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Case Studies In Business Studies(PLANNING)

Question 6.

Wazir Ahmed joins 'Ashiyana Ltd.' a company dealing in real estate, as a human resource manager. Through a series of interactions with his team during lunch breaks, he comes to know that quite a few managers at middle and senior levels have recently left the organisation as their promotions were overdue. Therefore, in order to reinstate the confidence of the staff, he lays out a clear cut plan consisting of a set of general guidelines for both time bound and performance related appraisals of the managers at all levels. Moreover, he develops standardized processes containing a series of steps specified in a chronological order for its implementation.

In context of the above case:

1. Identify the two different types of plans that Wazir Ahmed proposes to implement in order to reinstate the confidence of the staff by quoting lines from the paragraph.
2. Distinguish between the two types of plans as identified in part (a).

Answer:

1. Policy and Procedure are the two different types of plans that Wazir Ahmed proposes to implement in order to reinstate the confidence of the staff.
Policy: "... he lays out a clear cut plan consisting of a set of general guidelines for both time bound and performance related appraisals of the managers at all levels."
Procedure: "Moreover, he develops standardized processes containing a series of steps specified in a chronological order for its implementation."
2. The difference between Policy and Procedure is outlined below:

Basis	Policy	Procedure
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Meaning	Policies are general statements that guide managerial decision making.	It is a series of chronological steps which are performed to do a particular activity.
Level of management	It is determined by top level management.	It is determined by lower and middle level management.
Expression	It is a general statement.	It is a specific statement.
Manager's Discretion	It provides scope for managerial discretion.	There is no scope for managerial discretion.
Purpose	Policies are framed to achieve the objectives of an organisation. They all guide in implementing the strategy.	A procedure is framed to implement a policy.

Question 7.

'Apna Ghar/ a company dealing in consumer durables, plans to increase the sale of its products by 25% around Diwali this year. Moreover, in order to cash on the implementation of the seventh pay commission by that time, which is likely to raise the income of 47 lakh serving employees of the Central government and 52 lakh pensioners, the company has created 30 advertisement films which will be aired across 85 national and regional channels until Diwali.

In context of the above case:

1. Identify the two different types of plans that 'Apna Ghar' proposes to implement by quoting lines from the paragraph.
2. Distinguish between the two types of plans as identified in part(i).

Answer:

1. Objective and Strategy are the two different types of plans that 'Apna Ghar' proposes to implement.

Objective: "Apna Ghar", a company dealing in consumer durables, plans to increase the sale of its products by 25% around Diwali this year."

Strategy: "Moreover, in order to cash on the implementation of the seventh pay

commission by that time which is likely to raise the income of 47 lakh serving employees of the Central government and 52 lakh pensioners, the company has created 30 advertisement films which will be aired across 85 national and regional channels until Diwali.”

2. The difference between objectives and strategy is outlined below:

S. No.	Basis	Objectives	Strategy
1.	Meaning	Objectives are the end results of the activities that an organisation seeks to achieve through its existence.	A strategy is a comprehensive plan prepared for winning over the given challenge or problem.
2.	Source	Objectives are based on the mission or philosophy of the organisation.	A strategy is based on the objectives of the organisation.
3.	Level of persons involved	Objectives are determined by top level management.	A strategy may be determined by top level or middle level management.

Question 8.

After completing a diploma in Bakery and Patisserie, Payai sets up a small outlet at Goa Airport to provide a healthy food option to the travellers. To begin with, she has decided to sell five types of patties, three types of pizzas and low sugar muffins in four flavours. Thus, by deciding in advance what to do and how to do, she is able to reduce the risk of uncertainty and avoid overlapping and wasteful activities. But sometimes her planning does not work due to some unavoidable circumstances like cancellation of flights due to bad weather conditions, government alert etc. which adversely affects her clientele.

In context of the above case:

1. Identify and explain the points highlighting the importance of planning mentioned in the above paragraph.
2. Describe briefly the limitation of planning which adversely affects Payal’s business

Answer:

1. The points highlighting the importance of planning mentioned in the above paragraph are described below:
 - **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 ways to deal with changes and uncertain events effectively.
 - **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 the smooth working of the organisation's work without interruptions. Moreover, it makes detection of inefficiencies easier so that timely corrective measures may be taken to avoid them in future.
2. The limitation of planning which adversely affects Payal's business is:
 - **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.

Question 9.

'Agile Ltd.' is a well-known automobile manufacturing company in India. The company plans to increase the sale of its sedan cars by 20% in the next quarter. In order to achieve the desired target, the marketing team of the company considers the impact of policy of the government towards diesel vehicles and the level of competition in this segment of cars. They explore the various available options like offering more discount to dealers and customers, providing more customer friendly finance options, lucky draws on test drives, increasing advertising, offering more of free accessories on the purchase of the car, etc. A thorough analysis of the various available options is done keeping in view the relative viability of each option. The company decides to pursue the option of offering more discount to dealers and customers in order to boost the sale of sedan cars. In order to implement the plan, they determine the various discount packages and communicate the same to their product dealers. To make the prospective consumers aware about the new available benefits, advertisements are made through various sources of print and electronic media. The market analysts of the company keep a close watch on the revenue from the sedan cars to study the effect of

new initiatives by the company to promote its sales.

In context of the above case:

1. Name the function of management described in the above paragraph.
2. Identify and explain the various steps involved in process the function of management as identified in part (a) by quoting lines from the paragraph.

Answer:

1. Planning is the function of management which is being described in the above paragraph.
2. The various steps involved in the planning process are explained below:
 - **Setting objectives:** The planning process is initiated by setting the objectives in clear, specific and measurable terms. The objectives may be set for the organization as a whole and for each department or unit within the organization.
"The company plans to increase the sale of its sedan cars by 20% in next quarter."
 - **Developing Premises:** Planning process is carried out keeping in view the assumptions related to the future, which is uncertain. These assumptions are called premises and may relate to government policy, interest rate, inflation, etc. Accurate forecasts are therefore essential for successful planning.
"In order to achieve the desired target the marketing team of the company considers the impact of policy of the government towards diesel vehicles and level of competition in this segment of cars." .
 - **Identifying alternative courses of action:** The next step in the planning process involves identification of the various ways in which the goals can be achieved.
"They explore the various available options like offering more discount to dealers and customers, providing more customer friendly finance options, lucky draws on test drives, increasing advertising, offering more of free accessories on the purchase of the car, etc."
 - **Evaluating alternative courses:** In order to select the best option, the relative positive and negative aspects of each alternative should be evaluated in the light of their feasibility and consequences.
"A thorough analysis of the various available options is done keeping in view the relative viability of each option."

- **Selecting an alternative:** The best plan is adopted to achieve the desired goals. Sometimes, a combination of plans may be selected instead of one best course of action.
“The company decides to pursue the option of offering more discount to dealers and customers in order to boost the sale of sedan cars.”
- **Implement the plan:** This step is concerned with putting plans into action.
“In order to implement the plan, they determine the various discount packages and communicate the same to their product dealers. To make the prospective consumers aware about the new available benefits, advertisements are made through various sources of print and electronic media.”
- **Follow up action:** Monitoring of plans is equally important to ensure that objectives are achieved efficiently and effectively.
“The market analysts of the company keep a close watch on the revenue from the sedan cars to study the effect of new initiatives by the company to promote its sales.”

Question 10.

Arush joins as a sales manager of a company dealing in naturotherapy products. Being proficient in his work, he knew that without good planning he will not be able to organise, direct, control or perform any of the other managerial functions efficiently and effectively. Only on the basis of sales forecasting, he would assist in the preparation of the annual plans for its production and sales. Besides, he will have to prepare sales plans regularly on weekly, monthly, quarterly and half yearly basis. While preparing the sales forecasts, he undertakes intellectual thinking involving foresight, visualization and issued judgement rather than wishful thinking or guess work. Most importantly, all these planning activities will be meaningful only if they will coincide with the purpose for which the business is being carried out.

In context of the above case, identify the various features of planning highlighted in the above paragraph by quoting lines from it.

Answer:

The features of planning highlighted in the above paragraph are explained below:

1. **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 the basis of all other functions.
“... without good planning he will not be able to organise, direct, control or perform any of the other managerial functions efficiently and effectively. ”

2. **Planning is futuristic:** Planning is called a forward looking function as it enables an organization to meet future events effectively.
"Only on the basis of sales forecasting, he would assist in the preparation of the annual plans for its production and sales."
3. **Planning is continuous:** Plans need to be continuously made, implemented and followed by another plan and so on till an organization exists
"Besides, he will have to prepare sales plans regularly on weekly, monthly, quarterly and half yearly basis."
4. **Planning is a mental exercise:** Planning is done on the basis of rational thinking involving foresight, visualization and issued judgement rather than wishful thinking or guess work.
"While preparing the sales forecasts, he undertakes intellectual thinking involving foresight, visualisation and issued judgement rather than wishful thinking or guess work."
5. **Planning focuses on achieving objectives:** Planning is a purposeful activity as it contributes to the achievement of predetermined goals of the organisation both efficiently and effectively.
"Most importantly, all these planning activities will be meaningful only if they will coincide with the purpose for which the business is being carried out."