Name: Dua Fatima

Business Administration

Q.2 **The nature and scope of management**

Management entails carrying out activities in a structured manner. Management is both a science and an art and it enables any entity to function properly and optimize it's potential.

Management as a process has evolved overtime. It has, as a result of this, become integral to the maintenance and progress of an entity.

Different areas of management have been developed, which have expanded its scope. Areas such as human resource management, marketing management, financial management, production and operations management, etc, are a few of them.

Management prevents an organization from falling into a disarray. It enables the timely execution of tasks and ensures that effective coordination between the different departments of an organization takes place.

Hence, the nature and scope of management in the context of an entity are quite wide. Moreover, without effective management an entity or an organization cannot aim to be successful and prosperous.

Functions of management:
The following are the functions of management:
Planning: It is one of the most fundamental functions of management. It sets up the framework based on which all the subsequent management activities are to be conducted.

Organizing: Organizing is another management function, which entails giving a structure to the activities which are carried out within an organization. The presence of a hierarchy enables effective organization.

Leading: The act of leading is an important organizational function. The leader gives a direction to an organization and is essential for serving as an inspiration to the people who make up the organization.

Controlling: Without this function, an organization cannot perform its tasks and duties effectively. Control is essential to prevent things from becoming chaotic and for avoiding disruption in the activities of an organization. All organizations must have a control mechanism.

Q.3

Difference between transactional and transformational leaders

Transactional leaders

Transactional leaders focus on getting the job done. They focus on ensuring that the tasks which an organization is required to perform are performed. Transactional leaders believe in give and take. They focus on getting a return on the investment made. Transactional leader focus on the mutual benefits of the two parties involved in a business transaction. They do not make moves to improve relationships with their stakeholders, but rather focus on maintaining them.

Tranformational leaders

Tranformational Leaders focus on taking initiatives to transform the standing of an organization. They are ambitious and futuristic in their approach. These leaders are not content with the current running of an organization or an entity. Thus, these Leaders make efforts to transform an organization from being merely a survivor in a marketplace to being the leader of that market. Hence, tranformational leaders are highly visionary and aspirational in their approach.

The use of a contingency approach to improve leadership effectiveness

A lot of managers in real life do use a contingency approach to improve leadership effectiveness. In an organizational set up new challenges arise every now and then. This entails that going by the book doesn't always lead to the required results. As a result of which, coming up with situational plans is important. Hence, it is true that leaders opt for contigency plans to improve their leadership effectiveness and enable the best possible outcomes for their organizations.

On the spot improvisation is necessary to tackle the unique issues and obstacles which crop up on a daily basis. Thus, leaders cannot keep on endorsing the preplanned solutions to problems which require creative and innovative approaches.

Leaership effectiveness is experienced when a leader displays flexibility in his a new approach with regard to handling unprecedented and unexpected problems. The text book approach doesn't always perform the job of solving a complex problem.

Q-4 **Market segmentation**

market segmentation is the process of dividing a market into different categories based on either, age, gender, income, social status or any other criterias. market segmentation is necessary for effective marketing. Hence, it is an integral part of a marketing plan. Once a market is divided into different parts, it could be easily targeted and marketed to.

Different parameters to segment a population:

The different parameters to segment a population are:

Age: market is usually segmented into age brackets with the young being separated from the middle aged and old.

Gender: A market is segmented based on gender as well. The female gender represent a different market, while the male gender represents a different market.

Income: Income represents another basis on which a market is segmented. A population is divided into different groups, based on the different income cohorts the population represents.

Difference between micro and Macro marketing envionment:

Micro marketing envionment: within a micro-marketing envionment, the marketing activities are carried out mainly within the geographical confines of an area moreover, traditional marketing methods are used in a micro marketing envirnment. A typical example of a micro marketing envionment is the in-store promotion that takes place in order to increase the sales of a product.

macro marketing envionment:- a macro-marketing envionment is represented by marketing at a large scale. Within a macro marketing envionment, marketing activities are carried out on a regional or a global level. When there is a macro-marketing envionment in place, a heavy budget is required to make marketing within this envionment effective. It requires marketing at a large scale. Common examples of a macro marketing envionment would involve marketing through billboards, TVCs, and also online.

Q8 -

a) The use of ratio analysis for various stakeholders can be assessed from the manner in which different profitability ratios, such as profit margin, return on equity, and return on investment, asset based ratios, such as return on assets, current ratio, and quick ratio and some other ratio help the stakeholder determine the performance and feasibility of an organization. Hence, ratio analysis are essential for various stakeholders such as investors, customers, suppliers and others.

b) Balance Sheet

Cash	$\boxed{\$50,000}$	Notes and N. Payable	100,000
Account receivable	$\boxed{\$50,000}$	Long term debt	$\boxed{100,000}$
Inventory	$\boxed{\$100,000}$	Common Stock	100,000
Plant and equipment	$\boxed{\$200,000}$	Retained earning	100,000
Total Assets	$\boxed{\$400,000}$	Total Liabilities and Shareholders' equity	$\boxed{\$400,000}$

Calculations

$$0.5 = \frac{\cancel{100,000} + \text{Long term debt}}{200,000}$$

$$\text{Long term debt} = 100,000$$

Total Assets = \$400,000

$$2.5 = \frac{\text{Net Sales}}{400,000}$$

↳ Asset Turnover ratio

Net Sales = 400,000 × 2.5

= \$1,000,000

Average collection period = 18

$$18 = \frac{AR}{1,000,000} \times 360$$

AR = 50,000

$$\text{Inventory Turnover} = \frac{\text{COGSales}}{\text{Inventory}}$$

$$9 = \frac{\$900,000}{\text{Inventory}} = \frac{\$900,000}{9}$$

Inventory = ~~9,000,000~~ = \$100,000

$$\text{Gross profit margin} = \frac{GP}{1,000,000}$$

GP = \$100,000

COGS = 1,000,000 - 100,000 = \$900,000

Quick ratio

$$↳ 1 = \frac{\text{Cash} + \$50,000}{100,000}$$

Cash = 100,000 - \$50,000

Cash = \$50,000