

**CBSE Test Paper - 04**  
**Chapter - 5 Organising**

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1. Right of an individual to command his subordinates is \_\_\_\_\_ **(1)**
  - a. Accountability
  - b. None of these
  - c. Responsibility
  - d. Authority
2. What is the last step in organising process? **(1)**
  - a. Assignment of duties
  - b. Establishing reporting relationship
  - c. Departmentalisation
  - d. Identification and division of work
3. What is the first step in organising process? **(1)**
  - a. Establishing reporting relationship
  - b. Assignment of duties
  - c. Departmentalisation
  - d. Identification and division of work
4. Which of the following arises from the formal position? **(1)**
  - a. Accountability
  - b. Responsibility
  - c. Authority
  - d. Social Groups
5. It refers to the systematic delegation of authority from top management to the lower level managers. Mention it. **(1)**
6. Define 'organising' as a function of management. **(1)**
7. Which term denotes "The number of subordinates that can be effectively managed by a superior? **(1)**
8. What is organisational structure designed and established by management called as? **(1)**
9. Atul joins as a Regional Sales Head in the export division of a FMCG (fast moving consumer goods) company. In a departmental meeting, he asks one of this subordinates, Manik, to take charge of the company's new office in Dubai. He

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allocates the work to him and grants the necessary authority. However, within a month by seeking regular feedback on the extent of work accomplished from Manik, Atul realises that Manik is not doing the work as per his expectations. So he takes away the authority delegated to him and re delegates the work to Prakrit. Due to the time wasted in this switch over, the work at the Dubai office suffers tremendously and the company is not able to meet its desired goals.

In context of the above case:

- a. Why is Manik supposed to give regular feedback about work to Atul?
- b. Can the authority granted to a subordinate be taken back and re-delegated to another person?
- c. Can Manik be held responsible for not meeting the work related expectations of Atul? Give a suitable reason in support of your answer.
- d. Differentiate between authority, responsibility and accountability on the basis of origin and flow. **(3)**

10. State any three limitations of informal organisation. **(3)**

11. Explain

- i. Adaptation to change
- ii. Effective administration as importance of organising. **(4)**

12. How overburdened manager take help from his subordinates? Explain the three important things which he should keep in mind while taking such help. **(4)**

13. "A manager is of the view that he is not responsible for the quality of work that he has delegated to his subordinate." Do you agree with his viewpoint? Justify your answer by giving proper argument. **(5)**

14. Explain the concept of functional structure. Also, explain any four disadvantages of functional structure. **(5)**

15. "Organising considered an important function of management". Explain briefly. **(6)**

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**Answer**

1. d. Authority

**Explanation:**

Authority is the right to take decision because of managerial position. It determines superior subordinate relationship. It arises through scalar chain in formal organisations due to various job positions. Thus authority is a right to command ones subordinates.

2. b. Establishing reporting relationship

**Explanation:**

The steps are

- i. Division of work
- ii. Grouping the jobs and departmentalisation
- iii. Assignment of duties
- iv. **Establishing reporting relationship**

3. d. Identification and division of work

**Explanation:**

The steps are

1. **Identification and division of work**
2. Grouping the jobs and departmentalisation
3. Assignment of duties
4. Establishing reporting relationship

4. c. Authority

**Explanation:**

Authority is the right to take decision due to formal managerial position. It determines superior subordinate relationship. It flows downward from superior to subordinate.

5. Decentralization of power means transferring power from the top to the lower level.
6. Organizing is the function of management, which tasks to identify and grouping

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different activities in organization bringing together the financial, physical and human resources to most productive relation to achieving the goal of the organization.

7. The span of control means how many people can be managed by a manager.
8. Formal organisation: Formal organization is a well-defined structure of authority and responsibility that defines delegation of authority and relationships amongst the organizational members.
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S.No.	Basis	Authority	Responsibility	Accountability
1.	Origin	Arises from a formal position in the organisation.	Arises from delegated authority	Arises from responsibility
2.	Flow	Flows downward from superior to subordinate.	Flows upward from subordinate to superior.	Flows upward from subordinate to superior.

- i. Manik is supposed to give regular feedback about work to Atul as he has been granted authority and entrusted responsibility, so he remains answerable for the outcome. Authority is institutionalized and legal power inherent in a particular job, function, or position that is meant to enable its holder to successfully carry out his or her responsibilities. Responsibility is a duty or obligation to satisfactorily perform or complete a task (assigned by someone, or created by one's own promise or circumstances) that one must fulfill, and which has a consequent penalty for failure.
- ii. Yes, the authority granted to a subordinate can be taken back and re-delegated to another person. Delegation of authority is the base of a superior-subordinate relationship.
- iii. Yes, Manik can be held responsible for not meeting the work-related expectations of Atul as it is the obligation of a subordinate to perform the assigned duty to the best of his ability and skill.
10. The following are the limitations of an Informal Organization:

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- i. The outlook of the employees becomes unprofessional.
  - ii. Due to the lack of Formal Communication, the intensity of the communication process falls below par.
  - iii. The employees waste their precious time in unproductive activities rather than utilizing it for the development of the organization.
11. i. **Adaptation to change:** The process of organising allows a business enterprise to accommodate changes in the business environment. It allows the organisation structure to be suitably modified and the inter-relationships amongst various managerial levels to pave the way for a smooth transition. The organization structure should be developed in such a way that whenever the need for modification arises, necessary changes could be easily incorporated. Not only this, through the delegation of authority, the transformation of the subordinates takes place which makes him potent to take over the charge from his superior in the near future.
- ii. **Effective administration:** Organising provides a clear description of jobs and related duties. This helps to avoid confusion and duplication. Clarity in working relationships enables proper execution of work. Management of an enterprise thereby becomes easy and this brings effectiveness in administration.
12. He can take the help of 'Delegation of Authority'.

The three important things that a manager should keep in mind are the following :

- i. Responsibility
  - ii. Authority; and
  - iii. Accountability.
13. No, I do not agree with this. A manager can assign duties and delegate authority to his subordinates. However, he cannot turn a blind eye to how the duties are performed and how the delegated authority is being exercised. Manager remains accountable for the performance of work that he had delegated to his subordinates.

Authority can be delegated but responsibility can never be delegated. Responsibility of subordinates is "performance" and that of managers is "responsibility for the

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action of their subordinates”.

14. Functional structure refers to that organisational structure which is formed by grouping the activities and people on the basis of function.

Disadvantages of functional structure:

- i. Functional empire: Employees become so involved in achieving their departmental goals that they ignore overall organisational goal. For example, The production department may be so involved in producing a quality product without regard to the fact that it might not have a demand in the market. Such practices leads to functional empires, where departmental functions are given more importance.
- ii. Difficulty in coordination and decision-making: As organisation grows, departments may also become too large which may lead to difficulty in coordination and delay in decision-making.
- iii. Conflicts: Conflict of interests may arise when the interests of two or more departments are not compatible. For example, the sales department insisting on a customer friendly design, which may cause production difficulties.
- iv. Inflexibility: It may lead to inflexibility as people with same skills and knowledge base may develop a narrow perspective and thus, have difficulty in appreciating any other point of view.

15. Organizing is a function by which the concern is able to define the role positions, the jobs related and the co-ordination between authority and responsibility. Organizing is the next important function of management after the planning. In case of planning the management decides what is to be done in future.

Importance of Organising

1. **Specialization** - Organizational structure is a network of relationships in which the work is divided into units and departments. This division of work is helping in bringing specialization in various activities of concern.
2. **Clarity in working relationships**: The process of organising clarifies the authority of the managers of different departments. Each manager knows whom can he order and for which tasks. This minimises the conflict and confusion about the respective powers and privileges of managers.

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3. **Optimum utilization of resources:** Organising leads to the proper usage of all material, financial and human resources. The proper assignment of jobs avoids overlapping of work and also makes possible the best use of resources. Avoidance of duplication of work helps in preventing confusion and minimising the wastage of resources and efforts.
  4. **Adaptation to change:** Flexible organisation structure facilitates adaptation in the sense that it ensures the ability to adapt and adjust the activities in response to the changes taking place in the external environment with respect to technology, market, product, process etc. Organizing helps the enterprise to adjust itself as per changing circumstances by suitably modifying the organisation structure like duties, rights and responsibility of employee. For example, if one employee leaves the organisation, then his work may easily be taken up by the another employee.
  5. **Development of personnel:** In the process of organising, managerial personnel are trained to acquire wide experience in diverse activities through delegation of authority. Delegation allows the managers to reduce their workload by assigning routine jobs to their subordinates. It gives them time to concentrate on strategic issues and explore new areas for growth. Delegation also develops in the subordinate the ability to deal effectively with challenges and helps them to realise their full potential.