

CBSE CLASS 12 BUSINESS STUDIES
CHAPTER – 2
PRINCIPLES OF MANAGEMENT
REVISION NOTES

PRINCIPLES OF MANAGEMENT

Principle

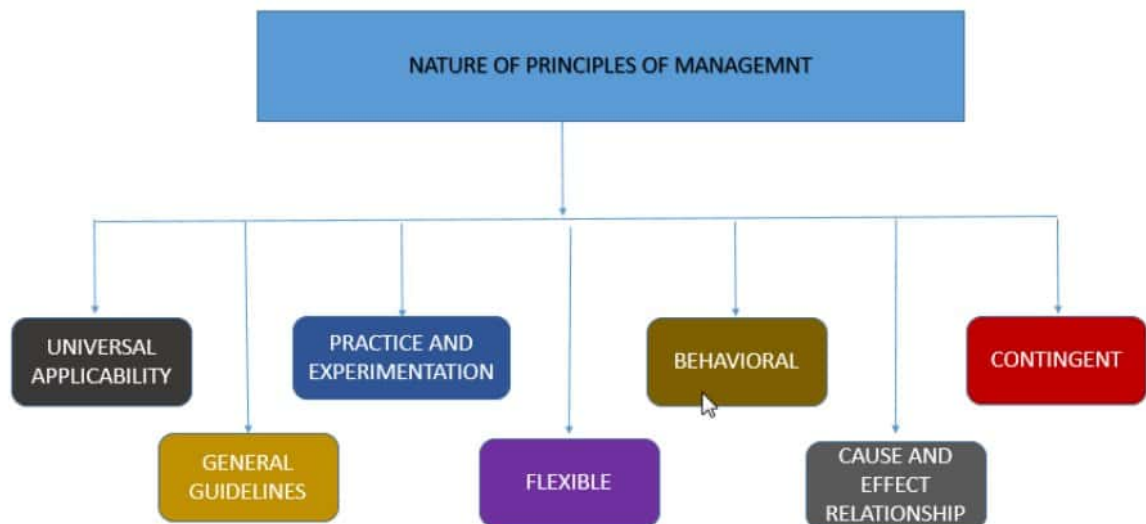
A principle is a fundamental truth or proposition that serves as the foundation for a system of belief or behavior or for a chain of reasoning

Principles of Management

Principles of management are broad and general guidelines for managerial decision-making and behavior. Management principles are not as rigid as principles of science as this deals with human behavior and thus are to be applied creatively given the demands of the situation.

Nature of Principles of Management

The nature of principles of management are as follows:



1. **Universal applicability:** Principles of management is applicable in all types of organizations, business as well as non-business, small as well as large enterprises depending on the nature of the organisation.
2. **General Guidelines:** They are general guidelines to action but do not provide straight solution to all managerial problems, as the business situations are complex and dynamic.
3. **Formed by practice and experimentation:** They are formed from the knowledge, experiences and experiments of the managers.
4. **Flexible:** These principles are not rigid and can be adapted and modified by the practicing managers depending upon the situation.
5. **Mainly Behavioral:** Since the principles aim at influencing complex human behavior they are behavioral in nature.
6. **Cause and Effect relationship:** They are intend to establish relationship between cause & effect so that they can be used in various situations.
7. **Contingent:** Their applicability depends upon the prevailing situation at a particular point of time. The application has to be changed as per the situation.

Significance of the Principles of Management