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Class 12 commerce Sub. BST. Date 26.05.2021

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Organising

Question 1:

Which of the following is not an element of delegation?

- (a) Accountability
- (b) Authority
- (c) Responsibility
- (d) Informal Organisation

ANSWER:

Informal Organisation is not an element of delegation. Delegation refers to the transfer of authority to subordinates. Accountability, responsibility and authority are the major elements of delegation. On the other hand, informal organisation refers to the relationship which arises out of informal communication among the employees in an organisation. Such communication is purely informal in nature and does not involve any formal communication such as that in delegation.

Question 2:

A network of social relationship that arise spontaneously due to interaction at work is called:

- (a) Formal Organisation
- (b) Informal Organisation
- (c) Decentralisation
- (d) Delegation

ANSWER:

A network of social relationship that arise spontaneously due to interaction at work is called informal organisation. It emerges from social interaction and free flow of communication among the employees of an organisation. On the other hand, formal organisation refers to a formal system

based on superior-subordinate relationship. Whereas, delegation and decentralisation are concerned with the transfer of authority and responsibility to the subordinates

Question 3:

Which of the following does not follow the scalar chain?

- (a) Functional structure
- (b) Divisional Structure
- (c) Formal organisation
- (d) Informal organisation

ANSWER:

Scalar Chain refers to a pre-defined, formal path of authority and communication in the order of highest to the lowest. Informal organisation do not follow a scalar chain as they arise out of informal relationship among the workers and managers. For example, it may arise from interaction which happens over lunch or an office party. Other structures such as formal organisation, divisional structure and functional structure follow a proper defined scalar chain.

Question 4:

A tall structure has a

- (a) Narrow span of management
- (b) Wide span of management
- (c) No span of management
- (d) Less levels of management

ANSWER:

A tall structure of organisation is the one that has multiple levels of hierarchy. A tall structure of organisation has narrow span of management. That is, under such a structure a manager has charge of only a few subordinates.

Question 5:

Centralisation refers to

- (a) Retention of decision making authority
- (b) Dispersal of decision making authority
- (c) Creating divisions as profit centers
- (d) Opening new centers or branches

ANSWER:

Centralisation refers to the retention of decision making authority. Centralisation implies a situation where the decision making power is retained by the top level management. Under such a system, other levels of management do not have a right to intervene in policy making. The power and the authority, in such a system, remains concentrated in a few hands.

Question 6:

For delegation to be effective it is necessary that responsibility be accompanied with necessary

- (a) Authority
- (b) Manpower
- (c) Incentives
- (d) Promotions

ANSWER:

For delegation to be effective it is necessary that responsibility is accompanied with authority. Responsibility refers to the obligation to complete a task which has been assigned by the superior. Complementary to this, authority refers to the power to give commands and directions to the subordinates. For successful delegation both authority and responsibility must go together. That is, if an individual is given the responsibility to carry out a task, he must also be given the necessary authority to carry it out.

Question 7:

Span of management refers to

- (a) Number of managers
- (b) Length of term for which a manager is appointed
- (c) Number of subordinates under a superior

(d) Number of members in top management

ANSWER: *Span of management means the number of subordinates that can be well-handled by a superior. Any organisational structure is based on its span of management.*

Question 8:

The form of organisation known for giving rise to rumours is called

- (a) Centralised organisation
- (b) Decentralised organisation
- (c) Informal organisation
- (d) Formal organisation

ANSWER:

Rumours are a result of informal organisation. They can have adverse effect on the working environment. It may result in arguments or conflicts among the people of the organisation. For example, a rumour about the boss may pop up during a communication among a group of employees, which may affect the superior-subordinate relationship.

Question 9:

Grouping of activities on the basis of product lines is a part of

- (a) Delegated organisation
- (b) Divisional organisation
- (c) Functional organisation
- (d) Autonomous organisation

ANSWER:

Sometimes an organisation has more than one product line. Under such a scenario the organisation groups the activities on the basis of the product line. Such a grouping of activities on the basis of product line is known as divisional organisation. Each division further has its own sub-departments such as production, finance, etc.

Question 10:

Grouping of activities on the basis of functions is a part of

(a) Decentralised organisation

(b) Divisional organisation

(c) Functional organisation

(d) Centralised organisation

ANSWER:

Functional Organisation involves grouping of the functions of similar nature. Each group forms a separate department that report to one head. For example, departments may be divided on the basis of functions such as production, human resources, etc. that report to the managing director of the organisation.
