

CBSE Test Paper - 02
Chapter - 5 Organising

1. _____ is helpful in reducing the burden of the manager **(1)**
 - a. Centralisation
 - b. None of these
 - c. Decentralisation
 - d. Delegation
2. Which of the following cannot be delegated? **(1)**
 - a. Authority
 - b. Accountability
 - c. Responsibility
 - d. None of these
3. Centralisation refers to **(1)**
 - a. Creating divisions as profit centers
 - b. Opening new centers or branches
 - c. Dispersal of decision making authority
 - d. Retention of decision making authority
4. _____ is helpful in increasing the role of the subordinates in the organisation **(1)**
 - a. Centralisation
 - b. None of these
 - c. Decentralisation
 - d. Delegation
5. 'Himalaya Ltd', is engaged in manufacturing of washing machines. The target of the organisation is to manufacture 500 washing machines a day. There is an occupational specialisation in the organisation which promotes the efficiency of employees. There is no duplication of efforts in such type of organisation structure. Identify the type of organisation structure described above. **(1)**

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6. State the limitation of informal organisation. **(1)**
 7. Organising leads to a systematic allocation of jobs amongst the workforce. Which importance of organizing is stated here? **(1)**
 8. What is meant by 'divisional structure' of an organisation? State its any two advantages. **(1)**
 9. Aradhana and Gandharv are heads of two different department in 'Yumco Ltd'. They are efficient managers and are able to motivate the employee of their respective department to improve performance. However, their drive to excel in their own sphere of activity instead of giving emphasis on objective of the enterprise had hindered the interaction between the departments that Aradhana and Gandharv are heading. Of then there are interdepartmental conflicts and they have become incompatible. This has proved to be harmful in the fulfillment of the organizational objective. The situation has deteriorated to such an extent that the CEO of /Yumco Ltd' has hired a consultant Rashmi to resolve the problem. After studying the situation closely, Rashmi found that the problem arisen due to inflexibility and a narrow perspective on the part of both Aradhana and Gandharv. She is of the view that this situation is a result of the type of organizational structure 'Yumco Ltd/ has adopted. From the above information identify the organizational structure adopted by 'Yumco', and state any three advantage of the structure so identified. **(3)**
 10. Ishita works as a corporate event coordinator in an event management company. She has been made an overall official incharge for organizing a painting exhibition for one of the clients of the company. For ensuring that the exhibition takes place successfully, she identifies the various activities involved and divides the whole work into various task groups like marketing committee, decoration committee and reception committee. In order to facilitate coordination within and among committees, she appoints a supervisor of each group. Each member in the group is asked to report to their respective supervisors and all the supervisors are expected to work as per Ishita's orders.
In context of the above case:
 - a. Identify the function of management being performed by Ishita.

b. Describe briefly the various steps involved in the performance of the function of management as identified in part (a) of the question. **(3)**

11. Difference between delegation of authority and decentralisation on the basis of:

- i. Nature
- ii. Purpose
- iii. Freedom of action
- iv. Level of authority. **(4)**

12. Aman runs a factory wherein he manufactures leather shoes. The business is doing well and he intends to expand by diversifying into leather bags as well as leather jackets. Which type of organisation structure would you recommend for his expanded organisation and why? Give two reasons. **(4)**

13. A manager is of the view that he is not responsible for the quality of work that he has delegated to his subordinates.

Do you agree with this view point? Justify your answer by giving proper arguments. **(5)**

14. Explain the limitations of informal organization? **(5)**

15. How does informal organisation support the formal organisation? **(6)**

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Answer

1. d. Delegation

Explanation:

The managers can not perform all the tasks on their own. To reduce their burden, managers delegate their less important work to their subordinates. So that the managers can concentrate on their important work.

2. b. Accountability

Explanation:

Principle of Absoluteness applies to Accountability. It means it can never be passed or delegated. The superior always remain accountable for the work delegated to the subordinates.

3. d. Retention of decision making authority

Explanation:

Centralisation refers to concentration of power or decision making authority in the hands of top level management. The middle and lower level of managers have less freedom of actions.

4. c. Decentralisation

Explanation:

Decentralisation refers to distribution of power and authority at every level of management. Thus it increases the role of subordinates and provides them more autonomy.

5. The word 'Occupational Specialization' in the above para clarifies that such type of organizational structure is known as Functional organisational structure
6. Informal organisation does not form systematic working .
7. Systematic allocation of jobs is possible only when there is specialization in the workforce which is made possible through the 'Organising' function of Management.

8. Divisional Structure of Organization refers to the specialization not only in terms of the functions performed but also on the basis of the product line of the organization. Advantages of the divisional structure are as follows

- i. Supreme Specialization: The specialization in terms of product line and functions performed makes the management effective.
- ii. It promotes flexibility and initiative.

9. **Organisational structure** adopted by Yumco Ltd. Is '**Functional Organisational Structure**.'

Advantages:

- i. **Specialization:** A functional structure that leads to occupational specialisation since emphasis is placed on specific functions.
- ii. **Efficiency:** It helps in increasing managerial and operational efficiency and this results in increased profit.
- iii. **Minimises Costs:** It leads to minimum duplication of effort which results in economies of scale and thus reduces cost.

10. i. The Organising function of management is being performed by Ishita. Organizing in management refers to the relationship between people, work and resources used to achieve the common objectives (goals).
- ii. The steps involved in the process of organizing are as follows:
- a. In this general eight-stepped process, the top management first fixes the common objectives of the organisation.
 - b. In the second step, they (top management) identify all the activities (i.e. works or jobs) which are required to achieve these predefined objectives.
 - c. In the third step, they group similar (related) activities and make their individual departments.
 - d. In the fourth step, they define the responsibilities (duties) of all the staff members (employees and managers).
 - e. In the fifth step, they delegate authority to staff members.
 - f. In the sixth step, the authority relationships between superiors and subordinates are established.
 - g. In the seventh step, they provide the staff members with all the essential

requirements like money, machines, materials, etc., which are used for achieving the objectives.

- h. In the eighth final step, they co-ordinate the efforts of all staff members and direct it towards achieving the common objectives of the organisation.

11.

Delegation of Authority	Basis	Decentralisation
Delegation of authority is a compulsory act.	Nature	Decentralisation is an optional policy decision.
The main purpose is to lessen the burden of the manager.	Purpose	The main purpose is to increase the role of the subordinates in the organisation by giving them more autonomy.
There are less freedom to take own decisions as there is more control by superiors	Freedom of action/Control	There is greater freedom of action as there is less control over executives.
The maximum authority is retained at top level.	Level of authority	Authority is systematically distributed at every level.

12. I would recommend the divisional organizational structure.

This is because:

- i. The product line is diversified.
- ii. Specialization in terms of the products would be achieved.

13. I do not agree with the view-point of the manager, as authority can be delegated, but responsibility cannot be delegated by a manager. The manager remains responsible to his own superior for the tasks, which he may have assigned to his subordinate. In other words, the manager cannot escape his responsibility for any default or mistake on the part of his subordinates. The process of delegation does not relieve the manager of his own responsibility.

14. **Limitations of Informal Organisation:**

- i. **Creates Rumours:** Sometimes informal organisation becomes a disturbing force,

which can go against organisational interests, e.g., spreading rumours in the organisation.

- ii. **Resistance to change:** It is very difficult for management to bring changes in the organisation if the informal organisation opposes them. Such resistance may restrict growth of the organisation.
- iii. **Pressure of group norms:** In case of informal organisation, people are under pressure to observe group norms. This can be harmful to the organisation if the norms set by the group are against organisational interests.

15. Informal organization plays an important role in the efficient functioning of a formal organization. The informal structure is based on formal structure, if there is no formal structure there will be no job position, no role clarity and there will be an absence of reporting relationship.

The informal organization supports a formal organization in the following ways:

- i. **Faster communication:** Informal organization leads to a faster spread of information as well as quick feedback because it follows independent channels of communication as there is no fixed line of communication.
- ii. **Fulfills social needs:** It fulfills the social and cultural needs of the members. People interact beyond their officially defined roles. This enhances their job satisfaction because it develops a sense of belongingness in the organization.
- iii. **Achievement of organizational objectives:** It plays an important role in achieving organizational objectives. They can help each other, share their experiences and discuss their views and ideas without any hesitation. This leads to achieve the organizational objectives. Informal Organization, in a way, helps in following the principle of Harmony, not Discord.