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Case Studies In Business Studies(PLANNING)

Question 6.

Give the meaning of 'policy' and 'strategy' as type of plans. (CBSE, Delhi 2017)

Answer:

1. **Policy:** Policy are general statements that guide managerial decision making. It is determined by top level management. It is a general statement. It provides scope for managerial discretion. Policies are framed to achieve the objectives of an organisation. They all guides in implementing the strategy. It is a type of standing plan.
2. **Strategy:** A strategy is a comprehensive plan prepared for winning over the given challenge or problem. A strategy is based on the objectives of the organisation. A strategy may be determined by top level or middle level management.

Question 7.

Give the meaning of 'Objective' and 'Procedure' as types of plans. (CBSE, OD 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. **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.

Question 8.

Give the meaning of 'Strategy' and 'Rule' as types of plans. (CBSE, OD 2017)

Answer:

1. **Strategy:** A strategy is a comprehensive plan prepared for winning over the given challenge or problem. It is based on the objectives of the organisation. It may be determined by top level or middle level management.
2. **Rule:** Rules are specific statements that tell people what should or should not be done. Violation of Rules may lead to imposition of penalties. 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 9.

Super Fine Rice Ltd. has the largest share of 55% in the market. The company's policy is to sell only for cash. In 2015, for the first time company's number one position in the industry has been threatened because other companies started selling rice on credit* also. But the managers of Super Fine Rice Ltd. continued to rely on it's previously tried and tested successful plans which didn't work because the environment is not static. This led to decline in sales of Super Fine Rice Ltd. The above situation is indicating two limitations of planning which led to decline in it sales.

Identify these limitations. **(CBSE, Sample Paper, 2017)**

Answer:

The two limitations of planning which led to decline in it sales are:

- Planning does not guarantee success.
- Planning may not work in dynamic environment.

Question 10.

State the main aspects in the concept of planning. **(CBSE, Sample Paper, 2017)**

Answer:

The concept of planning primarily involves three aspects namely;

- Setting objectives in clear specific and measurable terms for a given period of time.
- Identifying the various alternative courses of action which may be adopted to achieve the objectives.
- Selecting the best possible alternative course of action from among the various courses of action available.