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Case Studies In Business Studies(ORGANISING)

Question 11.

Samir Gupta started a telecommunications company, 'Donira Ltd.', to manufacture economical mobile phones for the Indian rural market with 15 employees. The company did very well in its initial years. As the product was good and marketed well, the demand of the products went up. To increase production, the company decided to recruit additional employees. Samir Gupta, who was earlier taking all the decisions for the company, had to selectively disperse the authority. He believed that subordinates are competent, capable and resourceful and can assume responsibility for the effective implementation of their decisions. This paid off and the company was not only able to increase its production but also expanded its product range.

1. Identify the concept used by Samir Gupta through which he was able to steer his company to greater heights.
2. Also explain any three points of importance of this concept. **(CBSE, Delhi 2015)**

OR

Neeraj Gupta started a company 'Yo Yo Ltd.' with ten employees to assemble economical computers for the Indian rural market. The company did very well in its initial years. As the product was good and marketed well, the demand went up. To increase production, the company decided to recruit additional employees. Neeraj Gupta, who was earlier taking all the decisions for the company, had to selectively disperse the authority. He believed that people are competent, capable and resourceful and can assume responsibility for the effective implementation of their decisions. This paid off and the company was not only able to increase its production but also expanded its product range with different features.

1. Identify the concept used by Neeraj Gupta through which he was able to steer his company to greater heights.
2. Also explain any three points of importance of this concept.

Answer:

1. The concept used by Sameer Gupta/ Neeraj Gupta through which he is able to steer his company to greater heights is Decentralisation.
2. The three advantages of using decentralisation are as follows:

- Decentralisation helps to promote self-reliance and confidence amongst the subordinates: When the subordinates are given freedom to take their own decisions they learn to depend on their own judgment and develop solutions for the various problems they encounter. Moreover, a decentralisation policy helps to identify those executives who have the necessary potential to become dynamic leaders.
- Relief to top management: Decentralisation reduces the need of direct supervision and helps to save the time of top management for pursuing other important work.
- Quick decision-making: In a decentralised organisation, managers at all levels are allowed to take such decisions independently which lie within their area of jurisdiction. This makes the process of decision making much faster.

Question 12.

Alliance Ltd. is engaged in manufacturing plastic buckets. The objective of the company is to manufacture 100 buckets a day. To achieve this, the efforts of all departments are coordinated and interlinked and authority-responsibility relationship is established among various job positions. There is clarity on who is to report to whom. Name the function of management discussed above. **(CBSE, 2015)**

Answer:

Organising

Question 13.

National Vritech Ltd. has grown in size. It was a market leader but with changes in business environment and with the entry of MNCs, its market share is declining. To cope up with the situation, the CEO starts delegating some of his authority to the General Manager, who also felt himself overburdened and with the approval of CEO disperses some of his authority to various levels throughout the organisation. Identify the concept of management discussed above. **(CBSE, Sample Paper 2014-15)**

Answer:

Decentralisation

Question 14.

Sharda Ltd. is pursuing diversified activities which require a high degree of specialisation. Identify the type of structure that should be followed by Sharda Ltd. **(CBSE, 2015)**

Answer:

Functional structure

Question 15.

A company is manufacturing washing machines. There is a well-defined system of jobs with a clear and definite authority, responsibility and accountability in the company. But people are not allowed to interact beyond their officially defined roles. As a result, the company is not

able to adapt to the changing business environment. The workforce is also not motivated due to lack of social interaction. The company is facing problems of procedural delays and inadequate recognition of creative talents.

1. Suggest how the organisation can overcome the problems faced by it.
2. Give any two benefits it will derive from your suggestions. **(CBSE, Sample Paper, 2014-15)**

Answer:

1. The organisation can overcome the problem faced by it by adopting informal organisation. Informal organisation emerges from within the formal organisation when people interact beyond their officially defined roles.
2. The two benefits of informal organisation are as follows:
 - It helps to fulfill the social needs of the members by giving them a sense of belongingness in the organisation and enhances their job satisfaction .
 - It contributes towards the fulfillment of organisational objectives by compensating for inadequacies in the formal organisation.