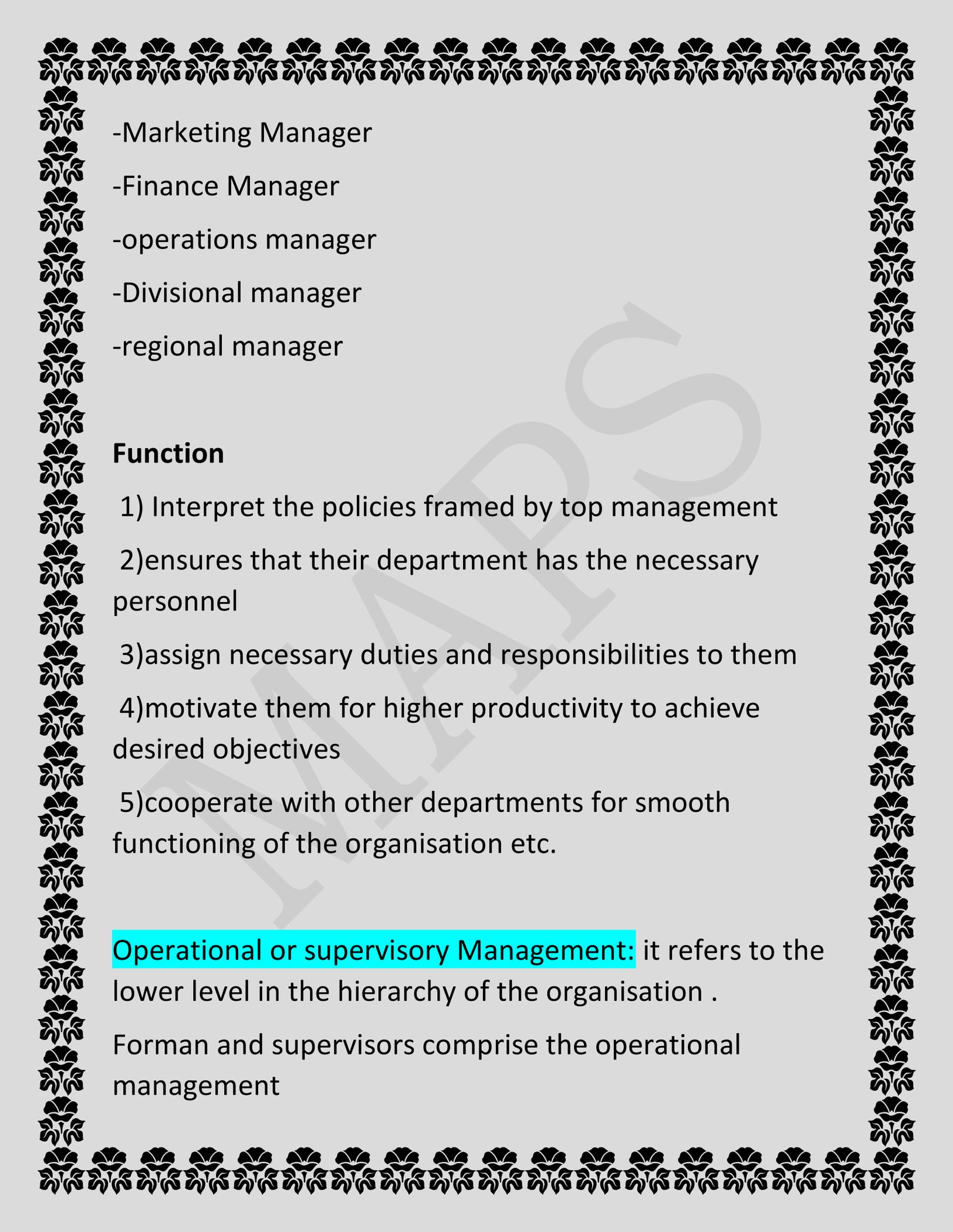
4)To analyse the business environment and its implication for the survival of the firm.

5)To be responsible for all the activities of the business and for its impact on the society.

Middle Management: middle management consists of divisional/departmental heads

-Human resource(HR) manager

-production Manager



-Marketing Manager

-Finance Manager

-operations manager

-Divisional manager

-regional manager

Function

- 1) Interpret the policies framed by top management
- 2) ensures that their department has the necessary personnel
- 3) assign necessary duties and responsibilities to them
- 4) motivate them for higher productivity to achieve desired objectives
- 5) cooperate with other departments for smooth functioning of the organisation etc.

Operational or supervisory Management: it refers to the lower level in the hierarchy of the organisation .

Forman and supervisors comprise the operational management

Function

- 1) supervisor directly oversee the efforts of the workforce. their authority and responsibility is limited according to the plan drawn by the top management.
- 2) Supervisory management interact with the actual workforce and pass on instructions of the middle management to the workers.
- 3) Through their efforts Quality of output is maintained ,wastage of materials is minimised and safety standards are maintained
- 4) The quality and quantity of output depends upon the hard labour, discipline and loyalty of the operating personnel
- 5) They represent the workers grievances before the management and maintain discipline among tge workers.

Topic 5

Is management an Art, Science or Profession?

Before we prove whether management is an art, science or profession. It is essential to understand the meaning of these terms.

An art is the practical skill and ingenuity of doing specific things to achieve the desired result or objective. In other words, an art is the application of knowledge and skill to do specific things to achieve the desired result or objective. The essential features of art are as follows;

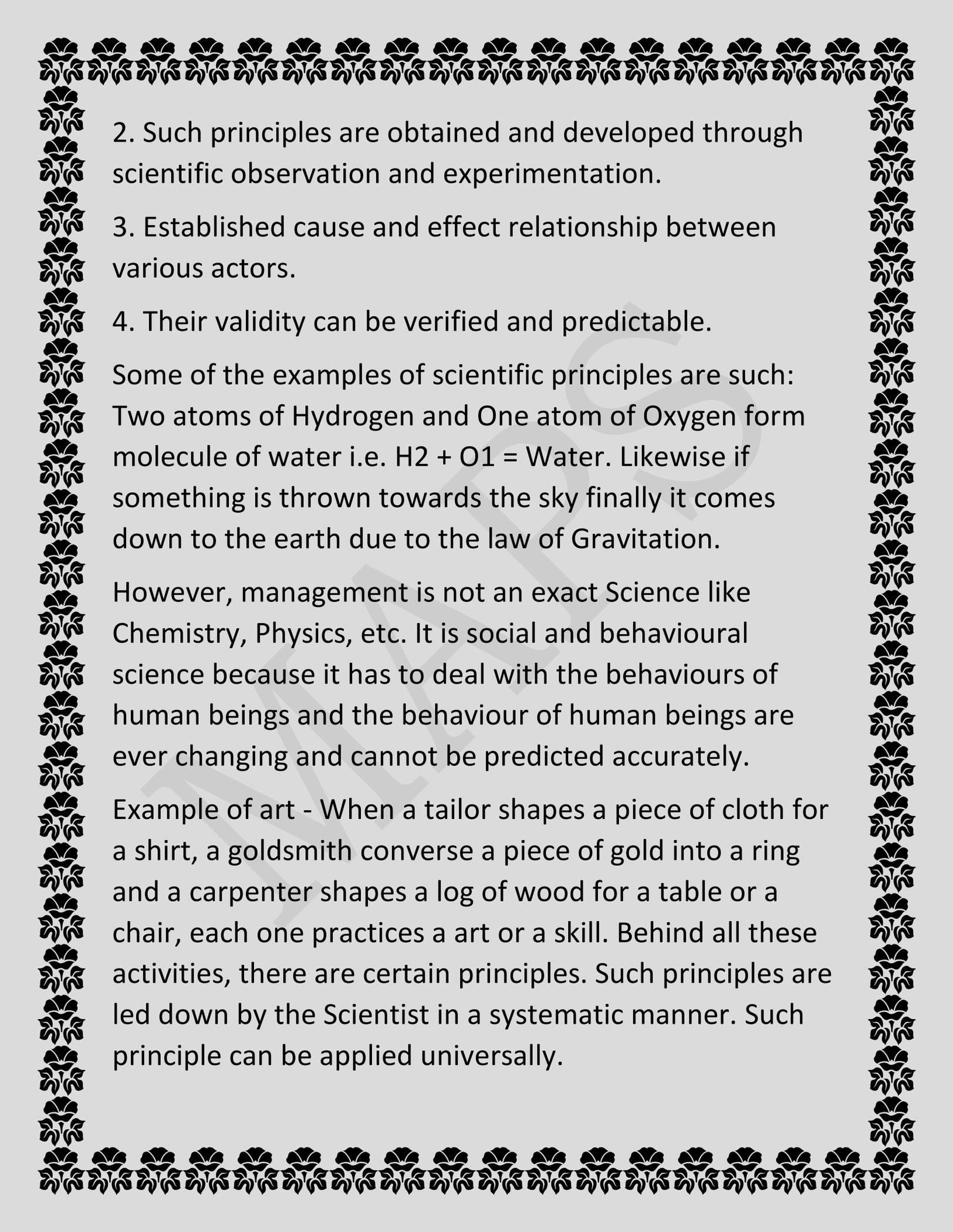
1. Practical knowledge
2. Personal skills
3. Improved through continuous practice
4. Result oriented approach
5. Creativity

In this sense, management is an art because it is concerned with the application of management knowledge, Principles, skills and theories to achieve the desired objectives and to solve certain management problem in an organization.

Science is the systematized body of knowledge obtained through observation and experimentation which is tested critically and brought under general principles. Such principles are universally applicable.

The essential features of Science are as follows;

1. Principles are universally applicable.

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2. Such principles are obtained and developed through scientific observation and experimentation.

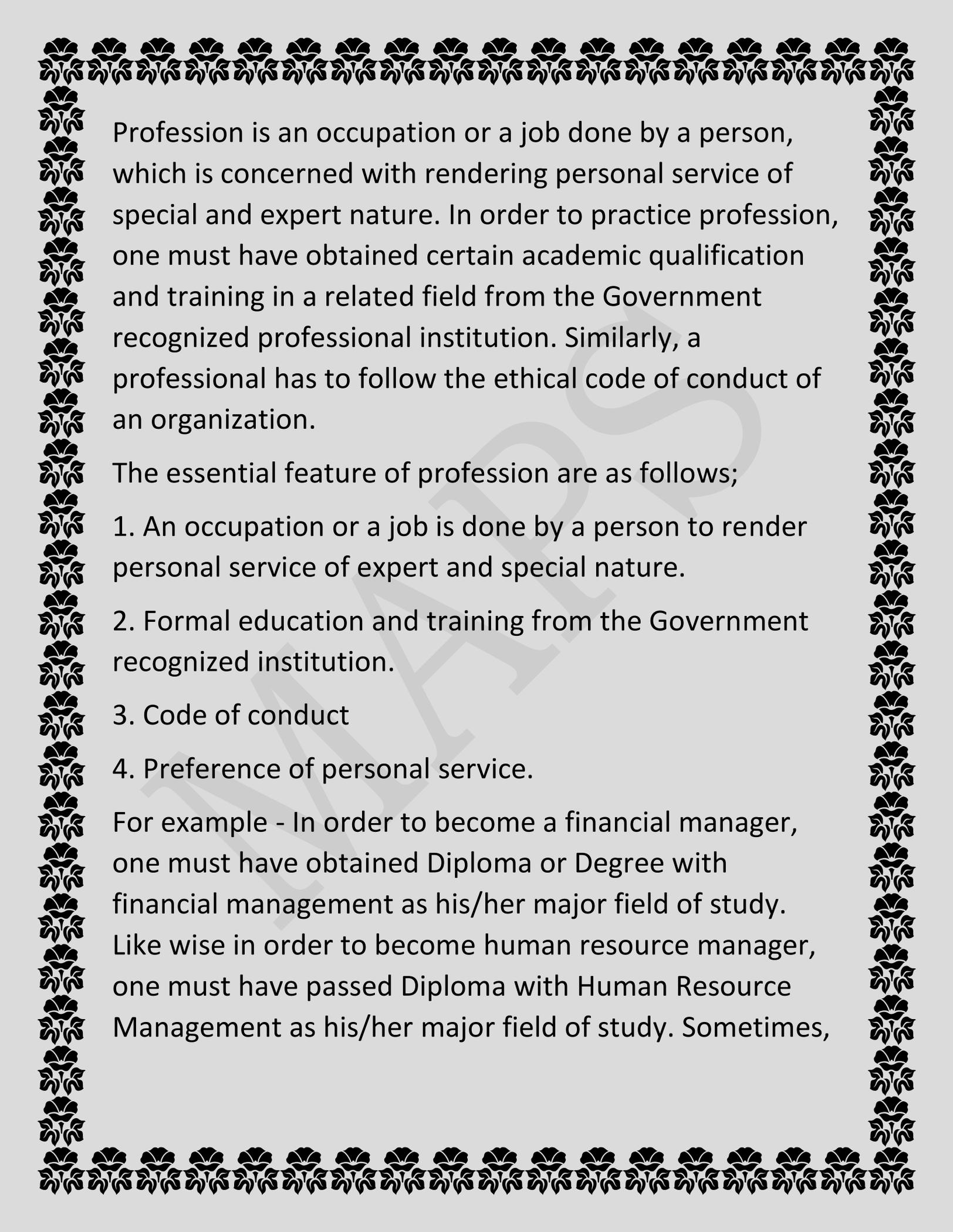
3. Established cause and effect relationship between various actors.

4. Their validity can be verified and predictable.

Some of the examples of scientific principles are such: Two atoms of Hydrogen and One atom of Oxygen form molecule of water i.e. $H_2 + O_1 = \text{Water}$. Likewise if something is thrown towards the sky finally it comes down to the earth due to the law of Gravitation.

However, management is not an exact Science like Chemistry, Physics, etc. It is social and behavioural science because it has to deal with the behaviours of human beings and the behaviour of human beings are ever changing and cannot be predicted accurately.

Example of art - When a tailor shapes a piece of cloth for a shirt, a goldsmith converse a piece of gold into a ring and a carpenter shapes a log of wood for a table or a chair, each one practices a art or a skill. Behind all these activities, there are certain principles. Such principles are led down by the Scientist in a systematic manner. Such principle can be applied universally.

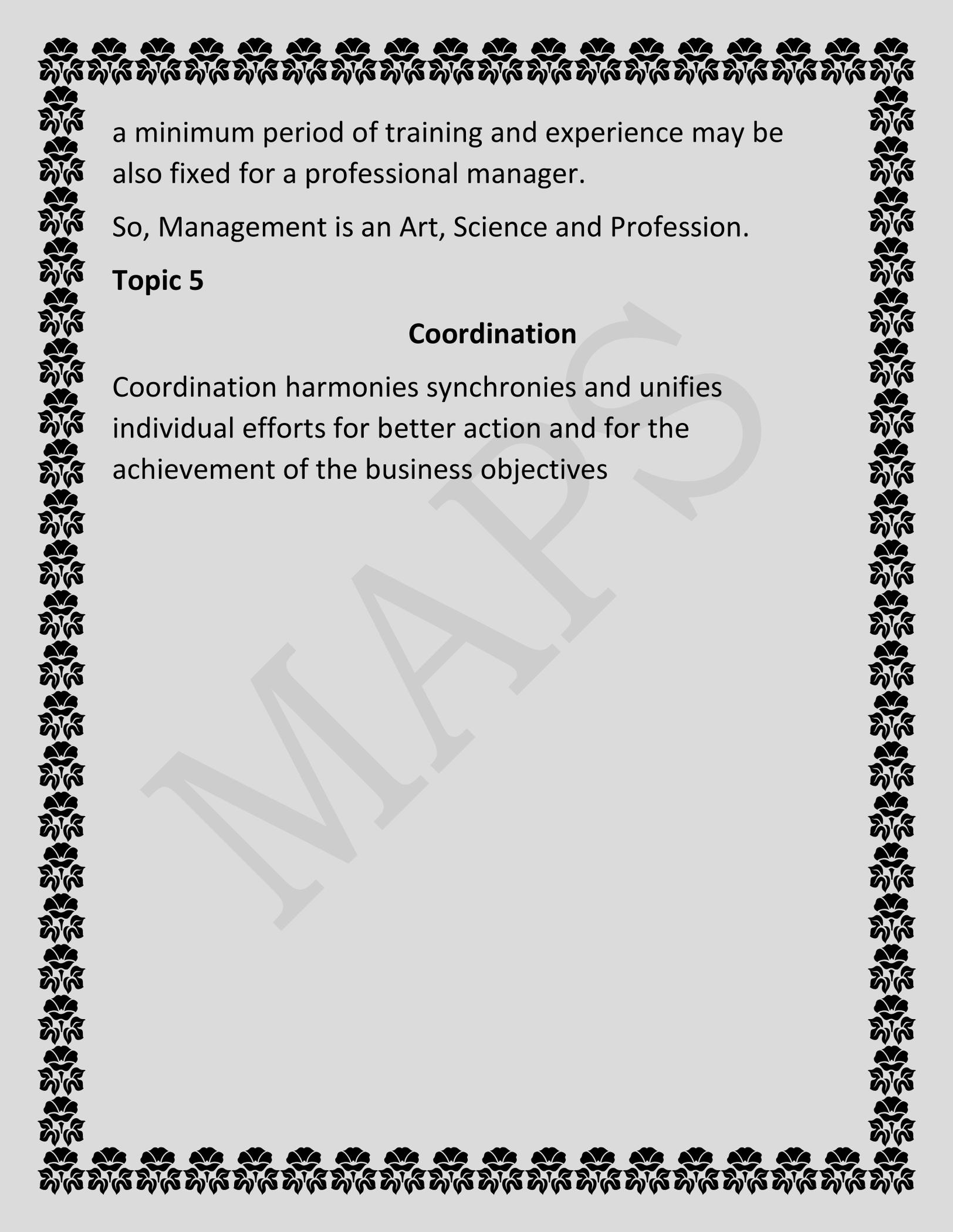
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Profession is an occupation or a job done by a person, which is concerned with rendering personal service of special and expert nature. In order to practice profession, one must have obtained certain academic qualification and training in a related field from the Government recognized professional institution. Similarly, a professional has to follow the ethical code of conduct of an organization.

The essential feature of profession are as follows;

1. An occupation or a job is done by a person to render personal service of expert and special nature.
2. Formal education and training from the Government recognized institution.
3. Code of conduct
4. Preference of personal service.

For example - In order to become a financial manager, one must have obtained Diploma or Degree with financial management as his/her major field of study. Like wise in order to become human resource manager, one must have passed Diploma with Human Resource Management as his/her major field of study. Sometimes,

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a minimum period of training and experience may be also fixed for a professional manager.

So, Management is an Art, Science and Profession.

Topic 5

Coordination

Coordination harmonises synchronises and unifies individual efforts for better action and for the achievement of the business objectives

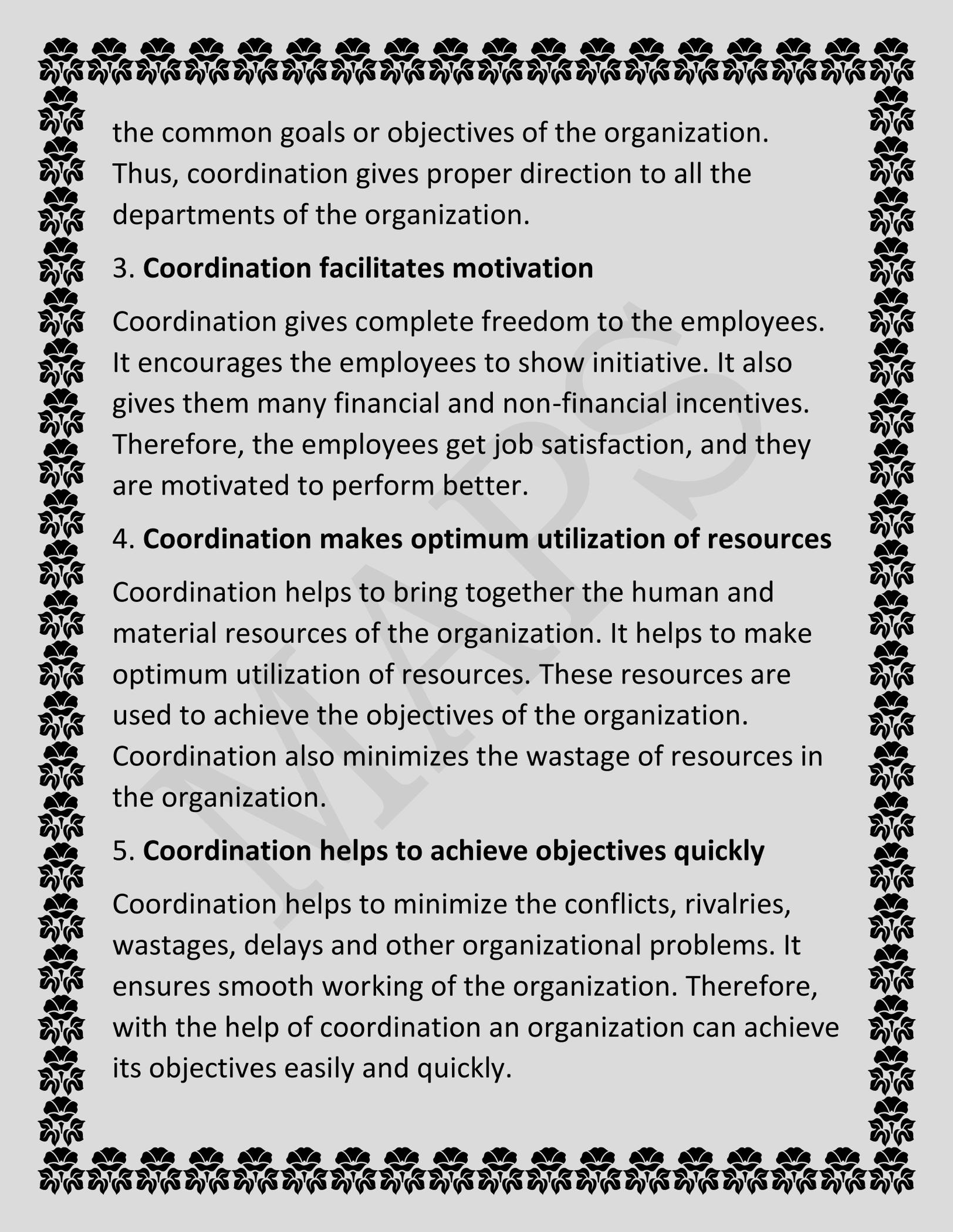
Needs and importance of coordination

1. Coordination encourages team spirit

There exists many conflicts and rivalries between individuals, departments, between a line and staff, etc. Similarly, conflicts are also between individual objectives and organizational objectives. Coordination arranges the work and the objectives in such a way that there are minimum conflicts and rivalries. It encourages the employees to work as a team and achieve the common objectives of the organization. This increases the team spirit of the employees.

2. Coordination gives proper direction

There are many departments in the organization. Each department performs different activities. Coordination integrates (bring together) these activities for achieving

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the common goals or objectives of the organization. Thus, coordination gives proper direction to all the departments of the organization.

3. Coordination facilitates motivation

Coordination gives complete freedom to the employees. It encourages the employees to show initiative. It also gives them many financial and non-financial incentives. Therefore, the employees get job satisfaction, and they are motivated to perform better.

4. Coordination makes optimum utilization of resources

Coordination helps to bring together the human and material resources of the organization. It helps to make optimum utilization of resources. These resources are used to achieve the objectives of the organization. Coordination also minimizes the wastage of resources in the organization.

5. Coordination helps to achieve objectives quickly

Coordination helps to minimize the conflicts, rivalries, wastages, delays and other organizational problems. It ensures smooth working of the organization. Therefore, with the help of coordination an organization can achieve its objectives easily and quickly.

6. Coordination improves relations in the organization

The Top Level Managers coordinates the activities of the Middle Level Managers and develop good relations with them. Similarly, the Middle Level Managers coordinate the activities of the Lower Level Managers and develop good relations with them. Also, the Lower Level Managers coordinate the activities of the workers and develop good relations with them. Thus, coordination, overall improves the relations in the organization.

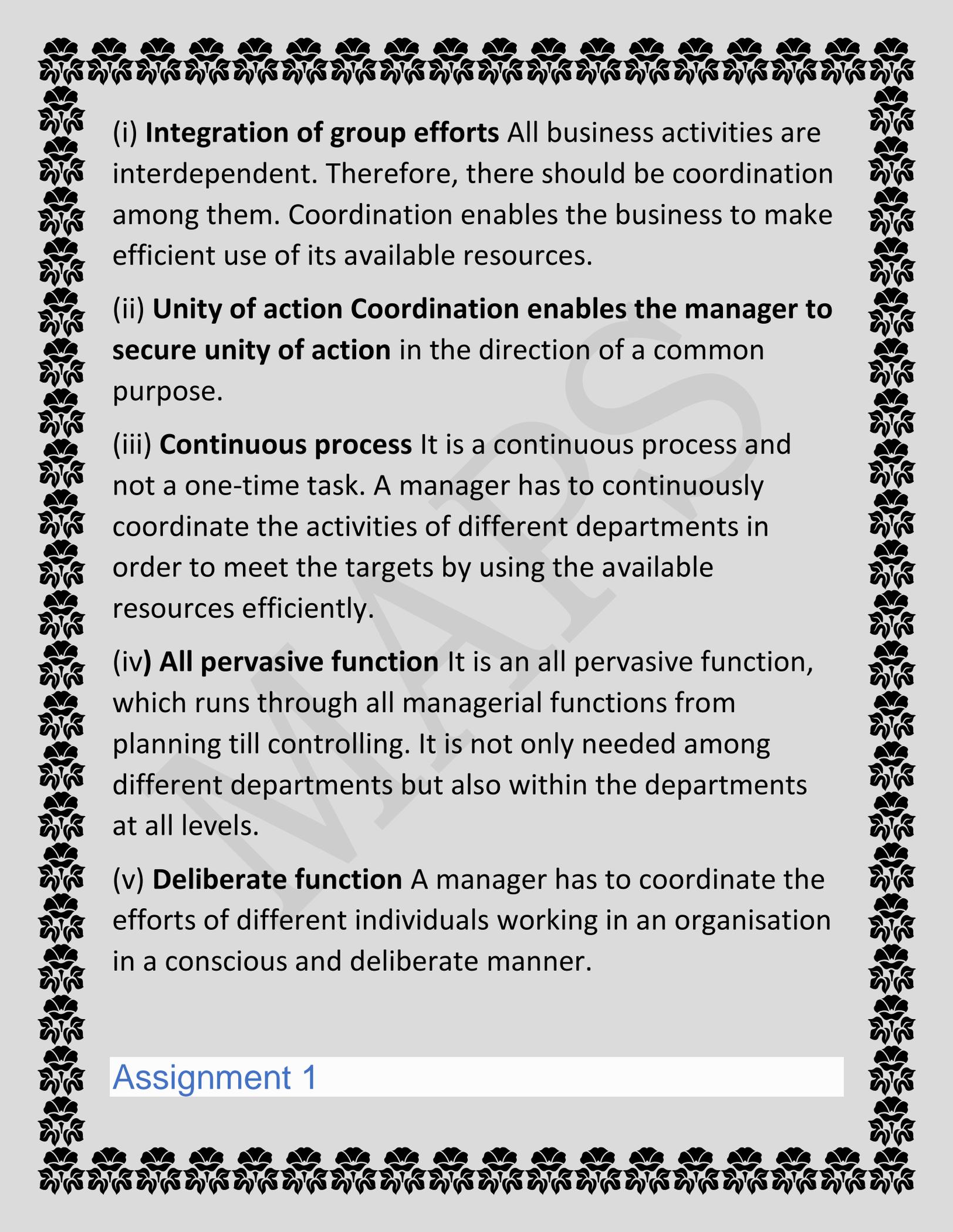
7. Coordination leads to higher efficiency

Efficiency is the relationship between Returns and Cost. There will be higher efficiency when the returns are more and the cost is less. Since coordination leads to optimum utilization of resources it results in more returns and low cost. Thus, coordination leads to higher efficiency.

8. Coordination improves goodwill of the organization

Coordination helps an organization to sell high quality goods and services at lower prices. This improves the goodwill of the organization and helps it earn a good name and image in the market and corporate world.

Nature /characteristic / feature of coordination

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(i) **Integration of group efforts** All business activities are interdependent. Therefore, there should be coordination among them. Coordination enables the business to make efficient use of its available resources.

(ii) **Unity of action** Coordination enables the manager to secure **unity of action** in the direction of a common purpose.

(iii) **Continuous process** It is a continuous process and not a one-time task. A manager has to continuously coordinate the activities of different departments in order to meet the targets by using the available resources efficiently.

(iv) **All pervasive function** It is an all pervasive function, which runs through all managerial functions from planning till controlling. It is not only needed among different departments but also within the departments at all levels.

(v) **Deliberate function** A manager has to coordinate the efforts of different individuals working in an organisation in a conscious and deliberate manner.

Assignment 1

1

Ashutosh Goenka was working in 'Axe Ltd.', a company manufacturing air purifiers. He found that the profits has started declining from the last six months. Profit has an implication for the survival of the firm, so he analysed the business environment to find out the reasons for this decline.

1. Identify the level of management at which Ashutosh Goenka was working.
2. State three other functions being performed by Ashutosh Goenka.

2

Rishitosh Mukerjee has recently joined AMV Ltd, a company manufacturing refrigerators. He found that his department was under-staffed and other departments were not cooperating with his department for smooth functioning of the organisation. Therefore, he ensured that his department has the required number of employees and its cooperation with other departments is improved.

1. Identify the level at which Rishitosh Mukerjee was working.

2. Also, state three more functions required to be performed by Rishitosh Mukerjee at this level.

3

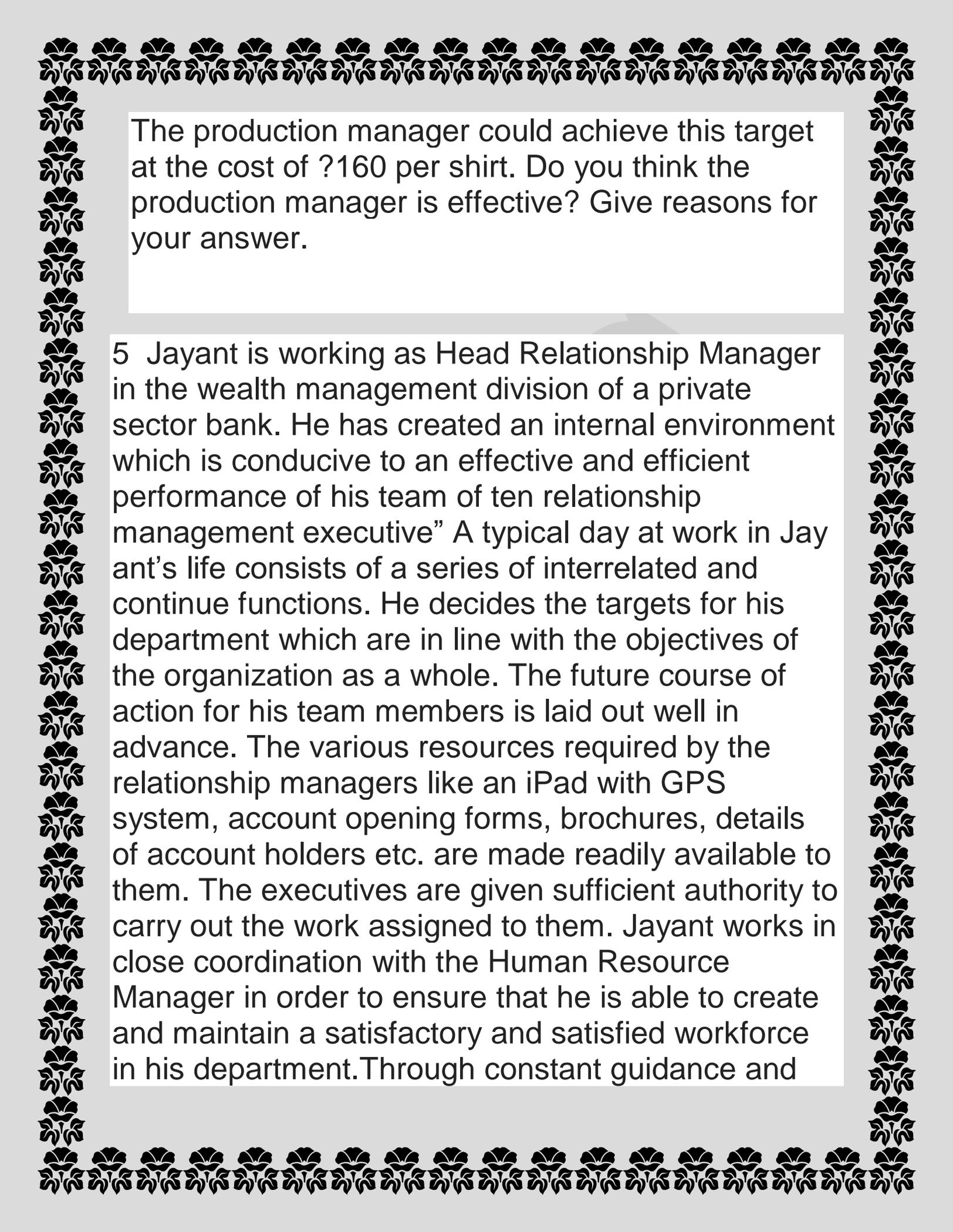
Mega Ltd. manufactured water-heaters. In the first year of its operations, the revenue earned by the company was just sufficient to meet its costs. To increase the revenue, the company analysed the reasons behind the less revenues. After analysis, the company decided:

1. to reduce the labour costs by shifting the manufacturing unit to a backward area where labour was available at a very low rate.
2. to start manufacturing solar water-heaters and reduce the production of electric water- heaters slowly.

This will not only help in covering the risks but also help in meeting other objectives.

1. Identify and explain the objectives of management discussed above.
2. State any two values which the company wanted to communicate to society.

4 Vaibhav Garments Ltd/s target is to produce 10,000 shirts per month at a cost of ₹150 per shirt.

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The production manager could achieve this target at the cost of ₹160 per shirt. Do you think the production manager is effective? Give reasons for your answer.

5 Jayant is working as Head Relationship Manager in the wealth management division of a private sector bank. He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executive” A typical day at work in Jay ant’s life consists of a series of interrelated and continue functions. He decides the targets for his department which are in line with the objectives of the organization as a whole. The future course of action for his team members is laid out well in advance. The various resources required by the relationship managers like an iPad with GPS system, account opening forms, brochures, details of account holders etc. are made readily available to them. The executives are given sufficient authority to carry out the work assigned to them. Jayant works in close coordination with the Human Resource Manager in order to ensure that he is able to create and maintain a satisfactory and satisfied workforce in his department. Through constant guidance and

motivation, Jayant inspires them to realise their full potential. He offers them various types of incentives from time to time keeping in view their diverse individual needs. Moreover, he keeps a close watch on their individual performances in order to ensure that they are in accordance with the standards set and takes corrective actions whenever needed. In context of the above case:

1. Identify the concept being referred to in the following line, “He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives.”
2. Identify and describe the various functions of the concept as identified in part (a) of the question by quoting lines from the paragraph.

Chapter 2

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Principles of management

Topic 1

meaning of management principles

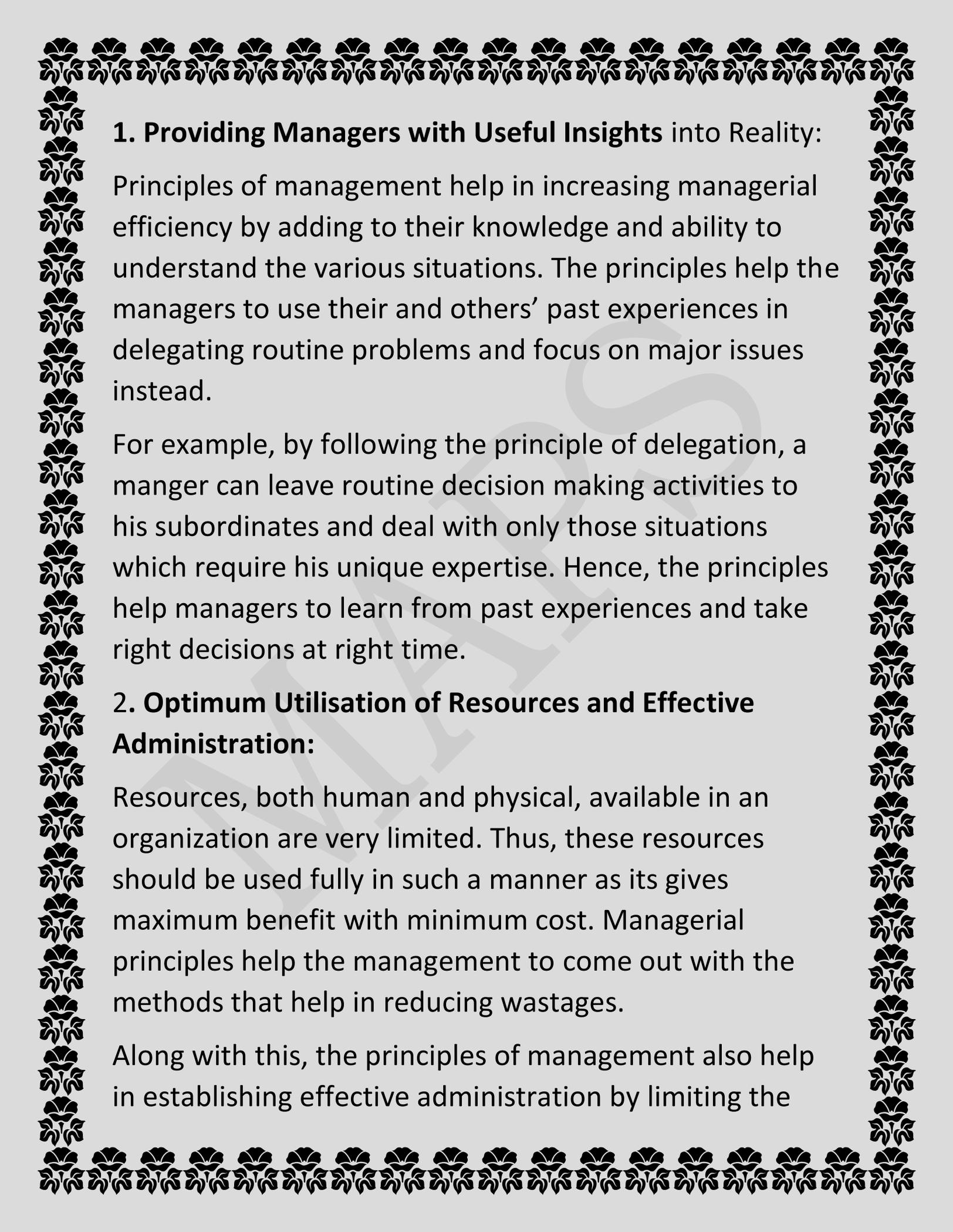
principles of management are broad and general guideline for decision making and behaviour of managers

Nature/feature/characteristic of management principle

- 1 General Guidelines:** not provide solution only guidelines
- 2 Formed by practice and experimentation:** observation and experience of managers
- 3 flexible:** modified by manager according situation demand
- 4 universal applicability:** present in all type of organisation small medium large
- 5 Cause and effect relationships:** they can be used in similar situation in a large number of cases .they tell manager manager how principle affect when this applied in particular situation.
- 6 behavioural:** They aim at influencing the behaviour of human beings.

Topic 2

Significance of management principle

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1. Providing Managers with Useful Insights into Reality:

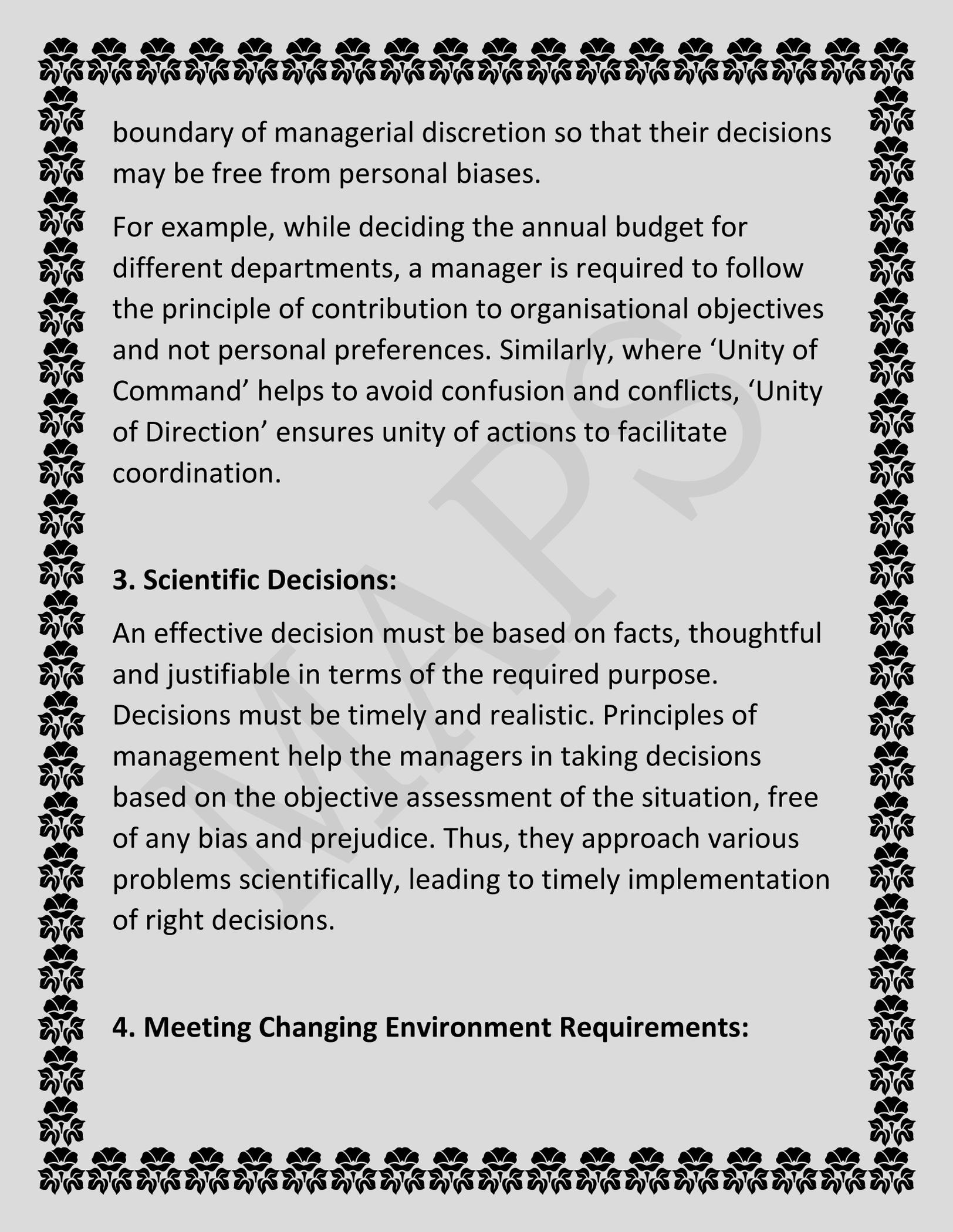
Principles of management help in increasing managerial efficiency by adding to their knowledge and ability to understand the various situations. The principles help the managers to use their and others' past experiences in delegating routine problems and focus on major issues instead.

For example, by following the principle of delegation, a manager can leave routine decision making activities to his subordinates and deal with only those situations which require his unique expertise. Hence, the principles help managers to learn from past experiences and take right decisions at right time.

2. Optimum Utilisation of Resources and Effective Administration:

Resources, both human and physical, available in an organization are very limited. Thus, these resources should be used fully in such a manner as it gives maximum benefit with minimum cost. Managerial principles help the management to come out with the methods that help in reducing wastages.

Along with this, the principles of management also help in establishing effective administration by limiting the

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boundary of managerial discretion so that their decisions may be free from personal biases.

For example, while deciding the annual budget for different departments, a manager is required to follow the principle of contribution to organisational objectives and not personal preferences. Similarly, where ‘Unity of Command’ helps to avoid confusion and conflicts, ‘Unity of Direction’ ensures unity of actions to facilitate coordination.

3. Scientific Decisions:

An effective decision must be based on facts, thoughtful and justifiable in terms of the required purpose. Decisions must be timely and realistic. Principles of management help the managers in taking decisions based on the objective assessment of the situation, free of any bias and prejudice. Thus, they approach various problems scientifically, leading to timely implementation of right decisions.

4. Meeting Changing Environment Requirements:

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As the principles can be modified, thus, they help the managers to meet the changing environment requirements. For example, at present the principle of division of work has been extended to the whole business.

Of late however, companies are specializing in their core competency and are outsourcing their non core business. For example, most of the big giants are now outsourcing some of their operations through 'Business Process Outsourcing' (BPO) and 'Knowledge Process Outsourcing' (KPO).

5. Fulfilling Social Responsibility:

Every business has to fulfill many social responsibilities. Thus, principles of management and management theory have been devised in such a way that they help in fulfilling these responsibilities. However, over a period of time, these principles have assumed new and contemporary meaning.