Business Studies Part I

Class XII

NCERT

Textbook for Class XII

Business Studies Part I

Principles and Functions of Management

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BUSINESS STUDIES

CLASS - XII th COMMERCE
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Chapter - 1

Nature and Significance of Management

Meaning - Mangement can be defined as, the process of getting things done with the aim of achieving organizational goals effectively and efficiently.

Characteristics Of Management -

1) Goal Oriented Process - It is a goal oriented process, which is undertaken to achieve already specified and desired objectives by proper utilization of available resources.

11) Pervasive - Management is universal in nature. It is used in all types of organisations whether economic, social or political irrespective of its size, nature and

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iii) Continous - Management is not a process which can be performed once and for all, but it is a continuous process. Functions of management like planning, organising, staffing, directing and controlling continuously need to be done.

iv) Group Activity - It is a group activity since it involves managing and coordinating activities of different people as a team to attain the desired objectives.

v) Intangible Force - Management is such a force that cannot be seen, only its presence can be felt. When the goals of an organisation are being realised in accordance with its plans, we can say that the management of the organisation is good.

Importance of Management -

1) Achieving Group Goals - Management creates team work and coordination in the group. Managers give common direction

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to individual efforts in achieving the overall goals of the organization.

ii) Increases Efficiency - Management increases efficiency by using resources in the best possible manner to reduce cost and increase productivity.

iii) Creates Dynamic Organization - Management helps the employees overcome their resistance to change and adapt as per changing situation to ensure its survival and growth.

iv) Achieving personal objectives - Management helps the individuals achieve their personal goals while working towards organisational objectives.

v) Development of society - Management helps in the development of society by producing good quality products, creating employment opportunities

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Objective of management-

1) Organizational
   - Survival
   - Profit
   - Growth
2) social
   - Employment for society.
   - Good quality products at reasonable price.
   - Honest dealings.
   - Timely payment of taxes.
   - Eco-friendly techniques of production
3) Personal-
   - Financial needs - competitive salary
   - Social needs - Peer recognition
   - Higher level needs - providing opportunities for personal growth and development

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