

**ANSWER KEY & MARKING SCHEME · CBSE CLASS 12**

# Nature and Significance of Management

Business Studies · Chapter 1 · Use this with the Board Paper · Companion to Quick Drill

**HOW TO USE**

Attempt the Board Paper first (closed-book, full time). Then come here. For 2-mark+ questions, compare your answer to the model. For 3-4 mark questions, also consult the **Topper Templates** below — these show the exact step-by-step structure that scores full marks per CBSE marking-scheme conventions.

**MODEL ANSWERS · BOARD PAPER****Section A — VSA (1 mark × 4)****Q1. Define management. [1 mark]**

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

**Q2. Distinguish between effectiveness and efficiency in one line. [1 mark]**

**Ans:** Effectiveness = doing the right thing (goal achievement); Efficiency = doing the thing right (minimum resources).

**Q3. Name the three levels of management. [1 mark]**

**Ans:** Top level (Board, CEO), Middle level (department heads), Supervisory/Operational level (foremen, supervisors).

**Q4. Is coordination a function of management? [1 mark]**

**Ans:** No. Coordination is NOT a separate function — it is the ESSENCE of management, running through all 5 functions and all 3 levels.

**Section B — SA-I (3 marks × 2)****Q5. Briefly explain any 3 characteristics of management. [3 marks]**

**Ans:** (1) Goal-oriented: directed at achieving organisational goals. (2) Pervasive: applies to all organisations of all sizes and types. (3) Multidimensional: manages work, people, and operations simultaneously. (Other valid: continuous, dynamic, intangible, group activity.)

**Q6. Explain any 3 objectives of management. [3 marks]**

**Ans:** (1) Organisational: survival, growth, profit. (2) Social: employment, fair prices, no pollution. (3) Personal: employee well-being, fair compensation, career growth.

**Section C — SA-II (5 marks × 3)****Q7. Explain any 5 characteristics of management. [5 marks]**

**Ans:** (1) Goal-oriented: management always aims at achieving certain goals. (2) Pervasive: it is universal — applies to all organisations, all sizes, all functions. (3) Multidimensional: simultaneously manages WORK (task achievement), PEOPLE (motivation, leadership), and OPERATIONS (production, marketing). (4) Continuous: management is an ongoing process; not a one-time act. (5) Group activity: management exists only in a group setting; involves coordinated action.

**Q8. 'Coordination is the essence of management.' Explain. [5 marks]**

**Ans:** Coordination is the orderly arrangement of group effort to provide UNITY OF ACTION in pursuit of common goals. It RUNS THROUGH ALL 5 FUNCTIONS of management: PLANNING (plans of all departments must align with organisational objectives), ORGANISING (structures must integrate to avoid duplication), STAFFING (right people in right positions), DIRECTING (instructions must align), CONTROLLING (deviations corrected coherently). It is also PERVASIVE ACROSS ALL 3 LEVELS — top (between policies), middle (across departments), supervisory (within teams). Since coordination runs through every function and every level, and without it organisational chaos ensues, it is rightly called the ESSENCE of management — not a separate sixth function, but the very SPIRIT that integrates all of management.

**Q9. Describe the roles of the three levels of management with one example each. [5 marks]**

**Ans:** (1) TOP LEVEL (CEO, Board): Sets long-term strategic objectives, formulates policies, takes major decisions like mergers and expansions. Accountable to shareholders. Example: Mukesh Ambani as Chairman of Reliance Industries setting telecom expansion strategy. (2) MIDDLE LEVEL (Department heads): Interprets top-level policies for their department, allocates resources within department, coordinates between top and supervisory levels. Acts as a BRIDGE. Example: Head of Marketing executing the CEO's market-share strategy. (3) SUPERVISORY/OPERATIONAL LEVEL (Foremen, team leads): Directs workers day-to-day, maintains quality, handles grievances. Direct interface with the workforce. Example: Production-floor supervisor ensuring daily output targets.

★ TOPPER ANSWER TEMPLATES

3 TEMPLATES · MEMORISE THE FORMAT

★ TOPPER TEMPLATE — 5-mark: 'Coordination is the essence of management.' Explain.'

Annual

<b>Step 1</b> [1 mark]	<b>Define coordination</b>	Coordination is the orderly arrangement of group effort to provide UNITY OF ACTION in pursuit of common goals. It is the FORCE that binds together all the activities and members of an organisation.
<b>Step 2</b> [2 marks]	<b>Coordination runs through ALL 5 functions</b>	PLANNING: plans of all departments must be coordinated to achieve overall objectives. ORGANISING: structures must be coordinated to avoid duplication. STAFFING: right people in right positions, coordinated with job requirements. DIRECTING: instructions to subordinates must align. CONTROLLING: deviations corrected in coordinated manner.
<b>Step 3</b> [1 mark]	<b>Pervasive at all 3 levels</b>	Coordination is needed at TOP (between policies), MIDDLE (across departments), SUPERVISORY (within team). So it pervades VERTICALLY too — not just horizontally.
<b>Step 4</b> [1 mark]	<b>Conclusion — essence statement</b>	Because coordination runs THROUGH every function and EVERY level — and without it the organisation can't function — coordination is rightly called the ESSENCE of management. It is the 'thread' tying the fabric together. Hence not a separate function — but the very SPIRIT of management.

**COMMON LOSS OF MARKS:**

- Treating coordination as a 6th function.
- Not linking coordination to BOTH functions AND levels.
- Forgetting the concluding 'essence' statement.
- Listing without explaining how coordination works in each function.

★ TOPPER TEMPLATE — 5-mark: 'Explain any 5 characteristics of management.'

Annual

<b>Step 1</b> [1 mark]	<b>Goal-oriented</b>	Management is always directed towards achieving certain goals — both organisational (profit, growth) and team/personal.
<b>Step 2</b> [1 mark]	<b>Pervasive</b>	Management is universal — applies to ALL types of organisations (business, government, hospitals, schools), all sizes, all levels. Wherever there is group activity, management is needed.
<b>Step 3</b> [1 mark]	<b>Multidimensional</b>	Management is complex — involves management of (a) work (task achievement), (b) people (motivation, leadership), (c) operations (production, marketing, finance).
<b>Step 4</b> [1 mark]	<b>Continuous + Dynamic</b>	Management is an ongoing process (not a one-time act). It is dynamic because the business environment keeps changing — management must adapt.
<b>Step 5</b> [1 mark]	<b>Group activity / Intangible</b>	Management exists only in a group setting (no need for management in a one-person operation). And management is INTANGIBLE — you cannot see it; only its results (a smoothly-run organisation) are visible.

**COMMON LOSS OF MARKS:**

- Listing without explaining (1-line characteristic isn't enough — needs a sentence of explanation).
- Mixing up characteristics with functions or objectives.

★ **TOPPER TEMPLATE — 5-mark: 'Describe the roles of top, middle, and supervisory levels of management.'**

Annual

<b>Step 1</b> [2 marks]	<b>Top level</b>	Top level: CEO, Board of Directors, top executives. Role: SET LONG-TERM strategic OBJECTIVES + formulate POLICIES + take MAJOR DECISIONS (mergers, expansions). Accountable to shareholders. Examples: CEO Tata Sons, Chairman Reliance.
<b>Step 2</b> [2 marks]	<b>Middle level</b>	Middle level: Department heads, division managers. Role: INTERPRET top-level policies for their department + COORDINATE between top and supervisory + ALLOCATE resources within dept. Bridge between strategy and execution.
<b>Step 3</b> [1 mark]	<b>Supervisory/ Operational level</b>	Supervisory level: Foremen, team leads, supervisors. Role: DIRECT WORKERS day-to-day + MAINTAIN QUALITY + HANDLE GRIEVANCES. Direct interface with the workforce. Translates middle-management instructions into action.

**COMMON LOSS OF MARKS:**

- Reversing the roles of top and supervisory.
- Not giving examples for each level.
- Missing the 'bridge' role of middle management.

**MARKING SCHEME — GENERAL NOTES**

- Examples (Indian companies) carry marks — name real businesses where applicable.
- Listing without explaining loses marks. Each point needs a sentence of explanation.
- Concluding statement in 5-markers (e.g., 'hence coordination is the essence') is worth 1 mark.
- Use BSt-specific vocabulary — 'effectiveness/efficiency', 'coordination', 'pervasive', not casual language.