

**CBSE Test Paper - 03**  
**Chapter - 8 Controlling**

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1. Controlling cannot prevent \_\_\_\_\_ (1)
  - a. Setting Standards
  - b. Deviations
  - c. Order and Discipline
  - d. Comparision of Actual and planned standards
2. Management control is done by the \_\_\_\_\_ (1)
  - a. Managers at Lower Level
  - b. All of these
  - c. Managers at Middle Level
  - d. Managers at Top Level
3. Setting a standard time, say, 6 hours to perform a task is an example of \_\_\_\_\_ (1)
  - a. None of these
  - b. Qualitative Standards
  - c. Qualitative and Quantitative Standards
  - d. Quantitative Standards
4. If there is lack of motivation among employees, suggest one better corrective action (1)
  - a. Providing Suitable incentives
  - b. Deal Strictly
  - c. New Recruitment
  - d. Warning to employees
5. In controlling, why is actual performance compared with standards? (1)
6. Why is actual performance compared with standards in the process of controlling? (1)
7. It helps to minimize dishonest behavior on the part of the employees by keeping close check on their activities. Mention the importance of controlling indicated here. (1)
8. Employees know well in advance what they are expected to do and what are the standards of performance on the basis of which they will be appraised, which in turn helps them to give better performance. Which importance of controlling is

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highlighted here? **(1)**

9. Does control help in 'judging the accuracy of standards' and 'improving motivation of the employees'? Explain. **(3)**
10. "Control is forward looking". Explain. **(3)**
11. Controlling is a systematic process involving a series of steps. Explain. **(4)**
12. Taking corrective/remedial action is the last step in the process of one of the functions of management, (a) Name the function; (b) Explain the other steps of the above mentioned function. **(4)**
13. A company was manufacturing LED bulbs which were in great demand. It was found that the target of producing 300 bulbs a day was not met by the employees. On analysis, it was found that the workers were not at fault. Due to electricity failure and a shortage of workers, the company was not able to achieve the set targets and alternative arrangements were needed. To meet the increased demand, the company assessed that approximately 88 additional workers were required out of which 8 would work as heads of different departments and 10 would work as subordinates under each head. The required qualifications and job specifications were also enlisted. It was also decided that necessary relaxations should be given to encourage women, people from backward and rural areas and people with special abilities to assume responsible positions in the organizations. All efforts were made to match the ability of the applicants with the nature of work.
  - a. Identify the functions of management discussed above.
  - b. State the two steps in the process of each function discussed in the above paragraph.
  - c. List any two values which the company wants to communicate to society. **(5)**
14. State any five points that highlight the importance of controlling. **(5)**
15. You are a management expert. You have been asked by a business firm to make its managers understand the importance of controlling function of management. How will you explain this to the manager. **(6)**

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**Answer**

1. b. Deviation

**Explanation:**

control as a function identifies deviations between the actual and set standard of a task.

2. b. All of these

**Explanation:**

All functions of management like planning, co-ordinating, controlling, directing, communicating etc is an all inclusive and pervasive function performed by people working at any level in the organisation. For example the lower level employees also plans his activity, co-ordinates with fellow colleagues and higher up supervisors and also works to meet the standards of performance set by him or his superiors to ensure that the work performance meets the organizational goals.

3. d. Quantitative Standards

**Explanation:**

Setting standard can be qualitative and quantitative or both. Quantitative standards are the bench marks that are laid in measurable terms. Thus, assigning a specific time schedule to execute a task is measurable making it a quantitative standard.

4. a. Providing Suitable incentives

**Explanation:**

The audit of work done may show negative deviations due to many reasons. The reasons may be external or internal. One of the reasons for low or average performance of employees is lack of motivation or low morale among the workforce. This has to be corrected to see that performance does not get affected. The most impressive and effective corrective action is designing suitable incentives to boost performance. While designing suitable incentives organizations need to focus on the performance bench marks that would make

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employees aspire to earn the incentives.

5. The primary objective in controlling step is to compare the actual performance with standards to find out the deviations and differences. So that corrective actions can be taken to achieve the planned performance.
6. While performing the function of controlling, a manager compares the actual work performance with the standard ones because he tries to find out whether the actual performance is more or less than the standards and find out the deviations. If there is any deviation then a manager has to take corrective measures as per the requirement.
7. Ensuring order and discipline.
8. Helps in performance appraisal
9. Controlling is the last step in the management process. When the staffing is done, the employee controlling is helpful in evaluating their performance and trying to remove the flaws in their work, if we talk about motivation, their performance needs some additional external push to get them working on a particular task. If your control over your employees is good you can achieve the desired goals in minimal time.
10. Controlling is a forward looking function of management. All actions taken in the name of controlling directly or indirectly helps the organization to get better performance in future.

Controlling is like planning, ideally forward looking, and the best kind of managerial control corrects deviations from plans before they occur.

11. Yes, controlling is a systematic process which involves the following steps:
  - i. **Establish the Standards:** Within an organization's overall strategic plan, managers define goals for organizational departments in specific, precise, operational terms that include standards of performance to compare with organizational activities. However, for some of the activities the standards cannot be specific and precise. Standards, against which actual performance will be compared, may be derived from past experience, statistical methods and benchmarking (based upon best industry practices). As far as possible, the

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standards are developed bilaterally rather than top management deciding unilaterally, keeping in view the organization's goals. Standards may be tangible (clear, concrete, specific, and generally measurable) – numerical standards, monetary, physical, and time standards; and intangible (relating to human characteristics) – desirable attitudes, high morale, ethics, and cooperation.

- ii. **Measure Actual Performance:** Most organizations prepare formal reports of performance measurements both quantitative and qualitative (where quantification is not possible) that the managers review regularly. These measurements should be related to the standards set in the first step of the control process.
- iii. **Compare Performance with the Standards:** This step compares actual activities to performance standards. When managers read computer reports or walk through their plants, they identify whether actual performance meets, exceeds, or falls short of standards. Typically, performance reports simplify such comparison by placing the performance standards for the reporting period alongside the actual performance for the same period and by computing the variance—that is, the difference between each actual amount and the associated standard. The manager must know of the standard permitted variation (both positive and negative). Management by exception is most appropriate and practical to keep insignificant deviations away. Timetable for the comparison depends upon many factors including importance and complexity attached with importance and complexity.
- iv. **Take Corrective Action and Reinforcement of Successes:** When performance deviates from standards, managers must determine what changes, if any, are necessary and how to apply them. In the productivity and quality-centered environment, workers and managers are often empowered to evaluate their own work. After the evaluator determines the cause or causes of deviation, he or she can take the fourth step— corrective action. The corrective action may be to maintain status quo (reinforcing successes), correcting the deviation, or changing standards. The most effective course may be prescribed by policies or may be best left up to employees' judgment and initiative. The corrective action may be immediate or basic (modifying the standards themselves).

12. i. Controlling.

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ii. **The other steps of controlling are:**

- a. Setting performance standards: Making plans in quantitative or qualitative forms.
- b. Measurement of actual performance: Seeing the present or current performance.
- c. Comparing actual performance with standards.
- d. Analysing deviations: Whether positive or negative.

13. a. The functions of management discussed above are Staffing and Controlling.

**Staffing** can be defined as one of the most important functions of management. It involves the process of filling the vacant position of the right personnel at the right job, at right time. Hence, everything will occur in the right manner.

It is a truth that human resource is one of the greatest for every organization because in any organization all other resources like- money, material, machine etc. can be utilized effectively and efficiently by the positive efforts of human resource.

Therefore it is very important that each and every person should get right position in the organization so as to get the right job, according to their ability, talent, aptitude, and specializations so that it will help the organization to achieve the pre-set goals in the proper way by the 100% contribution of manpower. Thus it can be said that it is staffing is an essential function of every business organization. From this, we can understand what is Staffing? **Controlling** is one of the important functions of a manager. In order to seek planned results from the subordinates, a manager needs to exercise effective control over the activities of the subordinates. In other words, the meaning of controlling function can be defined as ensuring that activities in an organization are performed as per the plans. Controlling also ensures that an organization's resources are being used effectively & efficiently for the achievement of predetermined goals.

b. The two steps involved in the staffing function are as follows:

1. **Estimating manpower requirements:** The manpower requirements of an organisation are estimated through workload analysis and workforce analysis.

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The workload analysis helps to determine the number and type of human resource required in the organisation to meet its present and future needs. Whereas workforce analysis seeks to determine the number and type of human resource available within the organisation.

2. **Recruitment:** The process of recruitment involves searching for prospective candidates and stimulating them to apply for jobs in the organisation. There are two sources of recruitment namely, internal and external.

The two steps involved in controlling function are as follows:

- i. Comparing actual performance with standards to identify deviations if any.  
"It was found that the target of producing 300 bulbs a day was not met by the employees."
  - ii. Analysing deviations through critical point control and management by exception approach to identify the causes for their occurrence.  
"On analysis, it was found that the workers were not at fault. Due to electricity failure and a shortage of workers, the company was not able to achieve the set targets and alternative arrangements were needed."
  - iii. Taking corrective action, if required "To meet the increased demand, the company assessed that approximately ... as subordinate under each head."
- c. The two values that the company wants to communicate to the society are:
- i. Women empowerment
  - ii. Kindness.

14. Controlling is an important managerial function. It is the process of measuring actual performance and comparing with standards to identify any deviation. The word control suggests checking, testing, regulating, verifying or adjusting. The control provides the basis for future action.

Importance of Controlling:

- i. **Accomplishing organizational goals:** The process of controlling help in accomplishing organizational goals or objectives. The controlling guides the activities of subordinates in achieving the goals. It ensures the use of human and material resources in the best possible manner so that there may be pre-determined objectives of the organization.
- ii. **Judging accuracy of the standards:** A manager compares the actual work

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performance with the standards while performing the function of controlling. He tries to find out whether the accuracy of the standards is not more or less than the general standards. In case of the needs, they are redefined.

- iii. **Improves efficiency:** The organization sets the goal for the future which is not certain. So, controlling is the way which focuses on uncertainty and to attain the goals. Regular control shows the deviation in plan and actual achievement which helps to keep the staffs on the right track.
- iv. **Improve employee motivation:** Motivation is defined as the process of inspiring someone for doing something. Controlling makes all the employees to work with complete dedication as they know that their work performance will be evaluated. Their identity will be established if the progress report is satisfactory in the organization.
- v. **Ensuring order and discipline:** The implementation of controlling help to check all the undesirable activities like theft, corruption, delay in work and uncooperative attitude. Controlling ensures order and discipline, Ensuring order and discipline is also one of the importance of controlling.

15. As a management expert **the importance of controlling** will be explained to the managers as follows:

- i. **Helps in achieving organisational goals:** When the plans are made in the organisation these are directed towards achievement of organisational goal and the controlling function ensures that all the activities in the organisation take place according to plan and if there is any deviation, timely action is taken to bring back the activities on the path of planning. When all the activities are going according to plan then automatically these will direct towards achievement of organisational goal.
- ii. **Judging accuracy of standards:** Through strategic controlling we can easily judge whether the standard or target set are accurate or not. An accurate control system revises standards from time to time to match them with environmental changes.
- iii. **Making efficient use of Resources:** Like traffic signal control guides the organisation and keeps it on the right track. Each activity is performed according to predetermined standards. As a result there is most and effective use of resources.

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- iv. **Improving employee motivation:** An effective control system communicates the goals and standards of appraisal for employees to subordinates well in advance. A good control system also guides employees to come out from their problems. This free communication and care motivate the employees to give better performance.
  - v. **Ensures order and discipline:** Control creates an atmosphere of order and discipline in the organisation. Effective controlling system keeps the subordinates under check and makes sure they perform their functions efficiently. Sharp control can have a check over dishonesty and fraud of employees. Strict control monitor, employees work on computer monitor which brings more order and discipline in work environment.
  - vi. **Facilitate coordination in action:** Control helps to maintain equilibrium between means and ends. Controlling makes sure that proper direction is taken and that various factors are maintained properly. All the departments are controlled according to predetermined standards which are well coordinated with one another. Control provides unity of direction.
  - vii. **Controlling helps in improving the performance of the employees:** Controlling insists on continuous check on the employees and control helps in creating an atmosphere of order and discipline. Under controlling function it is made sure that employees are aware of their duties and responsibilities very clearly. They must know clearly the standards against which their performance will be judged. These standards help the employees to work efficiently. The superiors continuously monitor and observe the employees when they are performing the job and comparison between the standard and actual performance is done. On the basis of this observation the managers prepare performance appraisal report. These reports become the base for giving promotions, increments, bonus etc. to the employees. To have good report the employees perform efficiently and effectively.
  - viii. **Controlling helps in minimising the errors:** Small errors or small mistakes may not seriously affect the organisation. But if these errors are repeated again and again it will become a serious matter and can bring disaster for the organisation. An effective controlling system helps in minimising the errors by continuous monitoring and check. The managers try to detect the error on time and take remedial steps to minimise the effect of error.