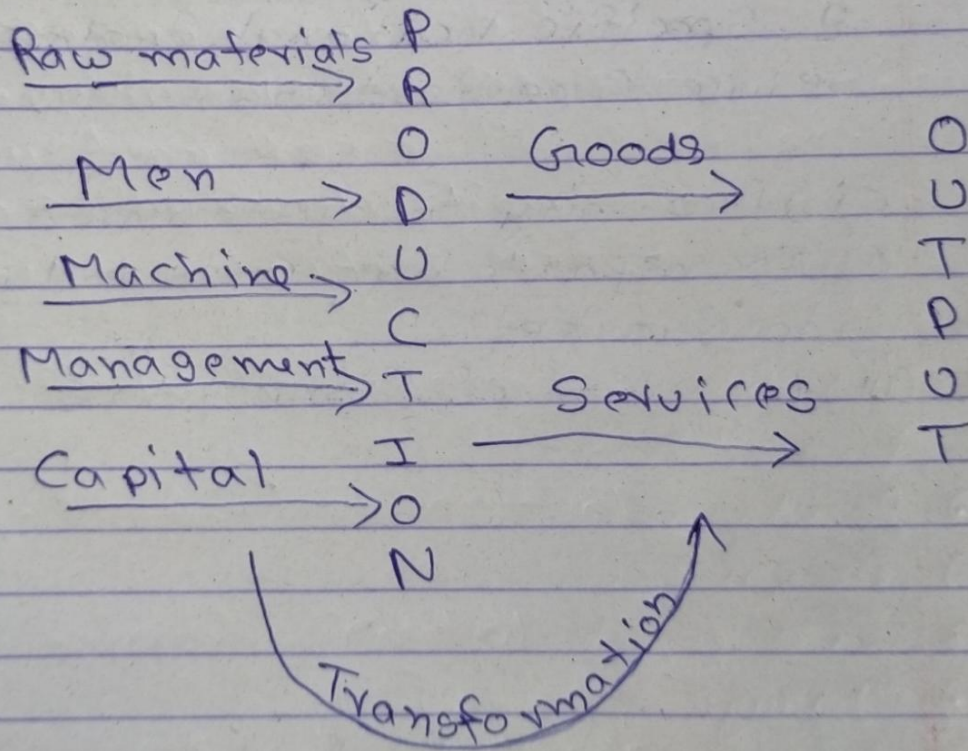


Ans = 4

## Production

Production is the process by which goods and services are created. In other words, it transforms the inputs (i.e. raw materials, men, women, machines, management and capital) into output (i.e. goods and services) with the help of certain production processes.



Production includes production of goods and production of services. In a manufacturing organization, men, materials and equipments

are employed to produce goods and commodities by creating form utility. While in Service Organization production is the discharge of some function of utility and includes all types of services.

### Nature and Scope of Production Management

Production management is the branch of management which is related to the production function. Production may be referred to as the process concerned with the conversion of input into output with the help of certain process of exploitation of factors of production in order to achieve the desired results.

The various activities that form scope of production management can be studied in two broad areas :

- (i) designing or formulation of production system and
- (ii) Analysing and controlling of

production operation after production system has been activated.

1. Activities related to production system designing.
2. Activities related to analysis and control of activities :-

It includes all decisions regarding production administration and therefore all functions of the management so far as they are applicable to the production system form the subject matter of the production management. These activities are :-

- a. Production planning
- b. Production control
- c. Quality control
- d. Method analysis
- e. ~~Production~~ Inventory control
- f. Work measurement