

Worksheet – 3

Nature and Significance of Management

1. Alpine automobiles aim to produce and sell 2,00,000 cars in 2019. To achieve this objective the production department strives for timely production and sales department takes all possible steps to sell them. Due to combined efforts of all the departments, the company is able to achieve its target.
 - I. Which significance of management is highlighted in the given statement?
 - II. Mention two other points of importance of management?
2. Aman, Ahmad and Ally are partners in a firm engaged in the distribution of dairy products in Maharashtra state. Aman is a holder of senior secondary school certificate from Central Board of Secondary Education with Business Studies as one of his elective subjects. Ahmad had done his post-graduation in History and Ally in dairy farming. One day there was a serious discussion between Ahmed and Ally regarding the nature of management, Ahmad argued that management was a profession. Whereas Ally argued against it saying that the legal and medical profession are the only profession because they fulfill all the conditions of profession. Aman on the basis of his knowledge of business studies explained the nature of management as a profession to Ahmad and Ally.

Explain how Aman would have satisfied both Ahmad and Ally?

3. In Kraft Bakery Ltd., the production department has been producing bread much more than the bread required by the sales department. This practice of over production continued for 2 months. Due to this reason, goods with older manufacturing date were not accepted by the retailers. As a result, there was lots of wastage. Which aspect of management is lacking in the case?
4. Mega Ltd., was manufacturing 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 analyzed the reason of less revenues. After analysis the company decided
 - I. To reduce the labor cost by shifting the manufacturing unit to backward area where labor was available at a very low rate.
 - II. 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 too.

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