



**SB-0435**

**Second Year B. Com. (Honours) Examination**  
**March / April – 2011**  
**Principles of Business Management**

Time : 3 Hours]

[Total Marks : 70

**Instructions :**

(1)

नीचे दशांशविल निशानीवाणी विगतो उत्तरवडी पर अवश्य लपवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
<input type="text" value="S. Y. B. Com. (Honours)"/>	<input type="text"/>
Name of the Subject :	<input type="text"/>
<input type="text" value="Principles of Business Management"/>	<input type="text"/>
Subject Code No. : <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="5"/>	Section No. (1, 2,.....) : <input type="text" value="Nil"/>
Student's Signature	

- (2) All questions are **compulsory**.  
(3) Figures to the **right** indicate marks.

- 1 Answer in brief : 10
- (1) Enlist the various managerial roles that a manager performs in an organisation.
- (2) Differentiate between strategic and operational planning.
- (3) What are the characteristics of informal organisation ?
- (4) Explain the term 'carrot and stick' with respect to motivation.
- (5) What do you mean by leadership ?
- 2 Explain the various factors which act as barriers to effective planning? 10
- 3 Explain the terms centralisation and decentralisation of authority and discuss the merits and demerits of decentralisation of authority. 10
- 4 (a) What are the essential characteristics of a good communication system? 5
- (b) Write a short note on grapevine communication. 5

- 5 What is controlling ? Explain the various stages in the process of controlling. 10
- 6 What is resistance to change? How can resistance to change be overcome ? 10
- 7 Mr. Raj has recently joined as the Managing Director of a car manufacturing company which at present is incurring heavy losses. He has been entrusted with the formidable task of rejuvenating the company. He faces many challenges to achieve this task. With a view to reviving company back to health, he effected some major changes. 10

First of all, he decentralised the organisation so that the subordinates could exercise their discretion and initiative in decision making and their imagination and creativity in performing their other managerial functions. Further more, he empowered the junior managers to sanction expenditure upto an approved limit without seeking prior approval of the higher management. Communication system was also improved to facilitate free flow of upward and downward communication.

Mr. Raj also adopted several measures to cut costs and wasteful expenditure. He banned donations to charitable institutions but increased the amount being spent on welfare activities of the employees.

*Answer the following questions :*

- (1) Is Mr Raj a Theory X or Theory Y manager? Give reasons.
- (2) Do you think he is right in his presumptions about the nature of people at work? Give reasons.

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