


INSTRUCTOR'S GUIDE

FOR



MANAGEMENT THEORY AND APPLICATION

REVISED EDITION

RUE & BYARS

Instructor's Guide

For

MANAGEMENT: THEORY AND APPLICATION

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**1980
Revised Edition**



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INTRODUCTION

This instructor's guide is designed to be used in conjunction with the basic management text, Management: Theory and Application, Revised Edition. The Guide provides the instructor with the following aids for each chapter.

- I. A Detailed Chapter Outline. A detailed chapter outline is provided in the Guide to give the instructor an overall view of the chapter and to help him or her organize his or her lecture or presentation. Each outline is organized to correspond closely with the text and presents a framework for discussion of the chapter. Key figures and charts presented in the text have been reproduced in this section to enable the instructor to present the material directly from the outline.
- II. Answers to the Review Questions. A group of review questions are provided in the text at the end of each chapter. These questions are designed to review the chapter material. Answers to the review questions along with specific page references are provided for the convenience of the instructor.
- III. Approaches and Answers to the Discussion Questions. In addition to the review questions, discussion questions are provided at the end of each chapter in the text. The discussion questions generally cannot be answered directly from the text, but rather require an in-depth understanding of the chapter material. While the discussion questions usually do not have any "one correct" answer, suggested approaches and answers are provided. These suggested approaches and answers should not be considered as the right answer, but they can be used as a point of departure for class discussions.
- IV. Major Points of the Mini-Cases and the Section Cases. Two mini-cases or critical incidents are included at the end of each chapter and a section case at the end of each section in the text. The mini-cases and section cases attempt to reflect as realistically as possible common problems in organizations. The mini-cases provide the option of reading and discussing the cases in class as well as out of class. The mini-cases are specifically designed to illustrate concepts presented in their respective chapters or sections. Several questions are posed at the end of each mini-case at the end of each chapter to focus the student's thinking in certain areas. The instructor is encouraged to add to this list of questions. Some general comments along with suggested answers to each of the mini-cases are provided. These "suggested answers" are not intended to be all-inclusive but rather to highlight certain points and prompt discussion. The section cases are designed to integrate the major concepts of the respective section chapters and are more in-depth than the mini-cases. A general analysis is provided for each section case in addition to suggested answers for the questions posed at the end of the case.

When working with students that have limited work experience, it is sometimes difficult to generate case discussions. One technique that has proven to be successful is to have one class member present his/her solution and reasoning to the class. Then ask a second class member to present arguments supporting an opposite solution. This often sets the stage for lively debate as many of the remaining class members will "take sides."
- V. Experiential Learning Aids. Experiential learning/training aids that can be utilized to demonstrate or develop one or more of the chapter concepts are included for most chapters. These aids generally capture the interest of the student by actively involving him/her in the exercise. In addition, the student is more likely to remember a concept that is demonstrated through an experiential aid. In some instances, only the title, source, and a brief description of the exercise is given. These exercises are not available for reproduction because they are copyrighted. However, all of the books from which these exercises are taken are available in paperback at a very nominal cost. It is also possible that these books are available at the local college or university library. Although these books and other sources contain many exercises, an attempt is made to present or list the exercises that are believed to be most applicable to the respective chapter material. Thus, by checking this Guide for a particular chapter, the instructor can readily determine which aids are appropriate for that chapter. The estimated time required for each aid is also included.

The sources of the referenced exercises are:

Experiences in Management and Organizational Behavior, Douglas T. Hall, Donald D. Bowen, Roy J. Lewicki, and Francine S. Hall, St. Clair Press, Chicago, Illinois, 1975.

Program of Exercises for Management and Organizational Behavior, James A. Vaughn and Samuel D. Deep, Glencoe Press, a division of Benziger Bruce and Glencoe, Inc., Beverly Hills, California, 1975.

Structured Experiences for Human Relations Training, Volume I, Volume II, Volume III, Volume IV, J. William Pfeiffer and John E. Jones, University Associates, Iowa City, Iowa.

- VI. Films and Visual Aids. A list of suggested films and other visual aids that are relevant to the chapter is provided. The following are the sources of the referenced films and visual aids:

Film Distributors

Addison-Wesley
Reading, Massachusetts 01867

Best Films
P.O. Box 602
1335 Camino Del Mar
Del Mar, California 92014

BNA Films
Bureau of National Affairs, Inc.
5615 Fishers Lane
Rockville, Maryland 20852

Bosustow, Inc.
1649 Eleventh Street
Santa Monica, California 90404

The Calley Curtis Company
1111 North Las Palmas Avenue
Hollywood, California 90038

Creative Media
820 Keosauqua Way
Des Moines, Iowa 50309

CRM-McGraw Hill
Princeton Road
Hightstown, New Jersey 08520

Educational Resources Foundation
2712 Millwood Avenue
Drawer L
Columbia, South Carolina 29250

Indiana University
Audio-Visual Center
Bloomington, Indiana 47401

Industrial Management Society
330 South Wells Street
Chicago, Illinois

MBO, Inc.
157 Pontoosic Road
Westfield, Massachusetts 01085

NEM Films
15760 Ventura Boulevard
Encino, California 91436

New York University
New York University Film Library
26 Washington Place
New York, New York 10003

Pan American World Airways, Inc.
Pan American Building
200 Park Avenue
New York, New York 10007

Roundtable Films
Roundtable Productions
275 South Beverly Drive
Beverly Hills, California

Salinger Educational Media
1635 Twelfth Street
Santa Monica, California 90404

University of California
Educational Film Service
Department of Visual Communication
Berkely, California 94702

University of Michigan
Audio-Visual Education Center
416 Fourth Street
Ann Arbor, Michigan 48103

- VII. Exam Questions. Ten true-false, five multiple choice, and five completion questions are provided as recommended examination questions for each chapter. It is suggested that the review questions and discussion questions at the end of each chapter in the text be adapted when more subjective questions are desired.
- VIII. Transparency Masters. In addition to the above aids which are provided on a chapter-by-chapter basis, several transparency masters are supplied at the end of the Guide. These masters are provided to enable the instructor to reproduce easily many of the tables and figures which appear in the text.
- IX. Glossary. A combined glossary of all terms used in the text chapters is included as a ready reference for instructors.

The sole purpose of the Guide is to assist the instructor. It is hoped that it proves helpful and time-saving. Any comments or suggestions that will improve this manual are encouraged and welcomed.

CLASS SCHEDULES

Management: Theory and Application, rev. ed. has six major sections: Introduction and Background, Basic Management Functions, Behavioral Aspects of Management, Emphasis on Individual Performance, Understanding Processes Which Produce Goods or Services, and Appreciation of Contemporary Issues and the Future. Depending upon the course objectives and the allotted time, an instructor may desire to cover all six sections or only the first four sections and the last section (omitting Section V). The latter option would most frequently occur when a separate Operations Management course is required in the curriculum. A suggested schedule of topics is provided for both a 15-week semester course and a 10-week quarter course covering all six sections of the text. Only minor modifications are required by those instructors desiring to omit Section V.

10-Week Quarter Course (3 classes per week)

<u>Week</u>	<u>Session</u>	<u>Chapter</u>	<u>Topic</u>
1	1	1	Introduction to Management
	2	2	Evolution of Management
	3	3	The Manager as a Decision Maker
2	4	4	Objectives, Strategy, and Policy
	5	5	Planning in Action
	6	6	Division of Labor and Authority
3	7	7	Organization Structures
	8	8	Staffing
	9	9	Introduction to Motivation
4	10	9	Theories of Motivation
	11	10	Management Control
	12		EXAM 1
5	13	11	Communications in Organizations
	14	12	Work Groups
	15	12	Conformity and Creativity
6	16	13	Causes of Conflict
	17	14	Leadership in Organizations
	18	14	Situational Leadership
7	19	15	Defining Performance
	20	15	Performance Appraisal
	21	16	Encouraging Effort
8	22	16	Organizational Rewards
	23	17	Developing Ability
	24		EXAM 2
9	25	18	Introduction to Operations Management
	26	19	Designing Operating Systems
	27	19	Job Design

<u>Week</u>	<u>Session</u>	<u>Chapter</u>	<u>Topic</u>
10	28	20	Planning and Controlling Operations
	29	21	Ethics and Social Responsibility
	30	22	International Management and the Future
FINAL EXAM			

10-Week Quarter Course
(2 classes per week)

1	1	1	Introduction to Management
	2	2	Evaluation of Management
2	3	3	The Manager as a Decision Maker
	4	4	Objectives, Strategy, and Policy
3	5	5	Planning in Action
	6	6 & 7	Organization, Authority and Organization Structures
4	7	8	Staffing
	8	9	Motivation Theories
5	9	EXAM 1	
	10	10	Management Controls
6	11	11	Communicating in Organizations
	12	12 & 13	Work, Groups, and Conflict
7	13	14	Leadership
	14	15	Defining Performance
8	15	16	Encouraging Effort through Organizational Rewards
	16	17	Developing Abilities of Human Resources
9	17	EXAM 2	
	18	18 & 19	Operations Management and Design
10	19	20	Planning and Controlling Operations
	20	21 & 22	Ethics, Social Responsibility, and International Management
FINAL EXAM			

15-Week Semester Course
(3 classes per week)

1	1	1	Introduction to Management
	2	2	Events Preceding the Management Movement
	3	2	The Emergence of Management
2	4	3	The Manager as a Decision Maker
	5	3	Making Decisions
	6	4	Understanding Objectives
3	7	4	Policies and Strategies
	8	5	Introduction to Planning
	9	5	How to Plan
4	10	6	Division of Labor
	11	6	Authority and Responsibility
	12	7	Organizational Structures
5	13	8	Manpower Planning
	14	8	Recruitment and Selection
	15	9	Introduction to Motivation
6	16	9	Theories of Motivation
	17	9	Comparison of Motivational Theories
	18	EXAM 1	
7	19	10	Management Control
	20	10	Control Techniques in Organizations
	21	11	Communicating in Organizations
8	22	12	Work Groups
	23	12	Conformity and Creativity
	24	13	Internal Conflict

<u>Week</u>	<u>Session</u>	<u>Chapter</u>	<u>Topic</u>
9	25	13	External Conflict
	26	14	Defining Leadership
	27	14	Theories of Leadership
10	28	14	Situational Leadership
	29	15	Defining Performance
	30	15	How to Measure Performance
11	31	15	Performance Appraisals
	32	16	Job Satisfaction
	33	16	Relating Rewards and Performance
12	34	17	Career Development
	35	17	Training
	36	EXAM 2	
13	37	18	Introduction to Operations Management
	38	18	Productivity
	39	19	Designing Operating Systems
14	40	19	Job Design
	41	20	Planning Operations
	42	20	Controlling Operations
15	43	21	Social Responsibilities and Ethics
	44	22	International Management
	45	22	Management in the Future
FINAL EXAM			

CONTENTS

	<u>Page</u>
Introduction	v
Chapter 1 Introduction	1
Chapter 2 The Management Movement	9
Chapter 3 The Manager As A Decision Maker	18
Chapter 4 Objectives, Strategy, and Policy	30
Chapter 5 Planning: The Fundamental Function	41
Chapter 6 Organizing: The Ordering Function	48
Chapter 7 Organization Structure	56
Chapter 8 Staffing: The Securing Function	66
Chapter 9 Motivation: The Moving Function	76
Chapter 10 Controlling: The Containment Function	85
Chapter 11 Communication in Organization	95
Chapter 12 Work Groups in Organizations	104
Chapter 13 Causes and Patterns of Conflict in Organization	112
Chapter 14 Leadership Behavior	123
Chapter 15 Defining Performance and Direction	133
Chapter 16 Encouraging Effort Through Organizational Rewards	143
Chapter 17 Developing Abilities	150
Chapter 18 Operations Management	159
Chapter 19 Designing Operating Systems	167
Chapter 20 Planning and Controlling Operations	174
Chapter 21 Social Responsibility and Ethics in Management	182
Chapter 22 International Management and the Future	190
Appendix Problems	198
Glossary of Terms Used in Text	203

CHAPTER 1: INTRODUCTION

Purpose of Chapter

The main purpose of this chapter is to define management, identify and describe the basic management functions and their relationship to the management process, and show relationships among management principles, concepts, and theory. The design philosophy of the text and its relationship to the management process are also presented.

Management Defined

Management is a process or form of work that involves the guidance or direction of a group of people toward organizational goals or objectives.

Management and Objectives

The starting point of the managerial process is the determination of organizational objectives. Organizational objectives are designed to give an organization and its members direction and purpose.

Management Functions

Planning--Deciding what objectives to pursue during a future time period and what to do in order to achieve those objectives.

Organizing--Grouping activities, assigning activities, and defining the lines of authority to carry out the activities.

Staffing--Determining human resource needs, recruiting, selecting, training, and developing human resources.

Motivating--Directing or channeling human behavior toward organizational goals.

Controlling--Measuring performance against goals, determining causes of deviations, and taking corrective action where necessary.

Behavioral Aspects of Management

Because the process of management involves guiding or directing people, an understanding of the behavioral sciences and human behavior is necessary. The two leading approaches to studying the management process are the functional and behavioral approaches. Although these approaches are generally presented as if they are mutually exclusive, they should be presented as necessary and complementary approaches.

Management --Art or Science?

The argument over whether management is an art or science has raged for years. One argument is that the manager must know and understand not only the concepts and principles of management (the science of management) but know how to use them as well (the art of management).

Principles of Management

Management principles must be viewed as guides to action and not laws that must be followed without exception.

Concepts and Theory of Management

Concepts are commonly agreed upon definitions. A systematic grouping of concepts and principles related to a discipline such as management creates a theory.

Misconceptions Are Common

Management, as a field of study, is often greatly misunderstood. People tend to have preconceived notions about management based on personal experience.

Figure 1-1
The functions of management

Planning

1. Self audit--determining the present status of the organization
2. Survey the environment
3. Set objectives
4. Forecast future situation
5. State actions and resource requirements
6. Evaluate proposed actions
7. Revise and adjust the plan in light of control results and changing conditions
8. Communicate throughout the planning process

Organizing

1. Identify and define work to be performed
2. Break work down into duties
3. Group duties into positions
4. Define position requirements
5. Group positions into manageable and properly related units
6. Assign work to be performed, accountability, and extent of authority
7. Revise and adjust the organization in light of control results and changing conditions
8. Communicate throughout the organizing process

Staffing

1. Determine the human resource needs
2. Recruit potential employees
3. Select from the recruits
4. Train and develop the human resources
5. Revise and adjust the quantity and quality of the human resources in light of control results and changing conditions
6. Communicate throughout the staffing process

Motivating

1. Communicate and explain objectives to subordinates
2. Assign performance standards
3. Coach and guide subordinates to meet performance standards
4. Reward subordinates based on performance
5. Praise and censure fairly
6. Provide a motivating environment by communicating the changing situation and its requirements
7. Revise and adjust the methods of motivation in light of control results and changing conditions
8. Communicate throughout the motivating process

Controlling

1. Establish standards
2. Monitor results and compare to standards
3. Correct deviations
4. Revise and adjust control methods in light of control results and changing conditions
5. Communicate throughout the control process

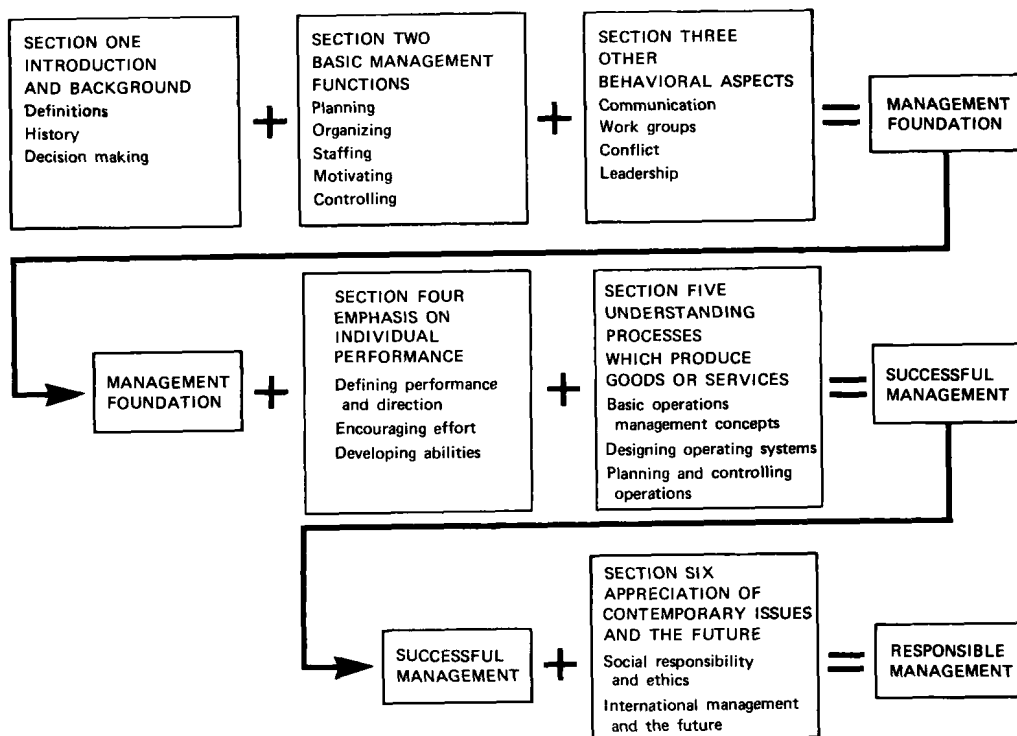
Manager and the Entrepreneur

The basic distinction between a manager and an entrepreneur is the higher degree of financial and personal risk borne by the entrepreneur. The entrepreneur is the person that conceives of the idea of what product or service the organization is going to produce, starts the organization, and builds it to the point where additional people are needed. The professional manager is the individual who is hired to perform the basic management functions for the on-going organization.

Design Philosophy of Book

Section I: Introduction and Background
Section II: Basic Management Functions
Section III: Behavioral Aspects of Management
Section IV: Emphasis on Individual Performance
Section V: Understanding Processes Which Produce Goods or Services
Section VI: Appreciation of Contemporary Issues and the Future

Figure 1-6: A Theory of Management



Review Questions

1. What is Management?

Management is a process or form of work that involves the guidance or direction of a group of people toward organizational goals and objectives. (p. 6)

2. What are the four general categories of organizational objectives?

The four general categories of organizational objectives are: profit oriented, service to customers, employee needs and well-being, and social responsibility. (p. 6)

3. Name and describe the basic management functions.

Planning: Deciding what objectives to pursue during a future time period and what to do in order to achieve those objectives.

Organizing: Grouping activities, assigning activities, and defining the lines of authority to carry out the activities.

Staffing: Determining human resource needs, recruiting, selecting, training, and developing human resources.

Motivating: Directing or channeling human behavior toward organizational goals.

Controlling: Measuring performance against goals, determining causes of deviations, and taking corrective action where necessary. (p. 7)

4. Describe the functional and behavioral approaches to the management process. How do these two approaches relate to each other?

The functional approach to management stresses the work that is to be performed by a manager-- planning, organizing, staffing, motivating, and controlling.

The behavioral approach to management stresses an understanding of the people that are to be managed.

The functional and behavioral approaches to management should not be viewed as mutually exclusive but rather as necessary and complementary approaches. (p. 7)

5. What is the difference between an art and a science?

Art involves the application of technical skills based on science.

The function of science is to establish general laws covering the behaviors of empirical events or objects with which the science is concerned.

Art and science are not necessarily mutually exclusive; in fact, they can be complementary. (p. 9)

6. What is a principle? How are principles of management developed?

A principle is defined as a primary or general truth on which other truths depend. (p. 10)

Principles of management are developed through the use of observation and deduction. (p. 11)

7. What is a law? Does it differ from a principle?

A law is defined as a statement of an order or relation of phenomena that so far as is known, is invariable under the given conditions. (p. 10)

The difference between laws and principles is that principles have some degree of flexibility while laws are absolutely rigid. (pp. 10-11)

8. What is a concept? What is a theory? How do these terms relate to one another?

Concepts are commonly agreed upon definitions. (p. 11)

A theory is a systematic grouping of concepts and principles related to a discipline such as management. (p. 11)

Concepts and theories relate to one another in that a theory is basically a classification or ordering scheme for principles and concepts. (p. 11)

9. What is a theory of management?

A theory of management involves a systematic synthesis of the concepts and principles of management. (p. 11)

10. Distinguish between a manager and an entrepreneur.

The basic distinction between a manager and an entrepreneur is the higher degree of financial and personal risk borne by the entrepreneur. Entrepreneurs are usually associated with relatively small organizations whereas professional managers are generally associated with medium to large sized organizations. However, entrepreneurs must perform many, if not all, of the basic management functions in starting and building an organization. (p. 13)

Discussion Questions

1. Management has often been described as a universal process, meaning that the basics of management are transferable and applicable in almost any environment. Comment on this statement.

The contention of many scholars is that all managers perform basically the same functions (planning, organizing, staffing, motivating, and controlling) regardless of what or where they are managing. In addition, all managers must deal with human behavior in one manner or another. Obviously, all managers do not place equal emphasis on the various aspects of the management process. A number of research studies on comparative management tend to offer support for the universality of management. (For example, see: Farmer and Richman, Comparative Management and Economic Progress, Richard D. Irwin, Homewood, Illinois, 1965.)

2. How does one decide who is and who is not a manager in a given organization?

Referring to the definition of management given in the text, one can conclude that anyone in the organization who guides or directs another person(s) toward organizational goals is a manager. This arrangement should normally involve a superior-subordinate relationship of some type.

3. Is the operator of a one-person business such as a corner grocery store, a manager?

This question always generates considerable class debate. Using the definition given in the text, a one-person corner store operation would not be a manager in that he/she does not guide or direct others. However, an argument can be made that he/she does interact with customers, suppliers, etc.

4. Do you think that management can be learned through books and study or only through experience?

Management is similar to many other things in life. It is possible to learn and understand management with or without experience and with or without formal study. However, management can be best learned and understood through a combination of study and experience. The manager who has never formally studied management may easily develop short-sighted or biased views. The same can be said of the student who has never attempted to apply management.

5. Discuss the following statement: "All entrepreneurs are managers but not all managers are entrepreneurs."

This statement has validity in that an entrepreneur must perform many, if not all, of the basic management functions. However, a manager may not have conceived the idea of what product or service the organization produces, started the organization and built it to the point where additional people were needed. For example, the manager of the personnel department is generally not considered an entrepreneur, although he/she is considered a manager.

Case Solutions

Case 1-1: The Expansion of Blue Streak

This case is primarily designed to emphasize the different characteristics required of a good entrepreneur and a good manager.

1. What went wrong with Blue Streak?

Art appears to be failing in promoting the basic functions of management, especially the function of organizing. Specifically Art seemed capable of effectively managing the organization when it was relatively small and he could personally oversee all of the operations. However, once the organization grew too large for him to personally oversee all operations, things seemed to fall apart. It appears that Art is very weak at delegating authority and responsibility to his subordinates.

It is also possible that Art has done a poor job in the staffing function of selecting his subordinates.

2. Do you think Art is a good entrepreneur? A good manager?

Art seems to be a good entrepreneur in that he conceived the service Blue Streak was going to offer, started Blue Streak, and built the organization to the point where additional people were needed. Also Blue Streak was initially successful.

Due to the fact that Art has not been able to organize the present company successfully, Art does not appear to be a good manager.

3. What would you suggest that Art do at this point?

Blue Streak has reached the point in size that requires professional management skills. Art should actively seek training in the basic management functions (especially organizing), hire a professional manager, or as a last resort reduce the size of Blue Streak down to the size where he can again personally oversee all operations.

Case 1-2: Letting Go of the Business

This case is designed to emphasize some potential conflicts and differences between owner managers and nonowner managers.

1. Do you think that Joe and Tom simply have different management philosophies?

Quite frequently, owners of businesses have different philosophies from nonowner managers about what sometimes appears to be relatively minor aspects of the business. Joe seems concerned with the style and methods of the workers as well as with worker performance or results, while Tom is concerned only with their performance or results.

2. Assuming Joe is correct, what might he do in order to "clarify Tom's vision of the problem"?

Joe might point out to Tom that one characteristic of a good manager is the ability to detect a problem before it becomes critical and that this is normally achieved through good management controls. As used here, "good" management control does not necessarily mean "tight" control but rather that the control detects potential problems before they get too far out of control.

3. Do you think that owners necessarily make better managers?

Owners do not necessarily make better managers. Frequently, owners find it difficult to delegate to subordinates. They are accustomed to doing virtually everything themselves and find it difficult to let go when the business gets larger. A primary benefit of owner managers is that they very seldom lack personal motivation.

Experiential Learning Exercises

1. Assignment: What do managers do?

Experiences in Management and Organizational Behavior pp. 110-13.

This exercise is designed to explore some of the different roles that a manager must assume in performing the job of a manager.

Time required: 30 minutes

Films

1. Manager Wanted: This film is designed to stimulate interest in and add significance to the study of management. Additionally, it lends itself to use in a case study in a variety of subjects such as delegation of authority and responsibility, problem solving and decision making, styles of leadership, coaching techniques, interpersonal relations, and communications. 28 mins.-color. Roundtable Films.
2. Profile of a Manager: This film explores the attitudes, skills, and knowledge required of an effective manager. 14 mins.-color. NEM Films.
3. The Department Manager: This film illustrates problems that arise when a person is promoted to a management position for which he or she is not suited. 28 mins.-B/W. New York University Film Library.
4. The Manager as Entrepreneur: John Humble and Peter Drucker describe the entrepreneurial manager as one who takes risks to support genuine innovation and continuing self-renewal. 30-mins.-color. BNA Films.

Exam Questions

True or False

- | | | |
|----------|----------|---|
| <u>T</u> | F | 1. Management may be viewed as an art and a science. |
| T | <u>F</u> | 2. Only managers at the top levels of the organization perform the planning function of management. |
| <u>T</u> | F | 3. The functional and behavioral approaches to management are complementary approaches. |
| T | <u>F</u> | 4. Principles are commonly agreed upon definitions. |
| <u>T</u> | F | 5. The style managers use in performing their job is important for organizational success. |
| <u>T</u> | F | 6. All entrepreneurs are managers. |
| T | <u>F</u> | 7. Management principles should be followed without exception. |
| <u>T</u> | F | 8. Managers at all levels of the organization perform all of the management functions. |
| <u>T</u> | F | 9. A systematic grouping of concepts and principles related to a certain discipline creates a theory. |
| T | <u>F</u> | 10. Social responsibility is not an area where organizational objectives are set. |

Multiple Choice

1. A _____ is a fundamental, primary, or general truth, on which other truths depend.

a. law	c. principle
b. theory	d. concept
2. An entrepreneur:
 - a. conceives the idea of what product the organization produces.
 - b. starts the organization.
 - c. builds the organization to the point where other people are needed.
 - d. all of the above.
3. Most principles of management have been developed through:

a. observation and deduction.	c. methods that are not well defined.
b. controlled experimentation.	d. none of these methods.
4. The starting point of the managerial process is:
 - a. the determination of organizational goals.
 - b. the selection of a competent staff.
 - c. determining human resource needs.
 - d. defining the managerial functions.
5. Concepts are:

a. objectives of management.	c. commonly agreed upon definitions.
b. functions of management.	d. a process or a form of work.

Completion

1. The functions of management are (planning, organizing, staffing, motivating and controlling)
2. A(n) (law) is a statement of an order or relation of phenomena that so far as is known, is invariable under given conditions.
3. (profit-oriented, service to customers, employee needs and well-being, social responsibility) are four general categories into which objectives normally fall.
4. A theory of management involves a systematic synthesis of the (concepts and principles)
5. A(n) (professional manager) is the individual who is hired to perform the basic management functions for the on-going organization.