



BHADRAK ENGINEERING SCHOOL & TECHNOLOGY
(BEST), ASURALI, BHADRAK

ENTREPRENEURSHIP MANAGEMENT AND SMART TECHNOLOGY

(Th- 01)

(As per the 2020-21 syllabus of the SCTE&VT,
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Fifth Semester

Mechanical Engg.

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CONTENT

SL.N o	Chapte rNo.	Topics	Periods as per Syllabus	Required period	Expected Marks
01	01	Entrepreneurship	10	10	15
02	02	Market survey and opportunity identification (business planning).	08	08	10
03	03	Project report preparation.	04	04	05
04	04	Management principle	05	05	10
05	05	Functional areas of management.	10	10	20
06	06	Leadership & Motivation	06	06	10
07	07	Work culture, TQM & safety.	05	05	10
08	08	Legisatation	06	06	10
09	09	Smart technology	06	06	10

CHAPTER-1

ENTREPRENEURSHIP

Learning objectives

- *Concept /Meaning of Entrepreneurship*
- *Need of Entrepreneurship*
- *Characteristics, Qualities and Types of entrepreneur, Functions*
- *Barriers in entrepreneurship*
- *Entrepreneurs vrs. ManagerForms of Business Ownership: Sole proprietorship, partnership forms and others*
- *Types of Industries, Concept of Start-upsEntrepreneurial support agencies at National, State, District Level(Sources): DIC, NSIC, OSIC,*
- *SIDBI, NABARD, Commercial Banks, KVIC etc.*
- *Technology Business Incubators (TBI) and Science and Technology Entrepreneur Park*

1.1 CONCEPT/MEANING OF ENTREPRENEURSHIP

- (a) Doing new things or doing things that are already being done, in a new way is a simple definition of entrepreneurship.
- (b) Entrepreneurship can be described as a creative & innovative response to the environment. Such responses can takes place in any filled of social endeavour such as business, agriculture, education, social work & the like.
- (c) Entrepreneurship is considered to be the combination of “entrepreneur” and “enterprise”. Organising an enterprise is described as entrepreneurship.
- (d) Here enterprise is defined as a unit of economic activities or an economic organisation especially a business organisation.
- (e) And entrepreneur is generally understood to be the owner of such enterprise.
- (f) Knowledge about the economic political environment, more particularly about the economic policies of the government and the financial as well as commercial institution is important for the entrepreneur.
- (g) Otherwise the entrepreneurship is a dynamic activity which helps the entrepreneur to bring a radical changes in the production process. Innovation concept of new usages of raw materials and exploring of new market.
- (h) Entrepreneurship refers to the general trend of setting up new enterprises in a society.
- (i) Here entrepreneurship is an organisation & entrepreneur is an organiser.
- (j) So an entrepreneur is one who organises, manages, assumes the risk of an enterprise.
- (k) Entrepreneurs are the owners of the business who contribute the capital and bear the risk of uncertainties in business life.
- (l) So entrepreneur is a person & entrepreneurship is a process.

- (m) Entrepreneur is action-oriented and highly motivated. He has the ability to evaluate business opportunities. He mobilises the factors of production namely land, labour, capital, & initiates production process.
- (n) He is responsible for both profit or loss. Ex-Birla, Tata are the example of entrepreneurs.

1.2 NEED OF ENTREPRENEURSHIP.

- Entrepreneurship promotes business in the society. Most economists today agree that entrepreneurship is necessary ingredient for stimulating economic growth and employment opportunities in all societies.
- Businesses are essential part of our future economic prosperity because of the following reasons.

GENERATING EMPLOYMENT OPPORTUNITIES.

- Entrepreneurship creates new opportunities for the society. The starting of a new venture creates opportunities of labour, suppliers of inputs , suppliers of industrial equipments, marketing traders etc.
- All these sectors are benefited by the setting up of new enterprises or expansion of existing ones.
- Every new unit requires labour force to run if the unit is big than more workers are required. If the unit is small then fewer worker will be employed. Then employment opportunities are created by the entry of new units.
- When the existing units increase their capacities then more employment opportunities are created.
- Industrial sector is the main employer of labour force , an industrial unit will require raw materials, power, water, banking, communication, facilities, plant & machinery, furniture etc. The providers of all these good & facilities will get work from the new unit. So employment opportunities generates.

BALANCED REGIONAL DEVELOPMENT..

- I. Balanced regional development implies uniform distribution of planned investment among different regions of the country.
- II. The investments should be so planned that regional growth rates should be equal.
- III. The balanced economic growth of a country is possible only when all the areas are developed in a planned ways.
- IV. Entrepreneurship can play an important role in bringing about the balanced development.
- V. The govt can play an important role of an entrepreneur by setting up public sector units in under developed regions.

- VI. It can also play the role a promoters by the extending various incentives to these who set up units at less developed regions, for that they should help govt in developing those areas also to develop backward areas. It will possible only when they set up new units in those areas.
- VII. Central as well as state govt are allowing various incentives & concessions to entrepreneurs for setting up new units at specified regions.
- VIII. Even tax concessions are offered for a number of years in the beginning, so the entrepreneurs should come forward and help the development of under developed areas and regions.
- IX. This is essential for the overall economic growth of the country.

SOCIAL STABILITY..

- I. Social stability will come when there will be prosperity in society.
- II. Economic independence is the most satisfying factors for every person.
Entrepreneurship try to help society in different ways. So that people are to have good living .
- III. By locating & exploiting opportunities entrepreneurs convent various inputs like land, labour, capital in to products & services. It creats national wealth & increases per capital income of the people.
With the increase in income the standard of living of people improve.
- IV. Entrepreneurship helps the economy in a lot ways. Entrepreneurs set up industries which remove scarcity of essential commodities.
The new products are also introduced as per the requirements of the society. The production of goods on mass scale helps in improving the standard of living of the process.
- V. More ever, the goods of better quality are supplied at cheaper rates, people will be happy when they get goods as per their requirements and as per their purchasing power.

SOCIAL RESPONSIBILITIES..

Entrepreneurship try to help society by creating infrastructure facilities for the society. Providing medical & educational facilities and also social welfare.

INNOVATION..

- Business enterprises need to be innovative for survival and better performance.
Innovation is the means by which the create new wealth producing resources or endows existing resources with enhanced .
Potentiality for creating wealth for that entrepreneurship helps entrepreneurs introduction of new markets, opening of new markets opening of new sources of supply & introduction of new goods.

1.3 CHARACTERISTICS OF AN ENTREPRENEURS

SOME OF THE CHARACTERISTICS OF AN ENTREPRENEUR ARE:

- (1) Need for achievement.
- (2) Risk taking attitude.
- (3) Need to influence others.
- (4) Abilities to sense opportunities.
- (5) Positive self concept.
- (6) Initiative.
- (7) Problems solving attitude.
- (8) Time boundness.
- (9) Result orientation.
- (10) Finanacial soundness.
- (11) Inclination to accept challenges.
- (12) Independent thought and action.

QUALITIES OF ENTREPNENEUR

Following are the qualities of an entrepreneur..

- (1) Risk taking ability.
- (2) High level of motivation.
- (3) Self confidence & positive self concept.
- (4) Leadership Qualities.
- (5) Managerial competence/competitive spirit.
- (6) Problem solving.
- (7) Ability to perceive opportunities & threats.
- (8) Realistic approach of planning.
- (9) Independence of thought &action.
- (10) Flexibility.
- (11) Achievement orientation.
- (12) Budgeting abilities.
- (13) Decision Making.
- (14) Goal directed thinking.
- (15) Co-operative
- (16) Inner directiveness.
- (17) Desire for unique production.
- (18) Communicabilities.
- (19) Observational abilities.
- (20) Conflict resolving.

TYPES OF ENTREPRENEUR ..

The types of entrepreneur are mentioned below

(1) INNOVATORS..

- (a) Innovators are the types of entrepreneurs who come up with completely new ideas and turn them into various businesses.
- (b) In most cases, these entrepreneurs change the way people think about and do things.
- (c) Such entrepreneurs tend to be extremely passionate & deriving their motivation from the unique nature of their business idea.
- (d) Innovation entrepreneurs also find new ways to market their products by choosing product differentiation strategies that make their company stand out from the crowd.

(2) HUSTLER ENTREPRENEUR..

- (a) Hustler entrepreneurs' vision is the gas in their engine.
- (b) Hustlers often start small and think about effort as opposed to raising capital to grow their business. These types of entrepreneurs focus on starting small with the goal of becoming bigger in the future.
- (c) Hustlers are motivated by their dreams & will work extremely hard to achieve them.
- (d) They tend to be very focused and will get rid of all forms of distraction, favouring risks over short-term comfort.

(3) IMITATORS..

- (a) Imitators are the types of entrepreneurs who copy certain business ideas & improve upon them.
- (b) They are always looking for ways to make particular products better.

(4) RESEARCHER..

- (a) Even after having an idea, researchers will take their time to gather all the relevant information about it. They have analysed the ideas from all the angles.
- (b) Researcher entrepreneurs usually believe in starting a business that has high chances of succeeding because they have put in detailed work to understand all aspects.
- (c) As a result, these types of entrepreneurs usually take a lot of time to launch products to make decisions because they need the foundation of deep understanding. So they will minimize the chances of failing in the business.

(5) BUYER..

- (a) These types of entrepreneurs have the money & specialize in buying promising businesses.
- (b) Buyer entrepreneurs will identify a business & assess its viability, proceed to acquire it and find the most suitable person to run & grow it.
- (c) Buying an already established venture is less risky & does not have to worry so much about innovation.

1.4 ENTREPRENEURS VS MANAGERS

ENTREPRENEURS	MANAGERS
Entrepreneurs are the owners Of the business who contribute the Capital and the bear the risk of Uncertainties in business life. So an Entrepreneur is the owner of the company	A manager is the employee of the company. So he works for salary & does not have to bear any risks.
The focus of an entrepreneur motivation is achievements	A manager will focus on the daily smooth functioning of the business.
For an entrepreneur the key motivation is achievements	For the managers the the motivation comes from the power, that comes with their position.
Reward for all the efforts Of an entrepreneur is the profit. He earns from the enterprise.	The manager is an employee, so his main aim is the salary, he draws from the company.
The entrepreneur can be Informal and casual in his role	However, a manager's approach to every problem is very formal.
An entrepreneur is a visionary that converts an idea in to a business. He bears all the financial and other risks. So an entrepreneur by nature is a risk taker.	A manager, on the other hand is a risk averse. His job is to maintain the statusquo of the company. So he cannot afford risks.

1.5 BARRIERS TO ENTREPRENEURSHIP

Below are the points discussed for the barriers of entrepreneurship.

- **ENVIRONMENTAL BARRIERS**

- ✓ **RAW-MATERIAL**

Non-availability of raw materials required for production during the peak season. This leads to an increase in the price of raw materials due to competition.

- ✓ **INFRASTRUCTURE SUPPORT**

Adequate of electricity, proper road, water and drainage facilities etc. Development authorities have little support due to corruption.

- ✓ **LABOUR**

Shortage of skilled labour, lack of committed & loyal employees, quality & quantity of labour is also barriers of entrepreneurship.

- ✓ **MACHINERY**

Machines are necessary but they are also expensive & due to top change in technology they become obsolete and require replacement which require cash in hand. It becomes very difficult for the small business organization to keep its production process update.

PERSONAL BARRIER

- ✓ **LACK OF CONFIDENCE**

They feel that they will never get successful business idea and will be unable to attract the necessary resources. Therefore, they reject the idea of being self-employed.

- **MOTIVATION**

Less interest and lack of motivation when thoughts do not work.

- **IN ADEQUATE TRAINING**

With no proper education, development, training, entrepreneurial skills and technical know-how acts as the barriers to entrepreneurship.

- **NO STRATEGIC PLAN IN PLACE**

- Lack of proper planning & strategy in place is one of the most common barriers to entrepreneurship. Running a fully fledged business or being an entrepreneur requires a huge amount of skill set, passion for excelling strategic vision, the mission to accomplish the goals, market research & lot more.
- Right from the target market, finances, human, resources, to a proper strategic plan is required to build a successful business or brand in the market.

1.6 FORMS OF BUSINESS OWNERSHIP..

SOLE PROPRIETORSHIP. (ONE –MAN- BUSINESS)..

- (1) Sole proprietorship business is otherwise known as one man business.
- (2) In this form of organisation a single individual promotes, finances, controls, & manages the business enterprise.
- (3) He also bears the whole-risk of the business.
- (4) The sole traders may appoint employees for his help in running the business. But does not share the gains & the risks of the enterprise.

MERITS..

He also the supreme judge of all matters pertaining to his business.

DEMERITS..

Subject only to the general laws of the land to such special legislation as may affect his particular business.

PARTNERSHIP..

(SECTION 4 OF THE PARTNERSHIP ACT 1932)..

- (1) A single owner becomes inadequate as the size of the business enterprise grows. He may not be in a position to do away with all the duties & responsibilities of the growth business.
- (2) At this stage more finances are needed, more persons are required to manage business & share risk. So the individual owner may wish to associate with him more persons who have either capital to invest or possess special skill & knowledge to make the existing business still more profitable.
- (3) Such a combination of individual trades is called partnership.

- (4) In brief partnership is an association of two or more (up to 20) persons to carry on as co-owners of a business for profit.
- (5) Partnership are based upon a partnership agreement.(It should define the authority, right, duties, responsibilities, of each partner.It should specify how profit & losses will be divided among the partners.)

MERITS..

- (1) The firm possess much talents, judgement, & skills.
- (2) Partners have full control over the business & possess full rights to all profit.
- (3) For all losses, there are more than one person to share them.

DEMERITS..

- (1) All partner suffer because of the wrong steps taken by one partner.

Investors hesitate to provide money because of the lack of stability of partnership firm.

1.7 Industry

- Industry is concerned with the making or manufacturing of goods.
- It is that constituent of production which involves changing the form of good at any stage from raw material to the finished product.
- Thus industry im parts “from utility to goods”.

Types

Industry is four types.

1. Primary or genetic industry
2. extractive Industry
3. construction industry
4. manufacturing industry
 - 4.1 Analytical industry
 - 4.2 processing industry
 - 4.3 synthetic industry

1. Primary or genetic industry

- Genetic industry is related to the reproducing and multiplying of certain species of animals and plants with the object of earning profits from their sales.
Example- nurseries fish hatcheries poultry farms are covered under genetic industry.
- The plants are grown and bites and animals are reared and then sold and profit.
- No doubt nature climate and environment play an important role in these Industries but human skill is important.

2. Extractive industry

The extractive industry is engaged in raising some form of wealth from the soil, air, water or from beneath the surface of the earth. Human skill is essential.

3. Construction industry

- This industry is engaged in the creation of infrastructure for smooth development of the economy.
- These industries are engaged in the construction of buildings, roads, dams, bridges etc.
- These industries use the products of other industries such as cement, iron bricks, woods etc.
- Engineering and architectural skill plays an important part in the construction industry.

4. Manufacturing industry

- These industries are kept in the conversion of raw materials into semi finished or finished goods.
- This industry creates form utility in goods by making them suitable for human use.
- Most of the goods which are used by consumers are produced by manufacturing industries.

It is classified as follows

4.1 Analytical industry

- In this industry end product is analysed and many products are received as final products.
- In the processing of crude oil or petroleum we get kerosene, petrol gas and diesel etc.
- They are simultaneously produced by a common process till at a particular stage or point of production.
- After this stage of point of production the joint product is split to different processes for different products.
- This point of separation is known as the split-off point.
Example- petrol, kerosene, diesel are produced from the same raw material that is crude Petroleum.

4.2 processing industry

- In this industry the product passes through various processes to become a final product.
- Example- in case of cotton textile, cotton passes through ginning, waving, dyeing process to become cloth. Ex- sugar, paper industry.

4.3 Synthetic industry

- In this industry many raw materials are brought together in manufacturing process to make a final product.
- Different ingredients are mixed at different proportions under different conditions at different stages of the manufacturing process to obtain the completed products.
- Example- soap making, plastic, paints, fertilizer industries, chemical industries, pharmaceutical industries etc.

Concept of start ups

Start up is a young company founded by one or more entrepreneurs to develop a unique product or service and bring it into the market. By its nature, the typical start up tends to be shoestring operation with initial funding from the founders of their friends and families.

1.8 Entertain your support Agencies at National state district level

DIC (District Industries centre)

- DICs were established in May 1978. Each district has a DIC at its headquarters.
- Identification of entrepreneurs- DIC develops new entrepreneurs by conducting entrepreneurial Motivational programs throughout the district especially in Panchayat Union headquarters and small towns.
- It offers technical advice to new entrepreneurs for the selection of project suitable to them.
- DIC sponsors the loan applications to banks for the purchase of land and buildings.
- It give training to rural entrepreneurs.
- Assistance to village Handicrafts for the financial assistance with the Nationalized Banks of the respective areas.
- Helps entrepreneur in obtaining licences from the electricity board, water supply board, no objection certificate etc.
- Assist the entrepreneur to procure imported machinery and raw materials.
- Gives SSI registration.
- compilation of information about local sources of raw materials and their availabilities.

OSIC (Odisha small industries corporation)

- The Odisha small industries corporation limited was established on 3rd April 1972.
- Provides quality raw materials to SSI units at reasonable prices.
- It provides marketing support to SSI units.
- To help SSI units in exporting their products.
- To provide quality building material to MSME sector.
- The Basic objective of the corporation is to add assist and promote the MSMEs in the state for their sustained growth and development to gear up the industrialisation process in the state.

SIDBI(small industries Development Bank of India)

- SIDBI was established in April 1990.
- It provides technical support to small scale sector for promotion, development and growth.
- to promote employment oriented Industries especially in semi-urban areas to create more employment opportunities.

- To initiate steps for technological up gradation and modernisation of existing units.
- facilitate timely flow of credit for both term loans and working capital to a SSI in collaboration with commercial banks.
- It grants direct assistance and refinance loans extended by primary lending Institutions for financing manufacture by exports of products manufactured by experts of product SSI Units.

NSIC(national small industries corporation)

- National Small Industries Corporation is an ISO 9001 - 2015 certified Government of India Enterprise under Ministry of micro small and medium enterprises.
- To Promote and support micro small and medium enterprises sector by providing integrated support services encompassing marketing ,Technology finance and other services .
- NSIC acts as a facilitator and has defined a number of schemes to support enterprises in their marketing efforts for both domestic and foreign markets.
- It helps bulk purchase of basic raw materials at competitive rates and facilitates Import of scarce raw materials.
- It helps to advice on application of new technique and classroom and practical training for skill up gradation.
- It helps for exploring new markets and areas of cooperation.
- Identification new Exports markets by participating in sector specific exhibitions all over the world.

KVIC (Khadi Village industries Commission)

- Formation of common service facilities for processing of raw materials that include semi finished goods.
- The social objective is providing employment in rural areas.
- promoting the sale and marketing of khadi and village Industries products as well as handicrafts.
- Providing financial assistance industrial and the Institutions for the development and operation of khadi and village industries.
- The main aim is to provide employment and to create self Reliance amongst the first to build up a strong rural community.

NABARD(National bank for Agriculture and Rural Development (established on July 12, 1982))

- NABARD has been implementing numerous promotional programs for reducing the rural unemployment rural entrepreneurship development programme (REDP) and skill development program (SDP) is a promotional program supported by NABARD to motivate and train educated unemployed rural youth to set up their own Enterprises.
- It promotes rural industries, Small scale and cottage industries including tiny sectors by providing loans to Commercial and cooperative banks.

- It provides refinancing facilities to State Cooperative Banks(SCBs), Land Development Banks(LDBs), regional rural banks(RRBs) for financing rural economic activities.
- To serve as an Apex financing agency for the Institutions providing investment and production credit for promoting various developmental activities in rural areas.

1.9 TECHNOLOGY BUSINESS INCUBATORS..

- (a) Technology business incubator (T.B.I) is an initiative of department of science & technology (D.S.T), government of India.
- (b) It promotes the concept of growth through innovation & applications & technology, support & economic development strategies for small business development.
- (c) A technology business incubator is a type of business incubator focused on supporting starts up which use modern technologies as the primary means of innovation.
- (d) In several countries, including India, china, there have been Govt initiatives to support TBIS.
- (e) National science & technology Entrepreneurship development board. Department of science & technology, India retrieved 29th October 2018.
- (f) TBIS are promoted to achieve the following objectives.
 - (1) Certain technology based new enterprises.
 - (2) Fostering the entrepreneurial spirit.
 - (3) Specialised services to existing SMES.
 - (4) Facilitating transfer of technology.
- (g) TBI also provides following types of services.
 - (1) Business planning & training.
 - (2) Common facilities of TBI. Such as communication, conference, computers etc.
 - (3) Information dissemination on product ideas, technologies.
 - (4) Organising management /technical assistance.
 - (5) Market survey /marketing assistance etc.
- (h) TBIS provide budding entrepreneurs all necessary infrastructure support, technology support, research assistance, market assistance and whatever is necessary to make the start-up a success.
- (i) The primary goal of a business incubator is to facilitate economic development by improving survival and growth of new entrepreneurial units.

SHORT QUESTION WITH ANSWER

1.What do you mean by an entrepreneurship? [Possible]

Ans- Doing new things or doing things that are already being done, in a new way is a simple definition of entrepreneurship. Entrepreneurship can be described as a creative & innovative response to the environment. Such responses can take place in any field of social endeavour such as business, agriculture, education, social work & the like.

2.What is an Industry? (2019-Summer)

- Industry is concerned with the making or manufacturing of goods.
- It is that constituent of production which involves changing the form of good at any stage from raw material to the finished product.
- Thus industry imparts form to utility to goods.

3.Enlist atleast four characteristic of an entrepreneur.(w-2020 winter)

Ans-Four characteristics of an entrepreneur are

- a- Abilities to sense opportunities.
- b- Need for achievement.
- c- Inclination to accept challenges.
- d- Need to influence others.

4.What is partnership deed?(2019-Winter)

Ans - Partnership deed is a document containing all the matters according to which mutual rights, duties, & liabilities of the partners in the conduct & management of the affairs of the firm are determined. The deed must be signed by the partners.

5.Write the full form of MSME & DIC?(2019 Summer)

Ans- MSME- Micro, Small & Medium Enterprises.

DIC-District industries centre.

6. Write the full form of NABARD & OSIC.(2020 Winter)

Ans- NABARD- National Bank for Agricultural & Rural development.

OSIC- Odisha small industries corporation

LONG QUESTION

1. Describe the need of entrepreneurship.(2019-Winter)

3. Briefly explain different barriers in entrepreneurship?(2020-Winter)

4. Write the difference between the manager and the Entrepreneur.(2020-Winter)

5. Explain the Qualities of an entrepreneur.(2019-Winter)

CHAPTER-2

MARKET SURVEY & OPPORTUNITY IDENTIFICATION

Learning objectives:

- 2.1- Business planning.
- 2.2- S.S.I, Ancillary unit, Tiny unit, Service sector units,
- 2.3- Time schedule plan, agencies to be contacted for project implementation.
- 2.4- Assesment of demand & supply & potential areas of growth.
- 2.5- Identify the business opportunity.
- 2.6- Final product selection.

2.1 BUSINESS PLANNING..

- (1) Business planning is a written document that describes in detail how a business (usually new one) is going to achieve its' goal/objective.
- (2) Business planning lays out a written plan from a marketing, financial, & operational view point.
- (3) Business plans are important to allow a company to layout its, goal and attract investment.
- (4) The purpose of business planning is to identify, describe & analyze a business opportunity.

2.2 S.S.I (SMALL SCALE INDUSTRIES)

- (1) Small scale industries companises of small enterprises who manufacture goods or services with the help of relatively smaller machines & fewer workers and employees.
- (2) Basically the enterprise must fall under the guidelines set by the Goverment of India.
- (3) Small enterprise manufacturing is an enterprise, where the amount of investment in plants & machineries is more than twenty five lakh but does not exceed rupees five cores.
- (4) For small enterprise services is an enterprise, where the investment in equipment is more than ten lakh rupees but does not exceed rupees two cores.

ANCILLARY UNITS..

1. Industrial units have to supply a minimum of 50% of their production to their parent industries are termed ancillary Industrial units.
2. Such units have to supply at least 50% of their production To their parent industries.
3. The maximum level of investment is Rs1core.
4. Industries engaged in the production of machine parts, tools and other intermediate products.

TINY UNITS..

1. Industries that have a maximum investment of rs25lakhs in their plant & machinery are termed as tiny units.
2. No such obligations.
3. The maximum level of investment is Rs 25 lakhs
4. Business units such as boutiques, photo copy centres etc.

2.3 THE SCHEDULE PLAN AGENCY TO BE CONTACTED FOR PROJECT IMPLEMENTATION

The Project Implementation Schedule is a chart that clearly lists all the tasks necessary to complete the project and related deadlines. This Schedule is the most important part of planning because it will become the tool to use for the monitoring and evaluation phases of the project. You should have listed all the tasks required for the implementation of the project. Take the list and rank your tasks according to their importance. There will be tasks that need to be concluded in order to start another task and tasks that could be done in a more flexible way. Highlight all the urgent tasks and visually connect tasks that require the completion of a previous task to be started.

At this point you can transfer your list into a chart, which will clearly state the timeframe for each task to be completed.

2.4 ASSEMENT OF DEMAND & SUPPLY POTENTIAL AREAS OF GROWTH

Law of Demand vs. Law of Supply

Demand

The law of demand states that, if all other factors remain equal, the higher the price of a good, the less people will demand that good. In other words, the higher the price, the lower the quantity demanded. The amount of a good that buyers purchase at a higher price is less because as the price of a good goes up, so does the opportunity cost of buying that good.

As a result, people will naturally avoid buying a product that will force them to forgo the consumption of something else they value more. The chart below shows that the curve is a downward slope.

Supply

Like the law of demand, the law of supply demonstrates the quantities that will be sold at a certain price. But unlike the law of demand, the supply relationship shows an upward slope. This means that the higher the price, the higher the quantity supplied. From the seller's perspective, the opportunity cost of each additional unit that they sell tends to be higher and higher. Producers supply more at a higher price because the higher selling price justifies the higher opportunity cost of each additional unit sold.

For both supply and demand, it is important to understand that time is always a dimension on these charts. The quantity demanded or supplied, found along the horizontal axis, is always measured in units of the good over a given time interval. Longer or shorter time intervals can influence the shapes of both the supply and demand curves.

2.5 IDENTIFICATION BUSINESS OPPORTUNITY

To be successful entrepreneurs we need to be continually innovating and looking for opportunities to grow our start up.

But how do you find new opportunities to take your start up to new markets & grow levels. Here are four ways to identify more business opportunities.

(1) LISTEN TO YOUR POTENTIAL CLIENTS & PAST LEADS

When you're targeting potential customers listen to their needs, wants, challenges, frustration with your industry. Have they used similar products & services before, what did they like & dislike, what are their objection etc. This will help you to find opportunities to develop more valuable products & services. So your target market & objection identify and overcome objection.

(2) LISTEN TO YOUR CUSTOMERS

- (a) When you are talking to your customers listen to what they are saying about your industry, products, & services. What are their frequently asked question, experiences, frustration, feedback, and complaint.
- (b) This valuable customer information will help you identify key business opportunities to expand & develop your current products & services.

(3) LOOK AT YOUR COMPETITORS

- (a) Do a little competitive analysis to see what other startup are doing, and more importantly, not doing, where are they falling down, what are they doing right, what makes customers go to them over you.
- (b) Analysing your competitors will help you identify key business opportunities to expand your market reach & develop your products & services.

(4) LOOK AT INDUSTRY TRENDS & INSIGHTS

- (a) Subscribe to industry publication join relevant association, set goggle alert for key industry terms & news and follow other industry experts on social media.
- (b) Absorb yourself in your industry & continually educate yourself on the latest techniques.

SERVICE SECTOR UNITS

- (a) The service sector is an important part of the economy in India, there has been a huge growth in service sector business which made up 55% of India's GDP in 2006-2007. Computer software Business in India is increasing at a rate of 35% per year.
- (b) One good example of this are banks which went through big changes in the late 20th century.
- (c) Using information & communication technology, bank & have vastly reduced the number of people they need to employ & lowered the cost of providing bank service.
- (d) An automated teller machine is able to provide basic banking services 24 hours a day, 7 days a week, in many different process.
- (e) Before banking services were only available from the bank when it was open. Many banks buildings societies have joined together to form much lower cost business.

2.6 FINAL PRODUCT SELECTION.

PRODUCT- The key element of marketing programme is known as product.

Or

Product is anything that can be offered to a market for attention, use or consumption.

PRODUCT SELECTION-

Product selection is a decision process, in which the design team selects one or few product concept for further development

MAIN STAGES OF FINAL PRODUCT SELECTION

- ✓ Product selection & development process are very complex process.
- ✓ Which begins with idea generation and continuous till commercialisations.

(1) NEW IDEA GENERATION-

- ✓ New ideas are sought from the sales force.
- ✓ Since that is the department which is in constant direct contact with customers.
- ✓ The analysis of customer needs also takes place in to account competition's product and services.
- ✓ New ideas also generate report on foreign markets & products, R&D laboratories, management employees etc. However technical feasibilities & market potential have to kept in mind while examining new ideas.

(2) SCREENING-

- ✓ From the stage of generation, the new product idea travels to the Stage of screening. In this stage, the various new product ideas are put under rigorous screening by evaluation committees.

Answers are sought to question like

- *Technical feasibility of the idea
- *Is there a felt need for the new product
- *Is it an improvement over existing product
- *Is it close to our current lines of business or does it take us to a totally new line of business,
- *Can the existing production & marketing organisation handle the product etc.
- *The level of investment required.
- *Raw material supply position at present and future.
- ✓ (3) BUSINESS ANALYSIS- This stage of special importance in the fine product development process, because several vital decision are taken.
 - Investment analysis & profitability analysis.
 - Inventory holding analysis.
 - Seasonal patterns in consumption, if any.
 - Competition, major competitors, their market share, the dominant market share, the dominant market segment held by them.
 - Volume-cost-profit analysis etc. This analysis ultimately facilitate the budgeting process.

(4) DEVELOPMENT- As this stage a working model/ a pilot production is setup or developed. At this stage to evaluate the practicability of the new idea, by studing the acceptability of customer to the working model/ pilot product

- ✓ (5) TESTING- Redesigning of the working model in to production prototype and testing the market before bulk production.

(6) COMMERCIALISATION- At this stage, the company takes the decision to go in for large-scale manufacturing & marketing product.

Production methods have to be developed, distribution networks activated and the new product has to integrate with the organisation normal activity and satisfactory sales volumes & profitability have to be achieved.

POSSIBLE SHORT TYPE QUESTION WITH ANSWER

1. What do you mean by business planning?

ANS- (A) - Business planning is a written document that describes in detail how a business (usually new one) is going to achieve it's goal/objective.

(B)- Business planning lays out a written plan from a marketing, financial, & operational view point.

2. What is Tiny unit?

ANS- Industries that have a maximum investment of rs-25 lakhs in their plant & machinery are termed as tiny industrial units.

3. What is ancillary unit?

ANS- Industrials units have to supply a minimum number of 50% of their parent industries are termed ancillary units.

POSSIBLE LONG TYPE QUESTIONS

1. Write the difference between ancillary units and tiny unit.
2. Write the different steps of final product selection.
3. How do you identify a business opportunity? Explain (WINTR-20)

CHAPTER-03

PROJECT REPORT PREPARATION

Learning objectives

3.1-Preliminary project report

3.2-Detailed project report, Economic feasibility

3.3-Project viability

3.1 PRELIMINARY PROJECT REPORT

- A preliminary project report is a brief summary of a project describing the expected inputs and outputs like finance, manpower, materials, machinery, technology, expenses, production, profits, sales, e.t.c of a project before the project is actually implemented.
- A preliminary project report justifies the techno-economical feasibility of a project. An entrepreneur may make few preliminary project reports on different products to see which one is more suitable to be accepted. So PPR is a rough estimate of a project as envisaged by the entrepreneur basing on which he will make a detailed project report and start working on the project.
- It is a short description of the project by the entrepreneur.
- Readymade project reports are also available in the form of book which may act as a ready reckoner for the entrepreneur to prepare his preliminary project report.
- A PPR may be the picture of a project in the mind of the entrepreneur which has been put in to paper in a designed manner to convince others regarding its viability.
- The entrepreneur has to submit copies of his PPR various Government agencies & banks & get provisional registration and approval with an assurance for licence, permission, loans etc.

CONTENTS OF A PROJECT REPORT

A project report usually contains the details regarding the following aspects of the project.

- Details regarding plants & machinery & equipment.
- Land & building
- Finance implication (Fixed & working capital investment, project costs, profitability)

- Production capacity.
- Project Engineering dealing with technical aspect of the project.
- Location & layout of the project.
- Proposed Financing of the project.
- Profitability of the project.
- Work schedule.
- Personnel(Requirements of staff, labour, & expenses on wage payment)
- Objectives of the report.
- Size of the project.
- Production capacity etc.
- Cost of furniture & fitting.
- Cost of research development.

Preliminary project report is essential for the entrepreneur to know the complete details of the various aspects of the project.

IMPORTANCE OF PROJECT REPORT

Project Report is of great importance

- It highlights the practicability of a project in terms of different factors like economy, finance, Technology, & social desirability.
- It needed by entrepreneur for carrying out expansion or starting a new production line.

3.2 DETAILED PROJECT REPORT

Detailed project report is a detailed elaboration of each & every information & estimates mentioned in the preliminary project report. While preparing a detailed project report (DPR) the entrepreneur make take the help of experts to do the job.

- Detail analysis of each & every item is necessary. For example, furniture is one item in the PPR but in preparation of DPR all the furniture are to be mentioned in details like items, size, specialisation, use, price, quality, name of the supplier, date of supply, date of payment, transportation, expenses, installation of furniture
- Similarly finance required to be made detailed so far date of requirement, purpose of requirement, amount of requirement, person to whom such payment to be made source of the fund to make the payment etc.
- Detailed project reports are available with the consultants and can be purchased by the entrepreneur. DPR for different products are also available in the form of book which may be helpful for the entrepreneur to prepare his own DPR.

3.3 PROJECT VIABILITY.

Every small-business project has started outcomes that need to be met in order for it to be “viable,” or prudent and profitable. For example, if you decide to launch a new marketing campaign, the project viability -- or it’s positive outcomes -- will be judged on whether the new business the campaign attracts will be worth the time and costs associated with designing and launching the campaign initially. Determining the viability of a project requires an evaluation of a number of different factors, and viability potential will differ from one small business to the next.

SHORT QUESTIONS WITH ANSWERS

1. Why should an entrepreneur prepare The Project himself ? (Winter-20)

ANS- It helps an entrepreneur to know the complete details of the various aspects of the project and also find the complete information about financial, economic & Technical feasibility of the project . It helps an entrepreneur in seeking financial assistance from financial institutions & banks.

2. What do you mean by P.P.R?

ANS- A preliminary project is report is a brief summary of a project describing the expected inputs and outputs like finance, manpower, materials, machinery, technology, expenses, production, profits, sales, etc. of a project before the project is actually implemented.

LONG QUESTIONS

1. What is a P.P.R? Write the content of P.P.R?

2. Explain briefly about the D.P.R .

CHAPTER-4

MANAGEMENT PRINCIPLES

Learning objectives

4.1-Definitions of management

4.2-Principles of management

4.3-Functions of management (planning, organising, staffing, directing, co-ordinating, controlling)

4.4-Level of management in an organisation

4.1 DEFINITIONS OF MANAGEMENT

- Management is the brain of any organisation because it takes decisions, makes policies, rules and regulations.
- Management deals with five factor of factor of production viz men, machine, money, materials, & methods. The success of management depends upon how nicely these factors have been used.
- Management is a process of taking managerial decisions and putting them in to action. (It determines the objectives of the organisation & takes the necessary steps to achieve them)
- Management may be the defined as the art of securing maximum prosperity with minimum of efforts. So as to secure maximum of prosperity and happiness for both employer & employee & give the public best possible service.
- Management is an executive function which actively direct human efforts towards common goals.
- Management is the force which leads guides & directs an organisation in the accomplishment of pre-determined objectives. So management word can be divided as Manage + Men + T (Tact fully) = Management.

4.2 PRINCIPLES OF MANAGEMENT

Principles of management are discussed as under in brief.

- **DIVISION OF WORK**

It promotes efficiency because it permits the work to be executed in limited space of area. Division of work permits all the work to be performed more effectively.

- **AUTHORITY & RESPONSIBILITIES**

Authority & responsibilities are the two components which should go together for smooth function of an organisation. Authority & responsibilities are highly essential for getting the works done through other people. Authority & responsibilities should be transferred through the process of delegation.

A person cannot be held responsible if he has no authority over the work.

The right & power to give any work. The right to give any work a good performance.

- **UNITY OF COMMAND**

A subordinate should take orders from only the superior. If not, then it is undermined, discipline is in jeopardy, order disturbed and stability threatened.

- **REMUNERATION OF PERSONNEL**

Payment of workers should be fair and some proper method should be adopted.

- **DISCIPLINE**

It means obedience, application, energy & respect. There are many examples that poor performance is due to the lack of these four mentioned factors or say discipline.

- **EQUITY**

Kindness & justice on the part of management create loyalty and devotion among employees.

- **INITIATIVE**

To have success, plan should be well made before starting the actual work.

- **SCALAR CHAIN**

- The entire person working in the organisation structure should be linked to one another just like different bits of a chain so that the flow of authority and command take place properly from the top to the bottom. As far as practicable the chain should be a continuous one and should not be broken at any stage.

- Managers may be regarded as a chain of superiors which should be a unbroken line of authority and command through all level.

- **STABILITY**

- Efficiency can be achieved by having stable work force.

- **PRINCIPLES OF BALANCE**

- In an organisation there should be a perfect balance among power authority & responsibility. There should not be any imbalance. Excessive centralisation or excessive decentralisation of power & authority should always be avoided. So there should be a perfect balance between both the extremes. Management try to keep this to proper way to achieve the organisation objectives.
- **PRINCIPLE OF COMMUNICATION**

A sound communication network should be created and maintained. A sound communication system is highly essential to achieve the organisation goals.

4.3 FUNCTION OF MANAGEMENT

Functions of Management is divided in to 6 types, such as

- Planning
- Organising
- Staffing
- Directing
- Co-ordinating
- Controlling

PLANNING

- Planning is a managerial function. Planning helps in determining the course of action to be followed for achieving various organisational objectives.
- It is a decision in advance: what to do, when to do, & how to do & who will do a particular task.
- Planning is a process which involves ‘thinking before doing’.
- Planning is a process of looking ahead. The primary object of planning is to achieve better result.
- It involves the selection of organisational objectives & developing policies, procedures, programmers, budgets & strategies.
- So the process of planning involves a number of steps.
 - ✓ Gathering information
 - ✓ Laying down objectives
 - ✓ Developing planning premises
 - ✓ Examination alternative course of action
 - ✓ Evaluation of action patterns
 - ✓ Reviewing limitations
 - ✓ Implementation of planes
- So it bridges the gap between present and future

ORGANISING

- Every business enterprise needs the services of a number of persons to look after different aspects.
- The management set up the objectives or goals to be achieved by its personnel.
- The process of organisation involves the following steps.
 - ✓ To identify the work.
 - ✓ To classify or group the work.
 - ✓ To assign these groups of activities or work to individuals.
 - ✓ To delegating authority & fix responsibilities.
 - ✓ To co-ordinate these authority responsibilities relationship of various activities.
 - ✓ So organisation provides the necessary frame work within which people associate for attainment of business objectives.

STAFFING

- The function involves manning the position created by organisation process.
- It is concerned with human resources of an organisation.
- In other words “staffing is filling and keeping filled, position in the organisation structure through defining work force requirement.
- Thus staffing consists of the following
- Man power planning i.e. assessing the man power requirements in terms of quantity & quality.
- Recruitment selection & training.
- Development, promotion, Transfer, appraisal.
- Determination of employee Remuneration.

DIRECTING

- It is the process of guiding the sub-ordinates towards the achievement of organisational goals.
- Direction is otherwise is called management in action.
- In other words Direction is moving to action and supplying stimulation power to the group.
- Directing is continuous function and is performed at all levels of management.
- The main activities involved in direction are
 - ✓ Leadership
 - ✓ Communication
 - ✓ Motivation
 - ✓ Supervision

LEADERSHIP

- Leadership is the ability to build up confidence & deal among the members and to create an urge in them to be led.

COMMUNICATION

- Communication is a two way process as it involves both information & understanding.

MOTIVATION

- Motivation is a psychological process of creating urge among the sub-ordinates to do certain things or behave in the desired manner.

SUPERVISION

- Supervision is another important element of directing function of management. After issuing instruction, the manager or the supervisor has to see that the given instruction is carried out.

CO-ORDINATION

Co-ordination is one of the most important functions of management.

It is essential to channelize the activities of various individuals in the organisation for the achievement of common goals.

Every department or section is given a target to be achieved and they should concentrate on their work and should not bother about the work of other organs.

Co-ordination creates team spirit and helps in achieving goals through collective efforts.

It is the orderly arrangement of group effort to provide unity of action in the pursuit of common objectives.

CONTROLLING

- Controlling is essential for achieving objectives of an enterprise.
- Control is the process through which standards for performances of people and processes are set, communicated & applied.
- Effective control systems use mechanisms to monitor activities and take corrective action, if necessary.

Following steps are involved in controlling.

- ✓ Setting standards.
- ✓ Measuring actual performing.
- ✓ Comparing actual performance with standards.
- ✓ Finding variances or deviation if any and.
- ✓ Taking corrective action or measures.

4.4 Levels of Management

The term Levels of Management refers to the line of division that exists between various managerial positions in an organization. As the size of the company and workforce increases, the number of levels in management increases along with it, and viceversa. The different Levels of Management can determine the chain of command within an organization, as well as the amount of authority and typically decision-making influence accrued by all managerial positions. Levels of Management can be generally classified into three principal categories, all of which direct managers to perform different functions. In this article, we will explore the specific definition of these levels, as well as the roles and responsibilities of the managers that fall into these categories.

1. Administrative, Managerial, or Top Level of Management

This level of management consists of an organization's board of directors and the chief executive or managing director, president and vice president. It is the ultimate source of power and authority, since it oversees the goals, policies, and procedures of a company. Their main priority is on the strategic planning and execution of the overall business success.

The roles and responsibilities of the top level of management can be summarized as follows:

- Laying down the objectives and broad policies of the business enterprise.
- Issuing necessary instructions for the preparation of department-specific budgets, schedules, procedures, etc.

- Preparing strategic plans and policies for the organization.
- Appointing the executives for middle-level management, i.e. departmental managers.
- Establishing controls of all organizational departments.
- Since it consists of the Board of Directors, the top management level is also responsible for communicating with the outside world and is held accountable towards an organization's shareholders for the performance of the enterprise.
- Providing overall guidance, direction, and encouraging harmony and collaboration.

2. Executive or Middle Level of Management

The branch and departmental managers form this middle management level. These people are directly accountable to top management for the functioning of their respective departments, devoting more time to organizational and directional functions. For smaller organizations, there is often only one layer of middle management, but larger enterprises can see senior and junior levels within this middle section.

The roles and responsibilities of the middle level of management can be summarized as follows:

- Executing the plans of the organization in accordance with the policies and directives laid out by the top management level.
- Forming plans for the sub-units of the organization that they supervise.
- Participating in the hiring and training processes of lower-level management.
- Interpreting and explaining the policies from top-level management to lower-level management.
- Sending reports and data to top management in a timely and efficient manner.
- Evaluating the performance of junior managers.
- Inspiring lower level managers towards improving their performance.

3. Supervisory, Operative, or Lower Level of Management

This level of management consists of supervisors, foremen, section officers, superintendents, and all other executives whose work must do largely with HR oversight and the direction of operative employees. Simply put, managers at the lower level are primarily concerned with the execution and coordination of day-to-day workflow that ensure completion of projects and that deliverables are met.

The roles and responsibilities of the lower level of management can be summarized as follows:

- Assigning jobs and tasks to various workers.
- Guiding and instructing workers in day-to-day activities.
- Overseeing both the quality and quantity of production.
- Maintaining good relations within lower levels of the organization.
- Acting as mediators by communicating the problems, suggestions, and recommendatory appeals, etc. of workers to the higher level of management, and in turn elucidating higher-level goals and objectives to workers.
- Helping to address and resolve the grievances of workers.
- Supervising and guiding their subordinates.
- Taking part in the hiring and training processes of their workers.
- Arranging the necessary materials, machines, tools, and resources, etc. necessary for accomplishing organizational tasks.
- Preparing periodical reports regarding the performance of the workers.
- Upholding discipline, decorum, and harmony within the workplace.
- Improving the enterprise's image as a whole, due to their direct contact with the workers.

Levels of Management Summary

An organization can have many different managers, across a variety of titles, authority levels, and levels of the management hierarchy that we illustrated above. In order to properly assign roles and responsibilities to all managerial positions, it is important to recognize the key differences between low-level, middle-level, and top-level management.

The key takeaways from this distinction are as follows:

- Top-level managers are responsible for controlling and overseeing the entire organization.
- Middle-level managers are responsible for executing organizational plans which comply with the company's policies. They act as an intermediary between top-level and low-level management.
- Low-level managers focus on the execution of tasks and deliverables, serving as role models for the employees they supervise.

All businesses are comprised of a vast array of different managerial tasks. When these are coordinated properly, and there is a strong hierarchal manager system in place, an organization can be extremely efficient in creating value through the production of their products, services and overall workflow.

SHORT QUESTIONS WITH ANSWERS

1. What is management?

- Ans- Management is the brain of any organisation because it takes decisions, makes policies, rules and regulations and determines the organisation's objectives and find out the necessary steps to achieve them.

2. Write the function of management.

Ans - Functions of Management are:

- Planning
- Organising
- Staffing
- Directing
- Co-ordinating
- Controlling

3. How many type of level management? And what are these?

ANS-There are 3 levels of management.

1. Top level management

2. Middle level management

3. Low level management

LONG QUESTIONS

1. What is management, and describe the functions of management?

2. Describe the Levels of management.

CHAPTER-5

FUNCTIONAL AREAS OF MANAGEMENT

Learning objectives

5.1- Production management: Functions, Activities, Productivity, Quality control & production planning & control

5.2- Inventory management: Need for inventory management. Models/Techniques of inventory management.

5.3 Financial management: Functions of financial management, Management of working capital .Costing (only concept), Break even analysis, Brief idea about accounting terminologies,, Book keeping, Journal entry. Petty cash book, P & L account balance sheets.(Only concept)

5.4 Marketing management: concept of marketing & marketing management. Marketing techniques(only concept) & concept of 4ps,(price, place, product, promotion)

5.5 Human resource management: Function of personnel Management, Manpower Planning, Recruitment, Sources of man power. Selection process, Method of testing, Method of training & development, payment of wages.

5.1 PRODUCTIVITY

Productivity is commonly defined as a ratio between the output volume and the volume of inputs. In other words, it measures how efficiently production inputs, such as labour and capital, are being used in an economy to produce a given level of output.

COST

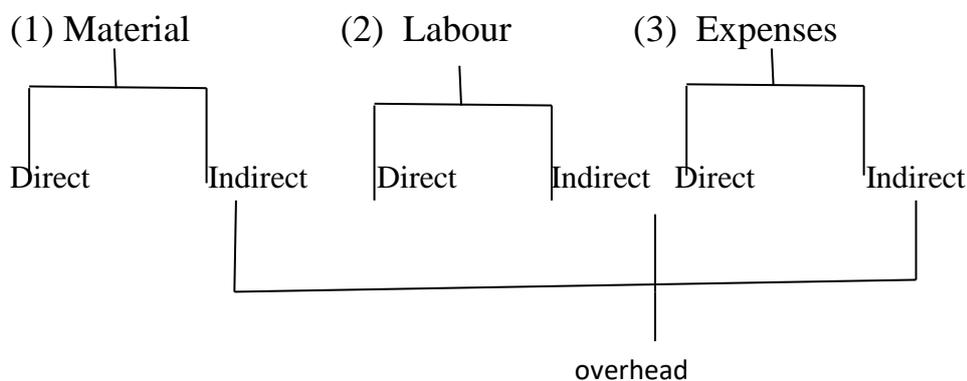
It is the amount of resources given up in exchange for some goods or services.

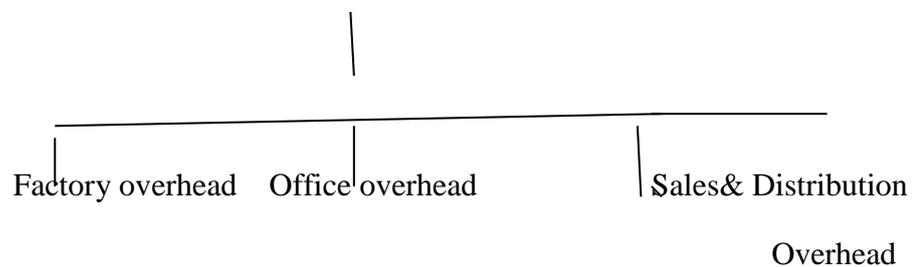
(The resources given up are expressed in monetary terms)

ELEMENTS OF COSTS

ELEMENTS OF COST

It is of Three types





By grouping the above elements of costs, the following division of cost are obtained.

- Direct materials + Direct labour s+ Direct Expenses =Prime cost(1)
- Prime cost + work or factory costs = Work costs--(2)
- Work costs + Administration over head= cost of production—(3)
- Cost of production + Selling & distribution overheads=Total cost-(4)

5.2 BREAK EVEN ANALYSIS

- Break-even point is a point of no profit & no loss.
- A business is said to be break-even when its total sales are equal to its total cost.
- Basically two costs are taken for analysis of Break-even point.
 - Fixed cost
 - Variable cost

FIXED COST

- ✓ Fixed costs are commonly described as those which remain fixed in total amount with increase or decrease in the volume of output.
- ✓ EX- Rent, Insurance, of factory, building, Factory managers' salary.

VARIABLE COST

- ✓ Variable costs are those costs which vary or fluctuate in total amount but tend to remain constant per unit as production activity changes.
- ✓ EX- Direct labour, direct material, Power etc.

JOURNAL ENTRY

- The word journal has been derived from French word 'jour' which means a day
- So 'journal' means a daily record book because the day to day transactions are recorded in this book.
- So journal means a prime entry book. The day to day transactions are first record in this book.
- In other word Journal is known as 'Basic accounting book'.

ACCOUNTS

Account is classified in to three types.

- Personal accounts
- Real accounts
- Nominal accounts

Personal account is divided in to three Parts.

- Natural person accounts-RAM'S ACOOUNT,MAHESH'S ACCOUNT .
- Artificial Persons accounts-ARIHANT INDUSTRIE'S ACCOUNT, SURA SIKHA CLUB'S ACCOUNT, BESTS' ACCOUNT
- Representative persons'personal accounts.

Real account is two types.

- Tangible Real account
- Intangible Real account.
- In nominal account- Expresses, losses, gains, & incomes.

RULES OF DEBIT & CREDIT

- ✓ In personal account debit (dr) is the receiver and credit (cr) is the giver.
- ✓ In real account debit (dr) = what comes in, credit (cr) = what goes out.
- ✓ In nominal account debit (dr) = All expenses & losses credit, (cr)= All gains & incomes.

PUT THE FOLLOWING TRANSCATION IN TO JOURNAL

- 2.12.21- Mohan commenced a business with cash rs5, 00, 000.

ANS- Cash account Dr

To Mohan's capital account.

- 3.12.21- Purchase Furniture with cash rs 10, 000.

ANS-Furniture a/c Dr

To cash a/c.

- 4.12.21- Purchase a building with cash rs 2, 00, 000

ANS - Building a/c Dr

To cash a/c.

- 5.12.21- Paid to Sohan 5, 000

ANS – Sohan a/c Dr

To cash a/c .

➤ 6.12.21- Paid wages rs 300

ANS – Wages a/c Dr

To cash a/c

JOURNAL ENTRY AMOUNT

DATE	PARTICULARS	DR	CR
2.12.2020	Cash a/c DR to Mohans' capital a/c	5,00,000	5,00,000
3.12.2020	Furniture a/c Dr to cash account	10, 000	10, 000
4.12.2020	Building a/c Dr to cash account	2,00,000	2,00,000
5.12.2020	Sohan account Dr to cash account	5,000	5,000
6.12.2020	Wages account Dr to cash account	300	300
		7,15, 300	7,15, 300

PETTY CASH BOOK

- In a business there will always a large number of cash transaction. All cash transaction has to be recorded properly. In a business there may be a small transaction as well as big transaction so far value is concerned.
- That means there may be a transaction of rs10, 00, 0000 at the same time there may be another transaction of rs 1.50 p.
- So all the big & small transaction are put together in one cash book it will be little inconvenient & the cash book will be very much lengthy.
- Hence it is better to separate small transactions from the big transaction. That is why, all the small or petty cash transaction are separately recorded in another cash book, called the petty cash book.

5.3 MANAGEMENT OF WORKING CAPITAL

- Working capital is that portion of total capital which is invested in the current assets i.e to meet the all the the expenses to run the business on a day to day to basis.
- It includes purchase of raw materials, payment of wages, purchase of allied items required to run the enterprise to carry on its production & selling activities.
- It is also known as running capital & the management of working capital is an important task for the enterprise.

- If there is no proper management of working capital, any amount of working capital shall be inadequate.
- Management of working capital involves the entire steps of managerial function such as
 - ❖ Forecasting the requirement of working capital.
 - ❖ Estimating the amount required.
 - ❖ Planning to procure the working capital.
 - ❖ Decided the sources.
 - ❖ Decide the time when required.
 - ❖ Deciding the time for how much duration required.
 - ❖ Planning the use of the procured working capital is properly utilised.
 - ❖ Checking the misutilization & mismanagement of the working capital includes the
 - ✓ Management of cash.
 - ✓ Management of Inventories.
 - ✓ Management of debtors & creditors.
 - ✓ Managing the bank balance.
 - ✓ Managing the incomes & expenses.
 - ✓ Managing the investment in sales, distribution & marketing.
 - ✓ Managing purchases etc.

5.4 PRODUCTION MANAGEMENT

FUNCTION OF MANAGEMENT

The role of production management is quite elaborate. But the sole aim is to ensure the business produces quality products that can satisfy the needs of customers on a regular basis. Below are the functions of production management.

- PRODUCTION CONTROL
 - ✓ Here the manager supervises & directs the production process.
 - ✓ He or she also must find out and ensure the right production plan is followed during the production process.
 - ✓ The production manager has to take the right steps to correct them.
- SCHEDULING
 - ✓ This function is critical in every organisation.
 - ✓ It has to do with planning when the actual production would begin and ends.
- COST & QUALITY CONTROL

- ✓ Every company knows how essential quality control & price are. Customers are not just looking for the best products. But they also want to have them at the lowest possible price.
- ✓ Quality control is an essential duty the production manager has to perform.
- ✓ It entails multiple checks performed on the product to ensure quality is intact.
- MAINTENANCE OF MACHINES
 - ✓ Production management also entails making & sure that the instrument used are in good working condition.
 - ✓ And that means replacing the ones that are underperforming or changing damaged parts to enable the machines to function optimally.

PRODUCTION PLANNING& CONTROL

PRODUCTION PLANNING

- ✓ Production planning is a pre-production activity.
- ✓ It is the pre-determination of manufacturing requirements.
- ✓ Such as
 - Man power.
 - Materials.
 - Machine.
 - Manufacturing process.
- ✓ So production planning is the determination, acquisition, & arrangements of all facilities necessary for future production of product.

PRODUCTION CONTROL

- ✓ Production control will be an action when production activity begins.
- ✓ Control involves in taking corrective steps in case of error to match actual performance against the planned performance.
- ✓ Control keep track of the activities & sees whether everything is going as per schedule or not.

5.5 HUMAN RESOURCES MANAGEMENT

FUNCTION OF PERSONAL MANAGEMENT

Three important functions of personnel management are

- Managerial function.
- Advisory function.
- Operative functions.

All managers have direct responsibility for the human assets(people)in an organisation and are responsible for activities & decisions concerning personnel.

MANAGERIAL FUNCTION

- Personnel manager is a member of management.
- So he must perform the basic managerial functions of planning, organising, staffing, directing, controlling, in relation to his department.

ADVISIORY FUNCTION

- Personnel manager has specialised education & training in managing human relation.
- He is an expert in his area and so can give advice on matters relating to human resources of the organisation.
- He offers his advice to top management, Department heads etc.
- Personnel manager advises the top management in formulation and evaluation of personnel programmes, policies, & procedures.
- He also gives advice for achieving and maintain good human relation & high employee morals.
- Personnel manager offers advice to the heads of the various departments on matters such as man power, planning, job analysis, recruitments, selection, training, performance, appraisal etc.

OPERATIVE FUNCTION

- The operative functions are those tasks or duties which are entrusted to the personnel department under general supervision of personnel manager.
- These are concerned with the employment, development, compensation, & maintenance of personnel of the organisation.
- Personnel department performs the following operative function.
 - ❖ Employment.
 - ❖ Training & development.
 - ❖ Remuneration.
 - ❖ Working condition.
 - ❖ Motivation.
 - ❖ Personnel records.

RECRUITMENT

Recruitment is the process of searching prospective candidates for an organisation & stimulating them applying for the jobs.

SOURCES OF RECRUITMENT

- Internal sources.
- External sources.

INTERNAL SOURCES.

- Transfer.
- Promotion.
- Own training centres.
- Employee Referral.
- Retired & Retrenched employee.
- Relative of deceased employee.

EXTRENAL SOURCES

- Campus interview.
- Advertisement.
- Walk-in-interview.
- Employment Exchange.
- Employment consultant.
- Employment fair.
- Labour contractor.
- Placement cell.

SELECTION PROCESS

Selection is the process of

- It is the process of Choosing the suitable candidates for an organisation who are applying for the job.
- Selection is the process of finding out the perfect match between the requirement of the jobs and the capabilities of the applicants.
- The selection criteria has to be decided by the personnel manager.

Selection process includes

- ✓ Inviting application.
- ✓ Screening the application received.
- ✓ Conducting test, interviews.

- ✓ Conducting physical & medical fitness examination.
- ✓ Collecting references .
- ✓ Verifying the certificates.
- ✓ Issue of selection letters after final selection.

METHODS OF TRAINING & DEVELOPMENT

Training is a learning process which impacts skill, knowledge, attitude, behaviour, etc.

- Training helps better performance of works & achievement of desired results.
- It is a continuous process for requirement till retirement.
- It is aimed at increasing the skill, talent, knowledge, performance of an employee to bring more perfection to the jobs to be performed, so the employees also get the chance to acquire skill, talent & knowledge or enhance them which help them development.

METHODS OF TRAINING

- On-the – job training.
- Off-the-job training.

ON-THE-JOB-TRAINING

✓ UNDER-STUDIES

- ❖ Under this method, the trainee is placed under an experienced person as an assistant or sub-ordinate, who is the acquire skill, knowledge, experiences, by doing the job under the direct supervision & guidance of the experienced person.
- ❖ This process will enable the trainee to develop himself as a capable person to handle the job independently.
- ❖ Working under an experienced person will be a good learning process for a new person.

✓ COACHING BY EXPERTS

- ❖ Under this method the trainees are taken to the spots where the works are being performed.
- ❖ Different experts trainers of different jobs train the trainees the art of performing the jobs.
- ❖ They demonstrate the jobs by performing them in front of the trainees so that the trainees get the chance of learning on the sports.
- ❖ The trainees develop the art of doing things themselves.

✓ JOB ROTATION

- ❖ Under this system, the trainees get the opportunities of learning different jobs during their employment.
- ❖ They are not specifically trained only for the one job but are trained on various job rotation basis.
- ❖ So that they get through knowledge on different jobs.
- ❖ After they are trained on the job, they are sent for training to another jobs and in the process they acquire good experience of different jobs of the organisation.
- ❖ This is known as job rotation in which the trainees are periodically rotated from one job to another.

OFF-THE-JOB TRAINING

Class-room training

- ❖ Under this type of training, training courses are organised for the employees either inside or outside of the organisation.
- ❖ Lecture or instructor act as trainers, teach the topic & give adequate technical and theoretical knowledge about the activities to be performed.
- ❖ This includes both theory as well as practical classes.
- ❖ For such types of training there may be the use of models, slides, projectors, videos, audios, computer etc to train the employees.
- ❖ There is a good chance of interaction between the trainee and the trainers or among the trainees themselves.
- ❖ This method is also known as lecture method.

CONFERENCE

- ❖ Under this method of training a small group of trainees are selected & they work together to train themselves.
- ❖ They make open discussion exchange ideas and experience share the knowledge.
- ❖ They learn together to come to conclusions or for the solution to different problems and develop new techniques skill etc. in them.

WRITTEN INSTRUCTION METHOD

- ❖ Under this method, written or printed training materials are supplied to the trainees.
- ❖ The trainees go through the texts & learn the techniques process, skill etc for performing the jobs.
- ❖ This type of written material for training is quite descriptive to answer any question that may arise in the mind of the trainees.

ON-LINE-TRAINING

- ❖ Now a days with the use of computer & internet facilities knowledge has become more affordable.

- ❖ Any one can access to knowledge with the use of these modern communication technologies.
- ❖ Staying at his home one can acquire knowledge skill, talents, etc or train himself in different fields to perform different activities.
- ❖ It is quite easy to remain in touch with quality trainers, quality institutions staying at any corner of the world.

PAYMENT OF WAGES

- ✓ Wages are defined broadly as any economic compensation paid by the employer to his labour under some contract for the services rendered by them.
- ✓ It is of three types
 - **Minimum wages**
 - ✓ A minimum wage is one which has to be paid by an employer to his worker irrespective of his ability to pay.
 - ✓ Maximum wage is the wage which must provide not only for the bare substance of life, but for the preservation of the efficiency of the workers.
 - ✓ For this purpose minimum wage must provide some measure of education, medical, requirements & amenities.
 - ✓ Subsequent to the committee's report, govt enacted legal provisions regarding minimum wages under the minimum wages act 1948.
 - ✓ This act does not define the concept of minimum wages but empowers the central govt as well as state govt to fix minimum wages from time to time.
 - **LIVING WAGES**
 - ✓ A living wage is one of which should enable the earner to provide for himself & his family not only the bare essential of food, clothing, & shelter but a measure of frugal comfort, including, education for his children, protection against ill-health, requirements of essential social needs including the old age.
 - **FAIR WAGE**
 - ✓ Fair wage is the wage which is above the minimum wage but below the living wage .The lower limit of the fair wage is obviously the minimum wage.
 - ✓ The upper limit is to be set by the capacity of the industry to pay.
- ✓ **INVENTORY MANAGEEMNT**
 - ✓ A stock of items held to meet future demand.
 - ✓ Inventory is a list for goods and materials, or those goods or material themselves, held available in stock by a business.
 - ✓ A considerable amount of fund is required for inventory.
 - ✓ Effective and efficient management is imperative to avoid unnecessary investment.
 - ✓ Improper inventory management affects long term profitability and many fail ultimately.

NEED OF INVENTORY MANAGEMENT

- ✓ It is crucial for an organization today to understand its inventory to achieve both efficient and fast operations that too, at an affordable cost.
- ✓ From a customer's point of view, it helps you to provide better customer services through fast delivery and low shipping charges, hence, meeting customer expectations.
- ✓ Here's how inventory management solution can help you achieve these benefits.

SHORT QUESTION WITH ANSWER

1. What is Break even point?

Ans-

DEFINITION-

- Break-even point is a point of no profit & no loss.
- A business is said to be break-even when its total sales are equal to its total cost.
- Basically two costs are taken for analysis of Break-even point .

Fixed cost

Variable cost

2. What is the difference between the Fixed cost and Variable cost?

Ans-FIXED COST-

- ✓ Fixed costs are commonly described as those which remain fixed in total amount with increase or decrease in the volume of output.
- ✓ EX-Rent, Insurance, of factory, building, Factory managers' salary.

VARIABLE COST-

- ✓ Variable costs are those costs which vary or fluctuate in total amount but tend to remain constant per unit as production activity changes.
- ✓ EX-Direct labour, direct material, Power etc.

3. What is Production Planning?

Ans-PRODUCTION PLANNING

- ✓ Production planning is a pre-production activity.

- ✓ It is the pre-determination of manufacturing requirements.
- ✓ Such as
 - Man power.
 - Materials.
 - Machine.
 - Manufacturing process.
- ✓ So production planning is the determination & arrangements of all facilities necessary for future production of product.
- ✓

LONG QUESTION

1. What is the difference between the Pretty cash book and breakeven point.
2. What is Production planning and production control?

CHAPTER -06

LEADERSHIP & MOTIVATION

LEARNING OBJECTIVES

6.1 Leadership: Definition & need/importance, qualities and

Function of a leader, Manager vs. leader. Style of leadership (Autocratic, Democratic, participative)

6.2 Motivation, Definition & characteristics, importance of motivation.

Factors affecting motivation, Theories of motivation (Maslow).

Method of improving motivation, Importance of

Communication in business, Types & barriers of communication.

6.1 LEADERSHIP

DEFINITION- leadership is the ability to persuade others to seek defined goals enthusiastically.

OR

Leadership is the process of influencing the activities of an individual or a group towards the achievement of a goal in a given situation.

NEED/IMPORTANCE OF LEADERSHIP

On the basis of the various definitions, there is certain need for leadership. These are the following,

- ❖ There is a reciprocal relation between the leader and his followers.
 - A leader not only influences his group but is also influenced by it.
 - This relationship may be formal or informal.
- ❖ The leaders gain influence through their speech & behaviour
 - A person who consistently speaks first builds a reputation and is generally possessing leadership qualities.
- ❖ It involves the leader & his followers
 - A specific goal and a situation to act upon.
 - Leadership roles are different; these roles are broadly classified into three categories.
 - ✓ Group task roles.
 - ✓ Group building & maintenance roles.
 - ✓ Individual's roles.
- ❖ A leader must be acceptable to his followers
 - Leadership has to be earned, it cannot be nominated, appointed, or cornered.
 - When an individual is accepted by the people as their leader & given the right to guide, his followers become his subordinates & respond to him as a leader.

FUNCTION & RESPONSIBILITIES OF A LEADER

A leader does the following function

- ✓ He identifies the group goals. He helps the group to obtain them.
- ✓ He satisfies the psychological emotional & physical working condition for the employees.
- ✓ He takes decision & finds out the alternative methods of action.
- ✓ He creates & co-ordinates the activities of his group, develop team's spirit & bring about unity & purpose in the group function.
- ✓ He creates harmony & peace among the group members.
- ✓ He resolves their differences & avoids problems among the followers.
- ✓ He initiates all measures that are necessary for the purpose of ensuring health & progress of the company.

STYLE OF LEADERSHIP

❖ AUTOCRATIC STYLE

- An autocratic is one who takes all decision by himself & expects to be obeying by his sub-ordinates.
- The sub-ordinates have no scope to question the superior.
- Certain points to be noted in this respect.
 - The superior makes the decision.
 - The superior does not consult the sub-ordinates in decision-making.
 - The superior is responsible for the decision.
 - The relation between superior & sub-ordinate are formal.

PARTICIPATIVE STYLE

In this type, the leader not only consults the sub-ordinate but allows them to take part in decision making. The following points are to be noted.

- The superior consults his sub-ordinates before making decision.
- The leader along with the group takes part in decision making.
- Both the leader & the group share the responsibilities for making decision.
- The relations are informal.

LAISSEZ-FAIRE STYLE

- In this style, the leadership the problems with the group.
- The superior allows the sub-ordinates to take decision.
- The superior acts more as a guide in arriving at decision.
- The superior & the sub-ordinates share the responsibilities.
- The relations are very in formal.

LEADERSHIP VS MANAGER

LEADERSHIP

MANAGER

1. Leader creates a vision.	1. Manager creates goals.
2. Leadership are the change agent.	2. Managers maintain the status quo.
3. Leaders are the unique.	3. Managers copy.
4. Leaders take risks.	4. Managers control risk.

5. Leadership builds relationship.	5. Managers build the systems & process.
6. Leadership coaches.	6. Managers direct.
7. Leaders create fans.	7. Managers have employees.

QUALITIES OF A GOOD LEADERSHIP

- ✓ Integrity.
- ✓ Communication.
- ✓ Self-awareness.
- ✓ Gratitude.
- ✓ Learning ability.
- ✓ Influence.
- ✓ Empathy.
- ✓ Courage.
- ✓ Respect.

FACTORS AFFECTING MOTIVATION

- Factors leading primarily towards motivation.
- Achievement-Personnel satisfaction in job completion & problem solving.
- Advancement-Promotion to higher job.
- Growth-Learning new skill which will offer greater possibility for advancement.
- Responsibility & Authority in relation to one's job.

FACTORS LEADING PRIMARILY TOWARDS DISSATISFACTION

- Job security.
- Salary-Pay & fringe benefits.
- Inter personnel relation-Relation with supervisor's sub-ordinates & peers.
- Working condition –Physical environment associated with the job.

MASLOW'S THEORY OF MOTIVATION

- ✓ 5th-Self actualisation need-(Accomplishment, Achievement).
 - ✓ 4th-Esteem need-(Status, Prestige).
 - ✓ 3rd-Social need-(Love, Friendship).
 - ✓ 2nd-Safety need-(Security, Protection).
 - ✓ 1st-Basic need-(Food, Cloth).
- (Maslow's order of priority of needs)
- ❖ According to Abraham Maslow's theory needs are organised in a series of levels called hierarchy of needs.
 - ❖ These needs are classified under five categories, such as
 - Basic need.
 - Safety need.
 - Social need.
 - Esteem need.
 - Self-actualisation need.

6.2 MOTIVATION

DEFINATION

- ✓ Motivation is a psycho logical act which attracts the workers to do more work &instigates, lethargic workers.
- ✓ They will try to do more for themselves which increase their standard.

CHARACTERISTICS OF MOTIVATION

- Motivation is a psychological concept, which should be inherent in every person.
- Motivation is the strength of work.
- Motivation is that strength which leads to do or not to do work in the same specific direction.
- Man as a whole is motivated and not a part
- Motivation is an unending process.

FACTORS AFFETING THE MOTIVATION

- ✓ Factors leading primarily towards motivation.
- ✓ Achievement-Personnel satisfaction in job completion & problem solving.
- ✓ Advancement-Promotion to the higher job.
- ✓ Growth-Learning new skill which will offer greater possibility for advancement.
- ✓ Responsibilities & authority in relation to one's job.

What are factors of motivation?

Factors of motivation are strategies, incentives, recognitions and any other elements that increase an employee's overall motivation to perform their duties at work. You can implement several different factors of motivation within your team or for yourself to increase productivity and satisfaction.

However, because each person is different, it's important to first take time to better understand what motivates specific groups of employees. For example, some employees may be motivated by bonus incentives, while others may find motivation in the opportunity to gain more paid-time-off (PTO) days.

Motivation refers to the process that guides and maintains behaviours that help employees work towards a particular goal or effectively perform tasks. The most common types of motivation include:

Factors of motivation

The following are several factors to consider keeping both you and your team motivated:

1. Leadership style

Supervisors, managers and other leaders within a company play a significant role in their employees' motivation. The appropriate leadership styles encourage employees to develop objectives and goals in their positions, work towards those goals and help employees maintain that motivation throughout the course of their time at the organization.

To be effective, leaders must determine the best leadership styles for each type of employee, as not all employees respond well to all leadership styles.

The most common leadership styles include:

- Autocratic
- Democratic
- Coaching
- Authoritative
- Affiliate
- Laissez-faire
- Transformational
- Servant

Understanding these styles and catering your leadership style to your team's needs ensures you effectively motivate them in the workplace. You can also let your manager know the type of leadership style that best motivates you to help them be a better leader and keep you motivated.

2. Recognition and appreciation

Appreciation and recognition are two important components of motivation within an organization. Offering recognition and praise not only makes employees feel accomplished and appreciated, but it also reinforces good performance and encourages employees to continue repeating the actions that led to the performance. The more employee behaviour is positively recognized, the more likely they are to repeat these behaviours and remain motivated in the workplace.

3. Meaning and purpose

Employees who find a sense of meaning and purpose in their work often have higher levels of motivation than those who don't. Employees want to know that what they do is actually contributing to the organization's success and that their duties and accomplishments support the company's overall growth.

It's helpful to ensure you understand how your role plays an integral part in your company's processes and success and that your work has meaning beyond simply completing tasks on time to earn a pay check.

4. Positive company culture

A company's culture can greatly impact employee motivation in the workplace. Many employees feel more valued and enjoy their work more when there is a strong company culture that supports employees and brings them together on a regular basis.

Areas to focus on when increasing the positivity of company or team culture include the wellbeing of employees, inclusion and equality among employees and compassion towards employees. You can also contribute positively as an employee and get more involved with your company's culture to keep yourself motivated.

5. Professional development opportunities

Employees often feel more motivated at work when there are ample opportunities for growth and professional development. Giving employees opportunities to increase their skills and become more efficient in their positions instils a sense of accomplishment and pride that acts as a strong motivator for employees. Plus, offering employees the chance to hone their skills can ultimately impact an organization's overall success, making it a win-win situation for all involved.

6. Job advancement opportunities

Another way in which employees become more motivated in the workplace is when a clear path of job advancement is emphasized. Employees who feel that they are stuck in one position and have no opportunity to grow within a company are more likely to become burnt out and look for other job opportunities.

Ensuring employees understand a clear plan of progression within their position in the workplace can install motivation to work towards a promotion, which can ultimately increase employee productivity. If you're unsure whether you have opportunities to advance, speak with your manager and inquire about what's available to you.

7. Financial benefits

While financial benefits aren't a motivator for all employees, they can enhance many employees' overall motivation in the workplace. Putting in place different opportunities for employees to enjoy financial benefits for hard work is a great way to boost motivation and give employees a sense of accomplishment and appreciation. Examples of financial motivators include bonuses, raises, promotions, competitive benefits packages and additional paid time off.

8. Flexible work schedules

Offering employees the opportunity to create their own schedules or work flexible hours is another great way to instill motivation in your team. Flexible schedules allow employees to better accommodate family needs, holidays and other personal daily responsibilities that more rigid schedules often don't.

For example, some employees work better in the mornings, while others do their best work in the afternoons or evenings. Giving them the option to choose their schedules allows employees to set up their workday in a way that is conducive to their preferences and needs and can keep employees motivated to accomplish their daily work goals.

9. Pride

Most employees want to feel proud of the work they complete and themselves as members of an organization. Team leaders can create a work environment that offers employees opportunities to feel proud of their work on a regular basis, which can ultimately promote increased motivation and productivity.

10. Open communication

When employees feel that they can openly communicate with other employees and management, they are often more motivated in the workplace. Feeling closed off from others can lead to feelings of isolation and leave employees questioning if management cares about their success.

Ensuring there is an open line of communication among employees of all levels can help alleviate issues quickly, encourage employees to communicate when they're experiencing challenges and keep employees motivated by fostering a sense of connection.

11. Staying up-to-date on company matters

Keeping employees up-to-date on the latest company matters ensures that they feel part of something larger than just their day-to-day job. Rather than simply going to work to receive a paycheck, employees who feel connected to their organization are more likely to enjoy their work and feel a sense of motivation in supporting the organization's success.

Taking time each week or month to inform team members of the organization's latest information is a great way to keep everyone up-to-date and ensure employees are engaged within the workplace.

12. Job security

Employees are often more motivated when they know they have job security with a company. It's important to regularly inform team members of their job security and to know that they are a valuable asset to the company.

13. A positive work environment

Similar to a positive work culture, a positive work environment can also increase employee motivation. Work environment refers to both physical and non-physical factors that directly impact the environment of the workplace.

Creating open spaces that entice the senses, implementing specific areas of the workplace that are committed to the wellbeing of employees and allowing employees to communicate with each other throughout the day can all work to increase motivation in a team.

SHORT QUESTIONS WITH ANSWERS

1. What is leadership?

Ans - leadership is the ability to persuade others to seek defined goals enthusiastically.

OR

Leadership is the process of influencing the activities of an individual or a group towards the achievement of a goal in a given situation.

2. Write the difference between Leadership and manager.

Ans-LEADERSHIP VS MANAGER

LEADERSHIP	MANAGER
1. Leader creates a vision.	1. Manager creates goals.
2. Leadership are the change agent.	2. Managers maintain the status quo.
3. Leaders are the unique.	3. Managers copy.
4. Leaders take risks.	4. Managers control.
5. Leadership builds relationship.	5. Managers build the systems & process.
6. Leadership coach.	6. Managers direct.
7. Leaders create fans.	7. Managers have employees.

3. What are the qualities of an entrepreneur?

Ans-

QUALITIES OF A GOOD LEADERSHIP

- ✓ Integrity.
- ✓ Communication.
- ✓ Self-awareness.
- ✓ Gratitude.
- ✓ Learning ability.
- ✓ Influence.
- ✓ Empathy.
- ✓ Coinages.
- ✓ Respect.

LONG QUESTION

1.Explain briefly about MASLOW'S THEORY OF MOTIVATION.

2.Write the difference between the manager and the leader.

CHAPTER-7

WORK CULTURE, TQM& SAFETY

LEARNING OBJECTIVES

- 7.1 Human relationship & performance in organization.
- 7.2 Relations with peers, superiors, subordinate.
- 7.3 T.Q.M concepts quality policy, quality management, quality system.
- 7.4 Accidents & safety, cause, preventive measures, general safety rules, PPE

7.1 HUMAN RELATIONSHIP & PERFORMANCE IN ORGANISATION.

- A human relation is the relationship between human resources of the organisation.
- It incorporates management employee, employee-employees relationship.
- Hence healthy human relations lead to increased productivity & efficiency.
- It also plays crucial role in growth & success of the organisation.
- Four factors influencing human relation in an organisation are
 - ✓ Work environment.
 - ✓ Work-group.
 - ✓ Individual.
 - ✓ Leader.

7.2 SUPERIORS, SUBORDINATES

Subordinate is a term that some employers use to describe employees of a lower-ranking level. In modern companies, many leaders avoid using this term and have instead adopted more positive designations to improve employee relationships. In this article, we discuss the definition of subordinate and alternative terms that can be used in its place, as well as tips for being an effective employee and supervisor.

Who is a subordinate?

A subordinate is someone who is in a secondary rank. In a business setting, a subordinate is simply an employee who is not of management level and responds to either a manager or a group of managers. It is also possible that there is a hierarchy within the business where a manager is the subordinate of a higher-level manager. While there are certainly still subordinates within the workplace, this word typically has a negative connotation and many companies tend to avoid it.

Subordinate role definition

A subordinate role in a workplace means that the person reports to someone else. A subordinate is an employee who ranks below another employee within the corporate hierarchy. The specific roles and duties of the subordinate depend on their level and the business and industry.

Subordinate relationship definition

The definition of a subordinate relationship is one in which two people interact at different levels. The direct subordinate reports to the supervisor and relies on the supervisor for direction, leadership and feedback.

Additionally, it is the responsibility of the supervisor in this relationship to lead and help develop the skills of the subordinate.

WORK ENVIRONMENT

- Human relation is advocated the creation of a positive work environment where organisational goals are achieved through satisfaction of employees.
- In general when employee needs are satisfied, the work environment is termed positive & when employee needs are not satisfied, the work environment is termed negative.
- Positive work environment are charactering by such factor like goals clearly stated incentives properly used to improve performance.
- Feedback is available on performance, decisions are timely & participative.
- Rules are minimum conflict so that work is interesting& growth oriented.

WORK-GROUP

- ✓ The work group is the centre of focus of human relation studies.
- ✓ It has an important role in determining the attitude & performance of individual workers.

INDIVIDUAL

- ✓ The human being is an important segment of the organisation behaviour of individuals is affected by his feelings sentiments attitudes.
- ✓ Motivation of employees should give due consideration to their economic, social, & psychological needs,
- ✓ Thus motivation is a complete process.

LEADERSHIP

- The human relationship has great importance to leadership.
- The leader must ensure full & effective utilization of all organisational goals.
- He must be able to adjust various situations.
- Leaders and supervisor can contribute significantly in increasing productivity by providing free, happy, & pleasant work environment where members are allowed to participate in decision making processes.
- Authoritative tendency must give way to demo critic value.

7.3 TQM CONCEPT (TOTAL QUALITY MANAGEMENT)

- It is interlocking arrangement of procedure & practice that ensures that all employees in every department are adequately trained & directed to continuously implement aligned improvements in quality, services, & total costs such that customers' expectations are met.

Some guiding principles of TQM are given below,

- ✓ Objectives.
Continuously quality improvement at every level, at every place & at every level.
- ✓ Approach.
Management involment & leadership, empowering, staff, team work and action research.
- ✓ Standard.

Do it right the first time, every time.

- ✓ Measure.

Customer's satisfaction

- ✓ Philosophy.

Prevention of defects (direction & then connection-prevention oriented approach)

- ✓ Tool

Commitment, participation, motivation, education & training, organisation development & quality systems.

7.4 ACCIDENTS & SAFETY

- Accidents are mishappening which results in losses of life & property. In our day-to-day life accidents are very common.
- Transport accidents i.e. air, railways, road accidents, are sometimes very serve. Accidents effect the individuals & his family life.

INDUSTRIAL ACCIDENTS

- Accidents occurring in the industries are called industrial accidents.
- These are generally due to faulty equipment & machinery or negligence on the part of the worker.
- Proper precautions can reduce accidents.
- There are always some changes of accidents while working on machinery & equipment.
- Proper training & knowledge should be given about the dangers of accidents.

DEFINATION

An event of mishappening that occurs unexpectedly is called accidents.

CHARACTERSTIC OF ACCIDENTS

- ✓ Accidents are unfortunate sudden happening about which nothing is known as advance.
- ✓ Life & property are affected by an accident.
- ✓ Due to accidents, working is stopped for a certain length of time.

CAUSES

- ✓ Causes related to tools & materials. The following will involve more number of accidents.
- ✓ Dull or damage tools.
- ✓ Tools without handle.
- ✓ Very sharp edge tools.
- ✓ In flammable & hot materials.
- ✓ Poisonous & toxic materials.
- ✓ Breakable materials.

CAUSES RELATED TO DRESS

- ✓ Loose or improper dress.
- ✓ Not wearing personal protective equipment.
- ✓ E.g.-gloves, Screening required during welding.

CLAUSES RELATED TO WORKING CONDITION.

- Lighting is not proper.
- Improper ventilation for the exit of dust & gases.
- Working hours are too long resulting in tiredness.
- Severity of work-Mines, construction of tunnels, etc.

Physical causes related to machinery & plant.

- Space between the machines.
- Improper insulation of electric circuits and machinery.
- UN lubricated moving parts get heated.

PREVENTIVE MEASURES

- Obey safety requirements.
- Provide get proper training.
- Keep machinery & equipment in working order.
- Communicate.

SAFETY RULES

- ✓ Safety is opposite to accidents. If accidents are harmful, safety is beneficial.

PERSONEL PROTECTIVE EQUIPMENT

- ✓ Personal protective equipment is used for protecting the heads include helmets, hats, & caps.
- ✓ These are made of aluminium pave, fibre glass, laminated plastic, or vulcanised fibre.
- ✓ They may be fitted with brackets or fixing welding masks, protective face screen or a lamp.
- ✓ Helmets must be strong & sturdy enough to save workers from head injury specially due to falling objects, rotating machines parts, flying splinter etc.

SHORT QUESTION AND ANSWERS

1. What is T.Q.M?

Ans-TQM CONCEPT (TOTAL QUALITY MANAGEMENT)

It is interlocking arrangement of procedure & practice that ensures that all employees in every department are adequately trained & directed to continuously implement aligned improvements in quality, services, & total costs such that customers' expectations are met.

2. Write the different cause of accident.

Ans- *CAUSES*

- ✓ Causes related to tools & materials. The following will involve more number of accidents.
- ✓ Dull or damage tools.
- ✓ Tools without handle.
- ✓ Very sharp edge tools.
- ✓ In flammable & hot materials.
- ✓ Poisonous & toxic materials.
- ✓ Breakable materials.

LONG QUESTIONS

1. Describe about the T.Q.M

2. Write difference between the TQM and PPR.

CHAPTER-8

LEGISATATION

LEARNING OBJECTIVES

8.1 Intellectual property rights (I.P.R), patents, trademarks, copy rights.

8.2 Features of factories act 1948 with amendment.

8.3 Features of payment of wages act 1936 only salient points.

8.1 INTELLECTURAL PROPERTY RIGHT

IPR-

Intellectual property right are the rights given to persons over the creation of their minds. They usually give the creator an exclusive right over the use of his/her creation for a certain period of time.

PATENTS-

A patent is a form of intellectual property that gives its owner the legal right to exclude others from making, using, or selling an invention for a limited period of years in exchange for publishing an enabling public disclosure of the invention.

COPY RIGHTS

- ✓ Copy rights refer to the legal right of the owner of intellectual property.
- ✓ In simple terms, copy rights are the right to copy.
- ✓ This means that the original creators of products and any one they give authorization to are the only ones with the exclusive right to reproduce the work.

8.2 SALIANT PROVISION OF THE ACT

The following are the important provision of the factory act 1948,

- ✓ Licensing and registration.
- ✓ Health.
- ✓ Safety.
- ✓ Welfare.
- ✓ Hours of the work.
- ✓ Employment of the young person.
- ✓ Leave.

LICENSING AND REGISTRATION

- As per the act, the occupier should, at least 15 days before he occupies a place as a factory, will send to the chief inspector of factories a notice containing
- Name and address of factory.
- Name and address of factory.

- Nature of manufacturing process.
- Power to be used.
- Numbers of workers likely to be employed.
- Any other relevant information.

So before starting the factory the information is to be sent and permission is to be taken.

HEALTH

Section 11 to 23 contained in chapter 3 of the factories Act, 1948 deal with the health of the workers in a factory. These provisions are as follows.

CLEANLINESS

- ✓ Every factory must be kept clean by following method.
- ✓ Removal and disposal of dirt and refuse from floors, branches etc., every day.
- ✓ Washing the floors of work room at least once every week using disinfectant.

DISPOSAL OF WASTE AND EFFLUENTS

Effective and suitable arrangements should be made for the disposal of wastes and effluents due to manufacturing process.

VENTILATION AND TEMPERATURE

Effective and suitable provision shall be made for maintaining in every work room.

- ✓ Adequate ventilation by fresh air circulation.
- ✓ Suitable temperature to provide conditions of comfort and prevent injury to the health of the workers.

DUST AND FUMES

Employer shall take necessary steps to keep work room free from dust or offensive or injurious to the health of the workers.

ARTIFICIAL HUMIDIFICATION

In all factories like textile factory, in which the humidity is to be artificially increased, the state government may make the rules for the following.

- Prescribing of humidification.
- Regulating the methods for artificially increasing the humidity of air.
- Directing prescribed test for determining the humidity of air.

OVER-CROWDING

- ✓ No work room will be over-crowded to an extent, which is injurious to the health of workers.
- ✓ The minimum space provided for worker should be 500 cubic feet.

LIGHTING

- ✓ Every part of the factory must be provided with sufficient and suitable lighting natural or artificial or both.
- ✓ Effective provision must be made for the prevention of glare and the formation of shadows likely to cause eyestrain.

PRECAUTION IN CASE OF FIRE

Every factory shall be provided with

- ✓ Fire warning signals.
- ✓ Unlocked doors and opening towards outside the work-room.
- ✓ Suitable fire extinguishing to be provided.

WELFARE

- Welfare measure is adopted to increase the productive efficiency of workers important welfare measures as per act given below.
- **WASHING FACILITIES**-In every factory adequate facilities for washing shall be provided and maintained for the use of workers.
- Washing facilities shall be easily accessible and kept clean.
- **FACILITIES FOR SITTING**-Sitting facilities should be provided for workers who are work in standing position so that they may take rest if an opportunity occurs in the course of their work without affecting the work.
- **CANTEENS**-A canteen shall be provided in each factory in which more than 250 workers are ordinarily employed.

WORKING HOURS

Main provision in the act dealing with working hours is as follows,

- ✓ **DAILY HOURS**-No adults workers shall be required to work in a factory for more than 9 hours.
- ✓ No worker shall be required to work for more than 5 hours continuously that is after 5 hours to worker shall have a rest for at least half an hour.
- ✓ No women shall be employed.

8.3 FEATURES OF PAYMENT OF WAGES ACT 1936 ONLY SAILANT POINTS

Salient Features of the Act

A. Obligations of Employers

Every employer is responsible for the payment of wages to all the employees that he employs. Additionally, apart from the Employer, all the person so named / person so responsible to the employer / the person so nominated shall also be responsible for such payment.

B. Wage Period

Every person responsible for Wage Payment shall fix periods in respect of which such wages shall be payable. No wage-period shall exceed one month.

C. Time and Mode of Payment of Wages

Every establishment having employees in excess of 1,000 people shall pay the wages before the expiry of the 10th day. All other employers shall make the Wage payment by the expiry of 07th day.

Employers shall make the payment of wages in current currency notes i.e. cash or via Bank transfer.

D. Deductions from Wages

Employers shall ensure that wages are paid to all employees without deduction of any kind except those authorized by or under this Act.

Deduction includes the reduction of wages for the following:

- Fines
- Absence from duty
- Damage to or loss of goods including loss of money where such damage or loss is directly attributable to employee's neglect or default
- Recovery of advances / loans and the interest due in respect thereof
- Adjustment of over-payments of wages
- Payments made by the employed person to the employer or his agent shall also be deemed to be a deduction from wages.

Deductions does not include following penalties (provided the rules w.r.t. penalty are in conformity with the requirements as specified by the State Government):

- Withholding of increment or promotion
- Reduction to a lower post
- Suspension

SHORT QUESTIONS WITH ANSWERS

1. What is INTELLECTURAL PROPERTY RIGHT?

Ans-INTELLECTURAL PROPERTY RIGHT

IPR-Intellectual property right are the rights given to persons over the creation of their minds. They usually give the creator an exclusive right over the use of his/her creation for a certain period of time.

PATENTS- A patent is a form of intellectual property that gives its owner the legal right to exclude others from making, using, or selling an invention for a limited period of years in exchange for publishing an enabling public disclosure of the invention.

2.What is “Wages”?

Wage is monetary compensation or remuneration, personnel expenses, of the labor paid by an employer to the employees in exchange for work done.

Wages include all remunerations which are expressed in terms of money

LONG QUESTIONS

1.Explain briefly about the salient provision of the act.

CHAPTER-09

SMART TECHNOLOGY

Learning Objective

9.1- Concept of IOT, how IOT works

9.2- Components of IOT, characteristics of IOT.

9.3- Application of IOT, smart cities, smart transportation, smart home. Smart health care, smart industry, smart agriculture, smart energy management.

9.1 DEFINITION OF IOT

- ✓ The internet of things (IOT) refers to the network of physical objects that are connected to the internet using software sensors and other technology.
- ✓ In effect this allows the devices to “talk” to the cloud, sending data that is processed in the cloud and then returned to the end-user.

KEY CONCEPT OF IOT

HARDWARE-

The heart of IOT is billions of interconnected devices with attached sensors and actuators that sense & control to the physical world.

9.2 CHARACTERISTICS OF IOT

There are 7 crucial IOT characteristics

- ✓ **CONNECTIVITY**-This does not need too much further explanation.
- ✓ **THINGS**-Anything that can be tagged or connected or connected as such as its designed to be connected.
- ✓ **INTEGRATION**- IOT integrates various cross-domain models to enrich user experience. It also ensures proper trade-off between infrastructure & operational cross.
- ✓ **ACTIVE ENGAGEMENT**- IOT devices connect various products cross platform technologies and services work together by establishing an active engagement.
- ✓ **SCALE**-IOT devices should be designed in such a way that they can be scaled up or down easily on demand. IOT is being used from smart home automation to automating large factories & work situation.

- ✓ INTELLIGENCE- IOT use cases in today's world the data is used to make important business insights & drive important business decision. We develop machine learning models on top of this massive data to obtain valuable insights.

9.3 IOT APPLICATIONS FOR SMART CITIES

- Internet of things, commonly known as IOT is engineered to add the ability to transfer and share data across network without the need for human intervention.
- IOT devices include home appliances, electric meter, vehicles, security systems, speaker systems etc.
- These devices are equipped with software & sensors that help the transfer of data which is then proceed to make a logical decision, adding smartness to the devices.
- IOT is revolutionizing the way smart cities function especially in the following areas.

EFFICIENT WATER SUPPLY

- ✓ Internet of things can possibility changes the manner in which the urban communities use water.
- ✓ Smart meter can facilitate leakage detection and reduce wastage.
- ✓ Additionally, this meter can be intended to furnish occupants with continuous access to data about their utilization and water supply.

SMART STREET LIGHTING

- ✓ IOT devices can be implemented for the maintenance & control of street lamps in a more cost effective way.
- ✓ Sensors with the help of a cloud management solution can help in controlling & scheduling the switching operations.
- ✓ Smart lightings solutions can be implemented with sensors to keep track of movement of people & vehicles.
- ✓ With the help this data the street lamps can adjust the lightings to dim, brighten or switch-off on automatically based on the environment.

SHORT QUESTIONS WITH ANSWERS

1. Write definition of IOT?

Ans-DEFINATION OF IOT

- ✓ The internet of things (IOT) refers to the network of physical objects that are connected to the internet using software sensors and other technology.
- ✓ In effect this allows the devices to "talk" to the cloud, sending data that is prosed in the cloud and then returned to the end-user.

LONG QUESTIONS

1. Explain briefly about the I.O.T