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class 12 commerce Sub. BST. Date 22.7.2020

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LATEST CBSE QUESTIONS

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.

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. If 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.

Question 11.

Laxmi Chemicals Ltd., a soap manufacturing company, wanted to increase its market share from 30% to 55% in the long-run. A recent report submitted by the Research & Development Department of the

company had predicted a growing trend of herbal and organic products. On the basis of this report, the company decided to diversify into new variety of soaps with natural ingredients having benefits and fragrances of Jasmine, Rose, Lavender, Mogra, Lemon Grass, Green Apple, Strawberry etc. The Unique Selling Proposition (USP) was to promote eco-friendly living in the contemporary life style. The company decided to allocate ₹ 30 crores to achieve the objective.

Identify the type of one of the functions of management mentioned above which will help the company to acquire dominant position in the market. **(CBSE, Sample Paper 2016)**

Answer:

Strategy is the type of plan which will help the company to acquire dominant position in the market.

Question 12.

Suhasini, a home science graduate from a reputed college, has recently done a cookery course. She wished to start her own venture with a goal to provide 'health food' at reasonable prices. She discussed her idea with her teacher (mentor) who encouraged her. After analysing various options for starting her business venture, they short listed the option to sell ready made and 'ready to make' vegetable shakes and sattu milk shakes. Then, they weighed the pros and cons of both the short listed options.

1. Name the function of management being discussed above and give any one of its characteristics.
2. Also briefly discuss any three limitations of the function discussed in the case. **(CBSE, Sample Paper 2016)**

Answer:

1. Planning is the function of management which is being discussed above.
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.
2. The limitations of planning are described below:
 - 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 is difficult to anticipate all the likely future changes in the environment with utmost accuracy. Hence, even with planning, everything cannot be foreseen.
 - Planning reduces creativity: The top management undertakes planning of various activities whereas the other members are expected to merely implement these plans. This restricts the creativity of the middle level managers as they are neither allowed to deviate from plans nor are they permitted to act on their own.
 - 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 13.

Two years ago, Madhu completed her degree in food technology. She worked for sometime in a company that manufactured chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated an action plan to achieve the same.

One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables, spices, etc. will be purchased on three months credit from farmers cultivating only organic crops. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as the Production Manager who decided

the exact manner in which the production activities were to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Madhu informed Mohan about her area wise sales target for different products for the forthcoming quarter. While working on the production table, a penalty of ₹ 100 per day for not wearing caps, gloves and apron was announced.

Quoting lines from the above paragraph, identify and explain the different types of plans discussed. **(CBSE, Delhi 2016)**

Answer:

The different types of plans discussed above 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.
“One of her objectives was to earn 10% profit on the amount invested in the first year.”
2. **Policy:** A policy is a set of general guidelines that helps in managerial decision making and action.
“It was decided that the raw materials like fruits, vegetables, spices, etc. will be purchased on three months credit from farmers cultivating only organic crops.”
3. **Procedure:** A procedure contains a series of specific steps to be performed in a chronological order to carry out the routine activities.
“She also decided to follow the steps required for marketing of the products through her own outlets.”
“The exact manner in which the production activities are to be carried out.”
4. **Rule:** A rule is a specific statement relating to the general norms in terms of Do’s and Don’t’s that guide the behaviour of people. It commands strict obedience and a penalty is likely to be imposed on its violation.
“While working on the production table, a penalty of ₹ 100 per day for not wearing caps, gloves and aprons was announced.”
5. **Budget:** A budget refers to a financial plan that is expressed in numerical terms.
“Mohan also prepared a statement showing the number of workers different products for the forthcoming quarter.”

Question 14.

Two years ago, Mayank obtained a degree in food technology. For some time, he worked in a company that manufactured bread and biscuits. He was not happy in the company and decided to have his own bread and biscuits manufacturing unit. For this, he decided the objectives and the targets, and formulated an action plan to achieve the same.

One of his objectives was to earn 50% profits on the amount invested in the first year. It was decided that raw materials like flour, sugar, salt, etc. will be purchased on two months credit. He also decided to follow the steps required for marketing the products through his own outlets. He appointed Harsh as the Production Manager who decided the exact manner in which the production activities were to be carried out. Harsh also prepared a statement showing the requirement of workers in the factory throughout the year. Mayank informed Harsh about his area wise sales target for different products, for the forthcoming quarter. While working on the production table, a penalty of ₹150 per day was announced for not wearing the helmet, gloves and apron by the workers.

Quoting lines from the above paragraph, identify and explain the different types of plans discussed. **(CBSE, OD 2016)**

Answer:

The different types of plans discussed above 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.
“One of her objectives was to earn 50% profit on the amount invested in the first year.”
2. **Policy:** A policy is a set of general guidelines that help in managerial decision making and action.
“It was decided that the raw materials like flour, wheat, sugar, etc. will be purchased on two months credit.”

3. **Method:** A method refers to the prescribed ways or manner in which a task has to be performed considering the objective.
“..decided the exact manner in which production activities were to be carried out.”
4. **Procedure:** A procedure contains a series of specific steps to be performed in a chronological order to carry out the routine activities.
“He also decided to follow the steps required for marketing of the products through his own outlets.”
5. **Rule:** A rule is a specific statement relating to the general norms in terms of Do’s and Dont’s that guide the behaviour of people. It commands strict obedience and a penalty is likely to be imposed on its violation.
“While working on the production table, a penalty of Rs. 150 per day was announced for not wearing helmets, gloves and aprons by the workers.”

Question 15.

Rahul, a worker, is given a target of assembling two computers per day. Due to his habit of doing things differently, an idea struck him which would not only reduce the assembling time of computers but would also reduce the cost of production of the computers. Instead of appreciating him, Rahul’s supervisor ordered him to complete the work as per the methods and techniques decided earlier as nothing could be changed at that stage. The above paragraph describes one of the limitations of the planning function of management. Name and explain that limitation. **(CBSE, Delhi Comptt. 2011)**

Answer:

The limitation of the planning function of management described in the above paragraph is that ‘planning reduces creativity.’ The top management undertakes planning of various policies and procedures whereas the other members are expected to merely implement these plans. This restricts the creativity of the middle level managers as they are neither allowed to deviate from plans, nor permitted to act on their own.