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शक्ति उत्थान आश्रम लखीसराय बिहार

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Case Studies In Business Studies(PLANNING)

Question 1.

State any three points of importance of planning function of management. (CBSE, Delhi 2017)

Answer:

The three points indicating the importance of planning is described below:

1. **Reduces the risk of uncertainty:** Planning relates to deciding in advance about the tasks to be performed in future. This enables a manager to anticipate changes and devise the way to deal with changes and uncertain events effectively.
2. **Planning promotes innovative ideas:** Planning is one of the basic managerial functions. Before doing something, the manager must formulate an idea of how to work on a particular task. Thus, planning is closely connected with creativity and innovation. It is the most challenging activity for the management as it guides all future actions leading to growth and prosperity of the business.
3. **Avoiding overlapping and wasteful activities:** Planning ensures clarity in thought and action and serves as the basis of coordinating the activities and efforts of different individuals and departments. Therefore, by curtailing useless and redundant activities it helps in smooth working of the organisations work is without interruptions. Moreover, it makes detection of inefficiencies easier so that timely corrective measures may be taken to avoid them in future.

Question 2.

Give the meaning of 'objectives' and 'budget' as types of plans. (CBSE, Delhi 2017)

Answer:

1. **Objectives:** Objectives are the end results of the activities that an organisation seeks to achieve through its existence. All other activities within the organisation are directed towards achieving these objectives. Objectives are based on the mission or philosophy of the organisation. Objectives are determined by top level management. For example, the objectives of a newly started business is to earn 30% profit on the amount invested in the first year.

2. **Budget:** A budget refers to a financial plan that is expressed in numerical terms. For example, the marketing manager prepared an area wise sales target for different products for the forthcoming quarter. It is a type of single use plan.

Question 3.

State any three limitation of planning. (CBSE, Delhi 2017)

Answer:

The three limitations of planning are described below:

1. **Planning may not work in a dynamic environment:** The business environment is dynamic in nature. Every organisation has to constantly adapt itself to changes in its environment in order to survive and grow. However, it difficult to anticipate all the likely future changes in the environment with utmost accuracy. Hence, even with planning everything cannot be foreseen.
2. **Planning reduces creativity:** The top management undertakes planning of various activities whereas the other members are expected to merely implements these plans. This restricts the creativity of the middle managers as they are neither allowed to deviate from plans nor are they permitted to act on their own.
3. **Planning involves huge costs:** The process of planning involves huge cost in terms of time and money as detailed planning is based on a series of scientific calculations. Moreover it may include a number of related costs as well, like expenses on boardroom meetings, discussions with professional experts and preliminary investigations to find out the viability of the plan. As a result the expenses on planning may turn out to be much more than benefits derived from it.

Question 4.

Give the meaning of 'procedure' and 'rule' as types of plans. (CBSE, Delhi 2017)

Answer:

1. **Procedure:** A procedure contains a series of specific steps to be performed in a chronological order to carry out the routine activities. It is determined by lower and middle level management. It is a specific statement. There is no scope for managerial discretion. Procedure is framed to implement a policy. It is a type of standing plan.
2. **Rule:** A rule is a specific statement relating to the general norms in terms of Do's and Don'ts that guide the behaviour of people. It commands strict obedience and a penalty is likely to be imposed on its violation. Rules help to maintain discipline. Rules are both specific and rigid. For example, No smoking, No Parking. It is a type of standing plan.

Question 5.

State any three features of planning. (CBSE, Delhi 2017)

Answer:

The three features of planning are described below:

1. **Planning is pervasive:** Planning is not an special function, is equally essential at all levels of management. But the scope of planning varies at different levels and among different departments.
2. **Planning involves decision-making:** Planning essentially involves*-application of rational thinking to choose the best alternative among the various available alternatives in order to achieve the desired goals efficiently and effectively.
3. **Planning is a primary function:** Planning precedes all the functions of management i.e. organizing, staffing, directing and controlling. This refers to primacy of planning. Planning provides basis of all other functions