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ORGANISING

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.