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Case Studies In Business Studies(PLANNING)

Question 1.

Josh Ltd. is a one of the largest two-wheeler manufacturer in India. It has a market share of about 42% in the two-wheeler category. The company had witnessed almost a 35% drop in the booking as the currency crunch was prompting people to withhold new purchases due to demonetisation. Therefore, the production manager of the company had decided to align production to factor in slower sales in the market.

In context of the above case:

1. Identify and explain the function of management being discussed in the above lines.
2. Which limitations of the function of management as identified in part (a) of the question was the production manager trying to overcome due to demonetisation?

Answer:

1. Planning is the function of management which is being discussed in the above lines. Planning is deciding in advance what to do, how to do, when to do and who has to do it. Thus, it involves setting objectives and developing an appropriate course of action to achieve these objectives.
2. The production manager is trying to overcome the following limitations of planning:
 - Rigidity
 - Planning may not work in dynamic environment

Question 2.

The term demonetisation has become a household name since the government pulled the old Rs. 500 and Rs. 1,000 notes out of circulation in November 2016. Prior to the year 2016, the Indian government had demonetised bank notes on two prior occasions—once in the year 1946 and then again in the year 1978. In both cases, the purpose was to combat tax evasion by 'black money'. Identify the types of one of the functions of management being discussed in the above lines.

Answer:

Objective and Strategy

Question 3.

The arrangement to demonetise the ₹ 500 and ₹1000 bank notes began six to ten months prior to the public announcement and was kept highly confidential. The cabinet was informed about the demonetisation on 8th November 2016 in a meeting called by the Prime Minister of India, Narendra Modi. This was followed by Modi's public announcement about the demonetisation in a televised address where he announced that currency notes with the denomination of ₹ 500 and ₹ 1000 would cease to be the legal tender from 9th of November 2016. The most interesting thing regarding the demonetisation is that people were devising various unique ways for transforming their black money into white one by depositing money in the accounts of their poor relatives and friends, converting black money into gold, paying a few months salaries in advance and so on.

In context of the above case:

Identify and explain the types of plans being discussed in the above lines with regard to demonetisation.

Answer:

The various types of plans being discussed in the above lines with regard to demonetisation are detailed below:

- **Procedure:** It is a series of chronological steps which are performed to do a particular activity.
- **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.

Question 4.

Flipkart is an e-commerce company founded in the year 2007 by Sachin Bansal and Binny Bansal. The company is registered in Singapore, but has its headquarters in Bengaluru, India. The company seeks to increase traffic (more clicks on their products) and boost sales and revenue through integration of Mobile Apps, Display, Pay Per Click and Search Engine Optimization. In order to dispel the fear of people related to shopping online, Flipkart was the first company to implement the popular 'Cash on Delivery' facility. All the products sold by the company under a particular category may have different return/replacement period. Flipkart allows multiple payment options such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery. The company operates both ways when an order is received. The products for which it holds inventory are dispatched by it directly. For the products they do not store in inventory, they just send the order received by them to the supplier who ships it. The company plans to spend about ₹ 75 crores on e-Commerce advertising in the year 2016. Flipkart reserves the right to terminate your membership and/or refuse to provide you with access to the website if it is brought to Flipkart's notice or if it is discovered that you are under the age of 18 years. This is because as per the Indian Contract Act, 1872, the minors, un-discharged insolvents, etc. are not eligible to use the website.

In context of the above case, identify and explain the different types of plans being used by

Flipkart by quoting lines from the paragraph.

Answer:

The different types of plans being used by Flipkart are listed below:

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.
"The company seeks to increase traffic (more clicks on their products) and boost sales and revenue through integration of Mobile Apps, Display, Pay Per Click and Search Engine Optimization."
2. **Strategy:** A strategy is a comprehensive plan for achieving the objectives of the organisation. This comprehensive plan involves:
 - determining long term objectives
 - adopting a particular course of action
 - allocating resources necessary to achieve the objective."In order to dispel the fear of people related to shopping online, Flipkart was the first company to implement the popular 'Cash On Delivery' facility."
3. **Policy:** A policy is a set of general guidelines that help in managerial decision making and action.
"All the products sold by the company under a particular category may have different return/replacement period."
4. **Method:** A method refers to the prescribed ways or manner in which a task has to be performed considering the objective.
"Flipkart allows multiple payment options such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery."
5. **Procedure:** A procedure contains a series of specific steps to be performed in a chronological order to carry out the routine activities.
"The company operates both ways when an order is received. The products for which it holds inventory are dispatched by it directly. For the products they do not store in inventory, they just send the order received by them to the supplier who ships it."
6. **Budget:** A budget refers to a financial plan that is expressed in -numerical terms.
"The company plans to spend about ? 75 crores on e-commerce advertising in the year 2016."
7. **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.
"Flipkart reserves the right to terminate your membership and/or refuse to provide you with access to the Website if it is brought to Flipkart's notice or if it is discovered that you are under the age of 18 years. This is because as per the Indian Contract Act, 1872, the minors, un-discharged insolvents etc. are not eligible to use the Website."

Question 5.

Rajender has been running a successful business of manufacturing traditional wedding wear for women including sarees and lehengas. His friend Surinder who is engaged in the business of providing web designing solutions to his clients, suggests him to explore the option of selling his products online. Rajender agrees to his suggestion and decides to venture into online business, keeping in view the various e-commerce regulations in order to avoid imposition of any penalty. In order to facilitate the sale of his products, Rajender decides to offer multiple payment options such as cash on delivery, credit or debit card transactions, net banking to the buyers etc.

In context of the above case:

1. Identify the two different types of plans mentioned in the above paragraph that relate to the online portal that Rajinder intends to start by quoting lines from the paragraph.
2. Distinguish between the two types of plans as identified in part (a).

Answer:

1. Rule and Method are the two different types of plans that relate to the online portal that Rajender intends to start.
 - **Rule:** "Rajender agrees to his suggestion and decides to venture into online business keeping in view the various e-commerce regulations in order to avoid imposition of any penalty."
 - **Method:** "However, he decides to offer multiple payment options such as cash on delivery, credit or debit card transactions, net banking to the buyers etc."
2. The difference between rule and method is as follows:

Basis	Rule	Method
Meaning	Rules are specific statements that tell people what should or should not be done.	Methods define the way of doing routine or respective job.
Violation	Violation of rules may lead to imposition of penalties.	Method does not involve any penalties on violation.
Purpose	Rules help to maintain discipline.	Methods help in carrying out the job efficiently.
Nature	Rules are both specific and rigid.	Methods are specific (well defined) but flexible.

Example

No smoking, No Parking etc.

Method of payment of fee-cheque,
cash, online etc.