

Understanding-based Questions

[1 mark]

Q.1. Why planning is known as 'Futuristic'?

Ans. Because it is related with future.

Q.2. The planning function of management is conducted at which level of management?

Ans. At all the three levels of management.

Q.3. How is planning a pervasive function? State.

[CBSE 2012]

Ans. Planning is a pervasive function as it is required in all organisations and at all levels of management.

Q.4. Does mere planning ensure success?

Ans. No, efforts have to be made to get success.

Q.5. Give two examples of internal premises of planning.

Ans.

- a. Capital
- b. Raw Material.

Q.6. Give two examples of external premises of planning.

Ans.

- a. Government policies
- b. Business competition.

Q.7. What is meant by 'follow-up action' as the step involved in the planning process?

Ans. It means a constant review of plans so as to ensure success in the uncertain future.

Q.8. Name the type of plan in which the move of competitors is considered.

Ans. It is strategy.

Q.9. In which type of plans the sequence of activities to complete a job is determined?

Ans. Under procedure.

[3 marks]

Q.1. Explain the following features of planning:
2013]

[CBSE

Q. Planning involves decision making; and

Ans. Planning involves Decision Making: Planning becomes a necessity when there are many alternatives to do a job. A planner chooses the most appropriate alternative. Therefore, it can be asserted that planning is a process of selecting the best and rejecting the inappropriate. It is, therefore, observed that planning involves decision making.

Q. Planning is pervasive.

Ans. Planning is Pervasive: Since the job of planning is performed by the managers at different levels working in the enterprise, it is appropriate to call it all pervasive. Planning is an important function of every manager, he may be a managing director of the organisation or a foreman in a factory. The time spent by the higher level managers in the process of planning is comparatively more than the time spent by the middle-level and lower-level managers. It is, therefore, clear that all the managers working in an enterprise have to plan their activities.

Q.2. Explain the following as features of Planning:

[CBSE 2013]

Q. Planning is continuous; and

Ans. Planning is Continuous: Planning is a continuous process because:

- i. A plan is prepared for a particular period. Hence, there is need for a new plan after the expiry of that period.
- ii. In case of any discrepancy plans are to be revised.
- iii. In case of rapid changes in the business environment plans are to be revised.

Q. Planning is futuristic.

Ans. Planning is Futuristic: Planning decides the plan of action – what is to be done, how is it to be done, when is it to be done, by whom is it to be done, all these questions are related to future. Under planning, answers to these questions are found out. Since planning is concerned with future activities, it is called futuristic.

Q.3. Explain the following features of planning:
2013]

[CBSE

Q. Planning focuses on achieving objectives; and

Ans. Planning Focuses on Achieving Objectives: Management begins with planning and planning begins with the determining of objectives. In the absence of objectives no

organisation can ever be thought about. With the determining of objective, the way to achieve the objective is decided in the planning. In case, it is necessary to change the previously decided course of action for the attainment of objectives, there is no hesitation to do so. It is thus clear that planning is helpful in the attainment of objectives.

Q. Planning is a mental-exercise.

Ans. Planning is Known as a Mental-exercise as it is related to thinking before doing something. A planner has mainly to think about the following questions:

- i. What to do?
- ii. How to do it?
- iii. When to do it?
- iv. Who is to do it?

Q.4. How does planning provide direction?

Ans. Under the process of planning the objectives of the organisation are defined in simple and clear words. The obvious outcome of this is that all the employees get a direction and all their efforts are focussed towards a particular end. In this way, planning has an important role in the attainment of the objectives of the organisation.

Q.5. Explain the steps involved in the process of planning.

Ans. Following are the steps included in planning:

- i. **Setting Objectives:** In the planning process, objectives are determined and defined first of all.
- ii. **Developing Premises:** At this stage planning premises are developed. They affect the possible results of various alternates.
- iii. **Identifying Alternative courses of Action:** On the basis of the objectives of the organisation and limitations of planning, alternative courses of doing a particular work can be discovered.
- iv. **Evaluating Alternative Courses:** At this stage, it is seen as to what extent a particular alternative course can help in the attainment of objectives of the organisation.
- v. **Selecting of Alternative:** After careful analysis, the best alternative is selected.
- vi. **Implementing the Plan:** The next step is to implement the chief and the subsidiary plans.
- vii. **Follow up Action:** In the end, there is a constant review of plans so as to ensure success in the uncertain future.

Q.6. Why are rules considered to be plans?

Ans. Plan is a sort of commitment to accomplish all the activities needed for the attainment of special results. In this way, rules are also plans as they are helpful for the attainment of special results.

Q.7. Differentiate between 'Policy' and 'Rule' as types of Plans.

[CBSE 2011]

Ans.

Difference between Policy and Rule

Basis of Difference	Policy	Rule
1. Meaning	Policy is a general guideline which brings uniformity in decision making.	A rule is a statement that tells us what is to be done and what is not to be done in a particular situation.
2. Freedom in Decision	A manager can use his discretion while using policy.	A rule does not allow any discretion to the manager.

Q.8. Differentiate between 'Method' and 'Budget' as types of plans.

Ans.

Difference between Method and Budget

Basis of Difference	Methods	Budgets
1. Meaning	Method is that plan which determines how different activities of the procedure are completed.	Budgets describe the desired results in numerical terms.
2. Selection	There may be many methods to do a particular work. After extensive study a most suitable method has to be selected.	It is an instrument of both planning and controlling, hence no question of selection arises.

Q.9. Differentiate between 'Objective' and 'Strategy' as types of plans.

Ans.

Difference between Objective and Strategy

Basis of Difference	Objective	Strategy
1. Meaning	An objective is the end towards which all activities of the organisation are directed.	A strategy is a comprehensive plan formulated to achieve an objective
2. Main Element	An objective needs to be expressed in measurable terms and is to be achieved within a given time period.	The business environment needs to be taken into consideration whenever a strategy is formulated.

[4 marks]

Q.1. Explain 'objective' and 'policy' as types of plans using suitable examples.

Ans. Objectives: Objectives are those end points for the attainment of which all the activities are undertaken. It is a special target to be achieved by an organisation, e.g., it can be the objective of a school to impart education in the subject of commerce to 100 students during an year.

Policies: Policies are those general statements which are decided for the guidance of the employees while taking decision. Like Personnel Policy: Under this policy it can be decided that the basis for the promotion of employees will be their age. Once this is decided, no departmental manager will need the permission of the General Manager regarding the promotion of the employees.

Q.2. Clarify the difference between standing plans and single use plans.

Ans.

Difference between Standing and Single-use Plans

Basis of Difference	Standing Plans	Single-use Plans
1. Period	These plans are formulated for along period.	These plans are for a short periodand are repeatedly formulated in case of need.
2. Object	These plans are formulated to bring about informity in the decisions.	These plans are designed torun successfully some particular activities.
3. Types	They are of six types: i. Objectives, ii. Strategies, iii. Policies, iv. Procedures, v. Methods and vi. Rules	They are of two types: i. Budget and ii. Programme
4. Scope	They guide the managers inparticular matters like price policyand sales policy.	These plans guide in matters of daily routine.

Q.3. Explain 'Procedure' and 'Programme' as types of plans, with a suitable example.

Ans. Procedure: Procedures are those plans which determine the sequence of any work performance. For example, the recovery of money from the debtors can be done in the following order:

- a. Writing letters
- b. Contacting on telephone
- c. Meeting personally
- d. Taking legal action.

Programme: It refers to a plan that covers a relatively large organisational activities and specifies main steps, their order and timing and the department responsible for each step.

Q.4. Explain “Policy” and “Procedure” as types of plans.

[CBSE 2010]

Ans.

- i. **Policies:** Policies are those general statements which are decided for the guidance of the employees while taking decision. Their purpose is to lay down a limit within which a particular work can be done or a decision taken. Objectives decide what is to be achieved and the policies tell us how it can be achieved. Sometimes we hear the following in connection with policies:
Personnel Policy: Under this policy it can be decided that the basis for the promotion of employees will be their age. Once this is decided, no departmental manager will need the permission of the General Manager regarding the promotion of the employees.
- ii. **Procedures:** Procedures are those plans which determine the sequence of any work performance. For example, the recovery of money from the debtors can be done in the following order:
 - a. Writing letters
 - b. Contacting on telephone
 - c. Meeting personally
 - d. Taking legal action.This is the procedure of collecting money from all the debtors.

Q.5. Explain ‘objective’ and ‘strategy’ as types of plan.

[CBSE 2010]

Ans.

- i. **Objectives:** Objectives are those end points for the attainment of which all the activities are undertaken. It is a special target to be achieved by an organisation, e.g., it can be the objective of a school to impart education in the subject of commerce to 100 students during an year.
- ii. **Strategy:** It refers to a plan which takes into account the environmental opportunities and threats and the organisational strengths and weaknesses and provides an optimal match between the organisation and the environment.

