

Remembering-based Questions

[1 mark]

Q.1. What is meant by 'Planning'?

Ans. It refers to thinking before hand.

Q.2. State any two points of the importance of planning.

Ans.

- a. It provides direction.
- b. It reduces risks of uncertainty.

Q.3. State first two steps in the process of planning.

Ans.

- a. Setting objectives
- b. Developing premises.

Q.4. Define 'Planning premises'.

[CBSE Sample

Paper 2015]

Ans. It refers to make certain assumptions about the future.

Q.5. Give the meaning of 'Policy' as a type of plan.

[CBSE 2014, 2015]

Ans. Policy is a general guideline which brings uniformity in decision making for achievement of predetermined objectives.

Q.6. Give the meaning of 'objective' as type of plan.

[CBSE 2015]

Ans. Objectives are those end points for the attainment of which all the activities are undertaken.

Q.7. Give the meaning of 'Method' as a type of plan.

Ans. It refers to that plan which determines how different activities of the procedure are completed.

Q.8. Define Planning.

[CBSE

2015]

Ans. According to Koontz and O'Donnell, "Planning is deciding in advance what to do, how to do it, when to do it, and who is to do it." In other words, planning refers to

thinking before hand. It involves the anticipation of future course of events and give it a desired direction.

Q.9. Give the meaning of 'Programme' as a type of plan.
2015]

[CBSE

Ans. 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.10. Give one difference between Policy and Procedure.

Ans. Policies are guide to thinking while procedures are guide to action.

Q.11. What is meant by "single use plan?"
2016]

[CBSE Sample Paper

Ans. It refers to a plan that used to meet the needs of a particular or unique situation.

[3 marks]

Q.1. What is meant by 'Planning'? List any two features of planning. [CBSE 2010]

Ans. Planning refers to thinking before hand. Under this it is decided — what is to be done, how it is to be done, when it is to be done and by whom it is to be done.

Features:

- i. It focuses on achieving objectives.
- ii. It is primary function of management.

Q.2. Explain any three limitations of planning.
[CBSE 2016]

Ans. Limitation of Pninglan: Following are the limitations of planning:

- i. **Planning Creates Rigidity:** Although the quality of flexibility is inherent in planning, but it must be admitted that only small changes are possible. Big changes are neither possible nor in the interest of the organisation. Since it is not possible to introduce desired changes according to the changed situations, the organisation loses many chances of earning profits.
- ii. **Planning does not work in a Dynamic Environment:** Planning is based on the anticipation of future happenings. Since future is uncertain and dynamic, therefore, the future anticipations are not always true. Therefore, it can be said that planning does not work in dynamic environment.
- iii. **Planning Reduces Creativity:** Under planning all the activities connected with the attainment of objectives of the organisation are pre-determined. Consequently, everybody works as they have been directed to do and as it has

been made clear in the plans. Therefore, it checks their incisiveness. It means that they do not think about appropriate ways of discovering new alternatives.

Q.3. What do you mean by Standing and Single-use Plans?

Ans.

- i. **Standing Plans:** It refers to those plans which are formulated once and they are repeatedly used.
- ii. **Single-use Plan:** It refers to those plans which are formulated to solve some special problems and these plans end the moment the problem is solved.

Q.4. What is meant by 'Programme' as a type of Plan?

Ans. A programme means a single-use comprehensive plan laying down the what, how, who and when of accomplishing a specific job. Through programme the managers are informed in advance about various needs so that there is no problem in future. Introduction of a new product in the market is an example of a programme.

Q.5. Explain 'Method' as one of the types of plans. [CBSE 2013]

Ans. Method is that plan which determines how different activities of the procedure are completed. A method is not related to all steps but only to one step of the procedure. It is more detailed than procedure. There may be many methods to do a particular work. After extensive study, a method has to be selected from which a worker feels minimum fatigue, increase in productivity and there is reduction in costs.

Q.6. Explain any three features of 'Planning.' [CBSE 2016]

Ans. Features of Planning:

- i. **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. It is thus clear that planning is helpful in the attainment of objectives.
- ii. **Planning is Primary Function of Management:** Planning is the first important function of management. The other functions, e.g., organising, staffing, directing and controlling come later. In the absence of planning no other function of management can be performed. This is the base of other functions of management.
- iii. **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.

Q.7. Explain 'Strategy' as one of the types of plans.

[CBSE 2013]

Ans. It refers to a plan which takes into account the environment opportunities and threats and the organisational strengths and weaknesses and provides an optimal match between the organisational and the environment.

It includes the following three dimensions:

- i. Determining long-term objectives.
- ii. Adopting a particular course of action to achieve objectives.
- iii. Allocating resources necessary to achieve the objectives.

Q.8. Explain any three points of importance of planning.

[CBSE 2016]

Ans. Importance of Planning: The following facts show the advantages of planning and its importance for a business organisation:

1. **Planning Provides Direction:** 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.
2. **Planning Reduces Risks of Uncertainty:** Planning is always done for future and future is uncertain. With the help of planning possible changes in future are anticipated and various activities are planned in the best possible way. In this way, the risk of future uncertainties can be minimised.
3. **Planning Reduces Overlapping and Wasteful Activities:** Under planning, future activities are planned in order to achieve objectives. Consequently, the problems of when, where, what and why are almost decided. This puts an end to disorder and suspicion. In such a situation coordination is established among different activities and departments. It puts an end to overlapping and wasteful activities.

Q.9. Define 'Planning'. Explain the first two steps in the process of planning.

[CBSE 2016]

Ans. Meaning of Planning: It refers to thinking before band.

Steps in the Process of Planning:

- i. **Setting Objectives:** Objectives are those end points for whose attainment all the activities are undertaken. In the planning process objectives are determined and defined first of all so that all the employees concerned can be informed about them to get their complete cooperation. Objectives have a hierarchy of their own,

e.g., organisational objectives, departmental objectives, and individual objectives. They are determined and defined in the same hierarchical order.

- ii. **Developing Premises:** The basis of planning are those factors/assumptions which influence the possible results of different alternatives. Before taking a final decision about any alternative a forecast of these assumptions is made. The rate of success of planning will be in direct proportion to the rate of the success of forecasting. The assumptions/premises of planning are of two types:
 - a. *Internal Premises:* Capital, labours, raw material, machinery, etc.
 - b. *External Premises:* Governmental policies, business competition, tastes of customers, rate of interest, rate of taxes, etc.

[4/5 marks]

Q.1. What are the main features to be considered by the management while planning?

OR

Explain any five features of planning.

[CBSE 2012, 2013, 2014, 2015]

Ans. Following are the features of planning:

- i. **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. It is thus clear that planning is helpful in the attainment of objectives.
- ii. **Planning is Primary Function of Management:** Planning is the first important function of management. The other functions, e.g., organising, staffing, directing and controlling come later. In the absence of planning no other function of management can be performed. This is the base of other functions of management.
- iii. **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.
- iv. **Planning is Continuous:** Planning is a continuous process because:
 - a. A plan is prepared for a particular period. Hence, there is need for a new plan after the expiry of that period.
 - b. In case of any discrepancy plans are to be revised.
 - c. In case of rapid changes in the business environment plans are to be revised.
- v. **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. While an effort is made to find out these answers, the possibility of

social, economic, technical and changes in legal framework are kept in mind. Since planning is concerned with future activities, it is called futuristic.

Q.2. Define 'Planning'. State any four points of importance of planning.

[CBSE 2014]

Ans. Definition of Planning: According to Koontz and O'Donnell, "Planning is deciding in advance what to do, how to do it, when to do it, and who is to do it."

Importance of Planning: The following facts show the advantages of planning and its importance for a business organisation:

1. **Planning Provides Direction:** 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.
2. **Planning Reduces Risks of Uncertainty:** Planning is always done for future and future is uncertain. With the help of planning possible changes in future are anticipated and various activities are planned in the best possible way. In this way, the risk of future uncertainties can be minimised.
3. **Planning Reduces Overlapping and Wasteful Activities:** Under planning, future activities are planned in order to achieve objectives. Consequently, the problems of when, where, what and why are almost decided. This puts an end to disorder and suspicion. In such a situation coordination is established among different activities and departments. It puts an end to overlapping and wasteful activities.
4. **Planning Promotes Innovative Ideas:** It is clear that planning selects the best alternative out of the many available. All these alternatives do not come to the manager on their own, but they have to be discovered. While making such an effort of discovery, many new ideas emerge and they are studied intensively in order to determine the best out of them. In this way, planning imparts a real power of thinking in the managers. It leads to the birth of innovative and creative ideas.

Q.3. State any five limitations of planning.

[CBSE 2012, 2013, 2014]

Ans. Following are the limitations of planning:

- i. **Planning Creates Rigidity:** Although the quality of flexibility is inherent in planning, but it must be admitted that only small changes are possible. Big changes are neither possible nor in the interest of the organisation. Since it is not possible to introduce desired changes according to the changed situations, the organisation loses many chances of earning profits.
- ii. **Planning does not work in a Dynamic Environment:** Planning is based on the anticipation of future happenings. Since future is uncertain and dynamic,

therefore, the future anticipations are not always true. Therefore, it can be said that planning does not work in dynamic environment.

- iii. **Planning Reduces Creativity:** Under planning all the activities connected with the attainment of objectives of the organisation are pre-determined. Consequently, everybody works as they have been directed to do and as it has been made clear in the plans. Therefore, it checks their incisiveness. It means that they do not think about appropriate ways of discovering new alternatives.
- iv. **Planning Involves Huge Costs:** Planning is a small work but its process is really big. Planning becomes meaningful only after traversing a long path. It takes a lot of time to cover this path. During this entire period the managers remain busy in collecting a lot of information and analysing it. In this way, when so many people remain busy in the same activity, the organisation is bound to face huge costs.
- v. **Planning is a Time Consuming Process:** Planning is a blessing in facing a definite situation but because of its long process it cannot face sudden emergencies. In such a situation, if the manager thinks of completing the planning process before taking some decision, it may be possible that the situations may worsen or the chance of earning profit may slip away. Thus, planning is time consuming and it delays action.

Q.4. State any three advantages and any two limitations of 'Planning'.
[CBSE 2012]

Ans. Advantages of Planning:

- i. **Planning provides Direction:** 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.
- ii. **Planning reduces Risks of Uncertainty:** Planning is always done for future and future is uncertain. With the help of planning, possible changes in future are anticipated and various activities are planned in the best possible way. In this way, the risk of future uncertainties can be minimised.
- iii. **Planning reduces Overlapping and Wasteful Activities:** Under planning, future activities are planned in order to achieve objectives. Consequently, the problems of when, where, what and why are almost decided. This puts an end to disorder and suspicion. In such a situation coordination is established among different activities and departments. It puts an end to overlapping and wasteful activities.

Limitations of Planning:

- i. **Planning Creates Rigidity:** Although the quality of flexibility is inherent in planning, but it must be admitted that only small changes are possible. Big changes are neither possible nor in the interest of the organisation. Since it is not

possible to introduce desired changes according to the changed situations, the organisation loses many chances of earning profits.

- ii. **Planning does not work in a Dynamic Environment:** Planning is based on the anticipation of future happenings. Since future is uncertain and dynamic, therefore, the future anticipations are not always true. Therefore, it can be said that planning does not work in dynamic environment.

Q.5. What are the steps taken by management in the planning process?

Ans. Following are the steps of planning process:

- i. **Setting Objectives:** Objectives are those end points for whose attainment all the activities are undertaken. In the planning process objectives are determined and defined first of all so that all the employees concerned can be informed about them to get their complete cooperation. Objectives have a hierarchy of their own, e.g., organisational objectives, departmental objectives, and individual objectives. They are determined and defined in the same hierarchical order.
- ii. **Developing Premises:** The basis of planning are those factors/assumptions which influence the possible results of different alternatives. Before taking a final decision about any alternative a forecast of these assumptions is made. The rate of success of planning will be in direct proportion to the rate of the success of forecasting. The assumptions/premises of planning are of two types:
 - a. *Internal Premises:* Capital, labours, raw material, machinery, etc.
 - b. *External Premises:* Governmental policies, business competition, tastes of customers, rate of interest, rate of taxes, etc.
- iii. **Identifying Alternative Courses of Action:** Generally, there is no work which has no alternative method of doing it. On the basis of the objectives of the organisation and the 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 the objectives of the organisation. There is, however, one problem which confronts us while analysing these alternative courses. Every alternative course has its merits and demerits. In such a situation the planners should evolve a new alternative course by a mixture of different alternative courses.
- v. **Selecting an Alternative:** After a careful analysis of different alternatives the best one is selected. Sometimes the analysis yields more than one alternative course with similar merits. Keeping in view the uncertainties of future it is justifiable to select more than one good alternative course. One of such alternatives is adopted and the other is kept in reserve. In case the future forecast proves wrong and the first alternative course fails, the reserve one can immediately be brought into operation and failure can be averted.
- vi. **Implementing the Plan:** After having decided the chief plan and the subsidiary plans, they are to be implemented. After implementing the plans the sequence of different activities has to be decided. In other words, it is decided as to who will do a particular job and at what time.

- vii. **Follow Up Action:** The process of planning does not end with the implementation of plans. Plans are formulated for future which is uncertain. It is of great importance that there is a constant review of plans so as to ensure success in the uncertain future. The moment there appears to be changes in the assumptions on which the plans are based, there should be corresponding changes in the plans also. In this way we can say planning is a continuously moving process

Q.6. Explain, in brief, any five types of plans.

Ans. Following are the types of plans:

- 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.
- iii. **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.
- iv. **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.
- v. **Methods:** Method is that plan which determines how different activities of the procedure are completed. A method is not related to all steps but only to one step of the procedure. It is more detailed than procedure. There may be many methods to do a particular work. After extensive study, a method has to be selected from which a worker feels minimum fatigue, increase in productivity and there is reduction in costs.