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शक्ति उत्थान आश्रम लखीसराय बिहार

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Case Studies In Business Studies(ORGANISING)

Question 1.

Differentiate between 'formal' and 'informal' organisation on the basis of 'origin'. **(CBSE, Delhi 2017)**

Answer:

Formal organisation arises as a result of companies rules and policies whereas informal organisation emerges spontaneously from within the formal organisation as a result of social interactions, amongst the employees.

Question 2.

Aman Chadha started 'Bulls Eye' a company for providing cyber security solutions to businesses. Its objective is to prevent, detect and respond to cyber attacks and protect critical data. He was a hardworking software engineer and an expert in cyber security. His reputation grew by leaps and bounds as he was not only a person of integrity but also did his work with utmost honesty and sincerity. The business started growing day by day.

He was delighted when he was offered a big project by the Ministry of Defence. While working on the project, he found that the volume of work made it impractical for him to handle all the work by himself. He decided to expand the team. The company maintained a close liaison with a local engineering college. During a campus placement, Ishan and Vrinda were appointed to work for the new project.

He found the new employees capable, enthusiastic and trustworthy. Aman Chadha was thus, able to focus on objectives and with the help of Ishan and Vrinda, the project was completed on time. Not only this Aman Chadha was also able to extend his area of operations. On the other hand Ishan and Vrinda also got opportunities to develop and exercise initiative.

1. Identify and briefly explain the concept used by Aman Chadha in the above case which helped him in focusing on objectives.
2. Also, state any four points of importance of the concept identified in (i) above. **(CBSE, Delhi 2017)**

Answer:

1. Delegation of authority is the concept used by Aman Chadha in the above case which helped him in focusing on objectives.

Delegation of authority is the process of granting of authority to the subordinates to operate within prescribed limits.

2. The four points of importance of delegation of authority are described below:
   - **Effective management:** It helps the managers to function more efficiently as they get more time to concentrate on important matters. Freedom from doing routine work provides them with opportunities to excel in new areas.
   - **Employee development:** By empowering the employees, they are given more opportunities to utilise their talent and this may help them to become better leaders and decision makers in future.
   - **Motivation of employees:** Delegation also has psychological benefits as helps in building the self-esteem of an employee and improves his confidence and work performance. When a superior entrusts a subordinate with a task, it is not merely the sharing of work but involves trust on the superior's part and commitment on the part of the subordinate. Thus, delegation may give rise to latent abilities in the subordinates.
   - **Facilitation of growth:** With the increase in the competence of the employees, an organisation tends to gain in many ways. The growth and expansion of the firm becomes easy as the capable workforce is ready to take greater responsibilities.

Question 3.
Give the meaning of 'supervision' as an element of directing. **(CBSE, OD 2017)**
Answer:
Supervision is the process of overseeing the work of a subordinate by his superior.

Question 4.
Differentiate between 'formal' and 'informal' organisation on the basis of 'flow of communication'. **(CBSE, OD 2017)**
Answer:
In a formal organization the communication takes place through the scalar chain whereas in an informal organization communication can take place in any direction there is no planned route.
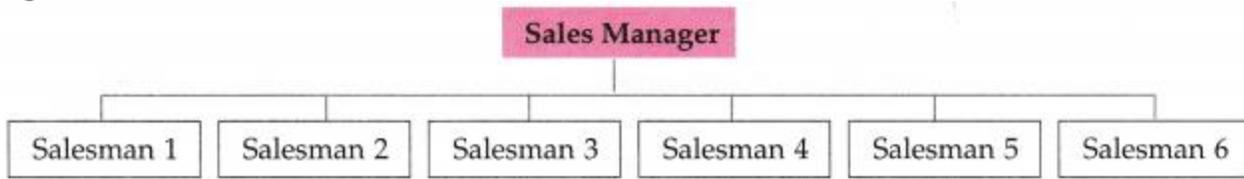
Question 5.
What is meant by span of management? **(CBSE, Sample Paper, 2017)**
Answer:
Span of management refers to the number of subordinates that can be effectively managed by a superior. A narrow span of control would necessitate more number of levels in the

organisation or vice versa.

Sales Manager					
Salesman 1	Salesman 2	Salesman 3	Salesman 4	Salesman 5	Salesman 6

Fig 1: The span of management of sales manager is six.