

## Chapter 1: Nature &amp; Significance of Management

Q5. There are different objectives of business and economics objectives are one among them. Explain these economic objectives. {CBSE, Sample Paper 1<sup>st</sup> 2010}

Economic objectives are the main objectives, which are needed to achieve the economic goals of the organisation. The main economic objectives are:

- (i) Survival: The basic objective of any organisation is to ensure that it continues to survive and exist in the future. Survival is possible only when organisation is able to earn enough revenue to cover its costs.
- (ii) Profit: Profit is the lifeblood of business, without which no business can survive. So, an organisation aims to earn adequate profits in order to survive and grow.
- (iii) Growth: A business needs to add to its prospects in the long run. For this, the organisation must grow and expand to survive in the long run. Growth of an organisation indicates how well it is able to exploit its potential opportunities. Growth is measured in terms of sales volume, increase in number of employees, market share, number of products, etc.

Q6. Discuss the social objectives of management.

*Social objectives refer to the objectives, which are desired to be achieved for the benefit of the society. As business makes use of scarce resources of the society, it is the responsibility of business to fulfill its obligations towards the society. Some of the major social objectives include:*

- d) Supply of quality products at fair prices.
- e) Generation of employment opportunities to weaker section of society.
- f) Conducting business in lawful manner.
- g) Protection of environment by using environmental friendly methods of production.
- h) Avoidance of anti-social and unfair trade practices.
- i) Providing basic amenities like schools and creches to employees.

Q7. Write a short note on personal objectives of management.

*Personal objectives refer to the objectives related to the individual needs of the employees of an organisation. As employees are one of the most valuable resources for an organisation, satisfaction of their objectives is very important.*

Personal objectives include satisfying the following needs:

1. Financial needs like competitive salaries and perks.
2. Social needs like peer recognition (self respect and respect for colleague).
3. Higher level needs such as policies for personal growth and development.
4. Good and healthy working conditions.

Management must aim to integrate personal objectives with organisational objectives in order to bring harmony in organisation.

Q8. 'In the absence of management, the productive resources will remain resources and shall never become production.' Explain the importance of management in the light of the above statement. {CBSE, 2006}

OR

"Success of an organisation largely depends upon its management." Explain any five reasons to justify the statement. {CBSE, Sample Paper 2nd 2010}

The importance of management will be clear from the following points:

1. Management helps in achieving group goals: Management creates team-work and aims to reconcile group goals with individual goals. It brings the human and non-human resources together and gives a common direction to efforts of all individuals towards achieving the organisational goals.
2. Management increases efficiency: Management helps in creating and maintaining an environment, which encourages better performance and higher level of efficiency. It ensures optimum use of resources through better planning, organising, staffing, directing and controlling.
3. Management creates a dynamic organisation: In order to survive and grow, the organisation has to adapt itself as per the changing environment. Employees generally resist to changes. Management helps to implement such changes by convincing the employees that changes will benefit their future prospects.
4. Management helps in achieving personal objectives: Management helps the individuals to achieve their personal goals while working towards organisational objectives. Management motivate the workers to perform better in the organisation as it will fulfill personal as well as organisational objectives.
5. Management helps in the development of society: While achieving development of the organisation, management also aims to develop society by giving due importance to social obligations. Efficient management improves living standard of people in the society by creating employment opportunities, providing good quality products or using latest technology.
6. Management creates sound organisation structure: Management establishes proper organisation structure and avoids conflict between the superiors and subordinates. It develops spirit of cooperation and mutual understanding and provides friendly environment in the organisation.