

Q2. Introduction

Management involves handling people organized in a group. All the individuals a manager has to interact with have various levels, understanding and sensitivity.

Management requires retaining, motivating and developing people at work and ensuring their satisfaction as social beings.

It is intangible and its presence can be felt through its output.

Management has four functions: planning, organizing, leading and controlling. Planning is done in advance by setting goals of a company, goals are communicated down the line. Organizing involves division of work and it establishes the relationship between individual, group and department. Leading involves motivation to influence people to achieve goals. Controlling means to identify mistakes and rectify them.

Nature and Scope of Management

Management is intangible and its presence can only be seen through the results of its efforts.

For example

When a team is productive, meets its targets

Management involves handling people in organized groups to achieve the organizational goals.

Scope

The scope of management is very large. Management promotes activities like organizing, planning, coordinating, directing, controlling.

These activities help to improve the efficiency and effectiveness of any organization.

Also management has various branches in an organization which include:

- Marketing Management
- Production Management
- office Management
- Personnel Management
- Financial Management

Functions of Management

Planning

It is done in advance before the course of action to decrease risk as far as possible.

It helps to evaluate the position of the company through analysis, then goals are set and communicated down the line.

For example,

To increase sales by 20%
10 more salesmen should be hired.

Planning tools and techniques

Planning utilizes tools like forecasting, contingency planning, scenario planning, benchmarking to achieve goals.

Forecasting can be done for all departments based on market research and trends through SWOT and PESTEL Analysis.

Steps in Planning process

Planning is done in the following steps:

- 1) Establishment of SMART goals
- 2) Planning premises of resource utilization
- 3) Identification of alternative
- 4) Evaluation of alternative
- 5) Formulation of supporting plan including strategies and policies
- 6) Establish Evaluation

Organizing

It involves the distribution of resources and delegation of tasks to personnel to achieve the established goals in the planning stage. A work environment is created to foster productivity.

Importance of Organizing

- Organizing helps organizations to reap the benefit of specialization
- Organizing provides for optimum utilization of resources
- It helps in effective administration
- It channels for expansion and growth
- It creates scope for new change

Process of Organizing

First work is divided, then it is provided to specialized department. The departments are linked together and employees are assigned duties on basis of their skills. Hierarchical structure is defined and division of labour is done.

Leading

"Activating deals with the steps a manager takes to get sub-ordinates and others to carry out plans."

— Newman and Warren

Importance of Leading

- It initiates actions to get the desired results in an organization
- It attempts to get maximum out of employees by identifying their capabilities
- It is essential to keep the element like supervision, motivation, leadership and communication effective
- It ensures that every employee work for organizational goals
- Stability and balance can be achieved through leading

Controlling

It is a continuous process whereby everything is carried out in accordance of planned objectives to find mistakes and rectify them.

Features of Controlling

- It is a continuous process
- It is a repeated activity

- It is embedded in each level of hierarchy
- It involves forward looking to establish effectiveness

Steps in Control process

Its steps include:

1. Measuring the performance
2. Compare actual performance with standard performance
3. Take remedial action

This can be done through maintenance of status quo, correction of deviation and by changing the standards.

Conclusion

Management involves the handling of people in an organized group and influencing them to achieve goals. Management works through four function: planning, organizing, leading, controlling to achieve goal in an efficient manner.

Q5.

Introduction

Job analysis is the process of acquiring information about a job's needed duties and human traits required to perform those duties correctly. Job analysis is used for recruitment, selection, training, performance evaluation, and compensation. The steps of job analysis include: determining the purpose of conducting job analysis, identification of the jobs that are to be analyzed, reviewing relevant background data, planning and executing the job analysis project, writing the job description and job specifications and periodic review. The job content, context and requirements are to be collected for job analysis.

Job analysis

It is the process to gather information about the requirements

of job to establish performance parameters.

Steps in the Job analysis process

1 Determine the purpose of conducting job analysis

The purpose of job analysis is connected to the organization's success and strategic goals.

Nature of job

Nature of job is frequently changed by technology and needs of a competitive environment and this necessitates reevaluation.

High turnover

This is another indicator which creates the necessity of job analysis to measure the satisfaction level of a job.

2. Identify the jobs to be analyzed

After determination of purpose, it can be determined which jobs should be included in the job analysis.

No of people in a particular job

When a significant number of people are assigned to the same job, it is necessary to decide how many will be included in the project.

3. Review relevant background data

Examining of previous job descriptions and organizational charts can help to supply foundational knowledge needed to start a project.

Workflow analysis

The workflow in an organization is analyzed for optimization, inclusion of repetitive tasks

It increases the efficiency of the organization.

4. Plan and execute the job analysis project

Planning is the key to success in a venture. A project action plan incorporated with activities and deadlines must be designed and most applicable data-gathering methodologies should be used.

Execution

After analysis of data, a proper mechanism should be made to execute the job analysis project.

Data to be collected

The data to be collected

should consist of job content, job context and job requirements.

5. Write the job description and job specifications in a document

Textual work outputs, job descriptions and job specifications must be developed after the data has been collected and analyzed.

Finalization of the document

Before these documents are finalized, a representative sample of affected employees and their managers should review them.

If any changes to the document are necessary, they should be made and the required final approvals acquired.

6. Periodic review

Engaging in a systematic periodic evaluation of job descriptions and job specifications is a good HR practice. Many companies employ a rotating process, in which a component of the organization is reviewed each year, with the entire organization being reviewed once every three, four or five years.

Conclusion

Job analysis is a process in which information about the duties and traits of humans for a job are acquired. The steps of job analysis help to promote a systematic, evaluation, action plan, workflow management, examination of foundational knowledge and connecting job analysis with organizations success.

Q7.

Given data

$$\begin{aligned} \text{Return on equity (Re)} &= \text{market return} \\ &\quad - \text{risk free rate} \\ &= 4\% - 1.5\% = 2.5\% \end{aligned}$$

$$\begin{aligned} \text{Cost of debt (Rd)} &= \frac{\text{interest expense}}{\text{debt}} \\ &= \frac{2}{50} = 4\% \end{aligned}$$

$$\text{Corporate tax rate (Tc)} = 32\%$$

$$\text{Equity} = 70 \text{ million}$$

$$\text{Debt} = 50 \text{ million}$$

$$\text{Total market value} = 70 + 50 = 120 \text{ million}$$

Now

$$\text{WACC} = \frac{70 \times 2.5\% + 50 \times 4\% \cdot (1 - 0.32)}{120}$$

$$= 0.58 \cdot 2.5\% + 0.41 \cdot 4\% \cdot 0.68$$

$$\text{WACC} = \boxed{2.54\%}$$

Ql.
a.

Ratio analysis

Ratio analysis is the comparison of two variables. It is a technique used to evaluate the financial performance of a company by analyzing the relationships between various financial variables in its financial statements.

It can be used by stakeholders to check

- Liquidity of assets
- Profitability of a company
- Efficiency
- Equity
- Return on assets, investment
- trend analysis etc

b.

Account receivable = ?

As we know

$$\text{Avg Collection Period} = \frac{\text{A/R}}{\text{annual sales}} \times 360$$

$$\text{A/R} = \frac{\text{ACP} \times \text{sales}}{360}$$

$$= \frac{18}{360} \times \text{Sales}$$

assume sales = 1000000

$$A/P = 50000$$

Inventory = ?

$$\text{Inventory turnover} = \frac{CGS}{\text{inventory}}$$

assuming $CGS = 90\%$ of sales

Inventory turnover =

As we know

$$\text{Total asset} = CA + NCA$$

Also $CL = 100000 = \text{notes payable}$

Now

$$QR = \frac{CA - \text{inventory}}{CL}$$

$$\frac{1}{1} = \frac{CA - \text{inventory}}{100000}$$

$$CA - \text{inventory} = 100000$$