

CBSE Test Paper - 04

Chapter - 4 Planning

1. Increasing sale by 15% is _____ **(1)**
 - a. Method
 - b. Procedure
 - c. Objective
 - d. Rule

2. Choice of advertising media is concerned with _____ **(1)**
 - a. Policy
 - b. Strategy
 - c. Procedure
 - d. None of these

3. If a firm has decided to sell its product on cash basis only, it is part of firm's _____ **(1)**
 - a. Objectives
 - b. Procedure
 - c. Policy
 - d. Method

4. What is the last step in planning process? **(1)**
 - a. Follow up action
 - b. Developing premises
 - c. Setting objectives
 - d. None of these

5. What qualities are required in a good planning facilitator? **(1)**

6. 'Planning is done for achieving the organizational goals.' Do you agree? Give one reason in support of your answer. **(1)**

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7. Organizing helps in optimum utilization of resources. Which type of resources does it refer? **(1)**
 8. What is meant by 'selecting an alternative' as a step in the planning process? **(1)**
 9. Differentiate between Procedure and Rule. **(3)**
 10. Differentiate between “Objectives” and “Strategy” as types of plans. **(3)**
 11. Explain the meaning of policies. **(4)**
 12. Give the meaning of ‘objectives’ and ‘procedure’ as types of plans. **(4)**
 13. Differentiate between Policies and Procedure? **(4)**
 14. Which type of plan is referred through each of the following statements?
 - i. They are defined as ends which the management seeks to achieve by its operations.
 - ii. These are general statements that guide thinking or channelise energies towards a particular direction.
 - iii. They provide details in the exact manner in which any work is to be performed.
 - iv. They provide the prescribed ways or manner in which a task has to be performed considering the objective.
 - v. These are specific statements that inform what is to be done and it does not allow for any flexibility.
 - vi. These are detailed statements about a project which outlines the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action. **(6)**
 15. What are the features of 'Planning'? Explain any six. **(6)**

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Answer

1. c. Objective

Explanation:

All the activities are directed towards objectives. These are the end results of planning. Objectives define the future state of affairs which the organisation want to realise. Example:

- decrease in rejection by 1%
- increase in sales by 15% etc.

2. b. Strategy

Explanation:

It is a comprehensive plan of the organisation and is influenced by business environment. Example: sales promotion techniques, **choice of advertising media** etc.

3. a. Policy

Explanation:

Policy is the general response of an organisation in a particular situation. These are the organisation's own customised way of handling problems. Selling goods on cash basis is a type **policy**.

4. a. Follow up action

Explanation:

Planning is a continuous process. It starts with setting the objectives and then putting them into action. One can ensure the proper implementation of plans with proper monitoring by comparing the actual results with expected. Thus it is the last step of planning process.

5. Planning facilitator should have some qualities like unbiased, social, good listener, proactive and skillful.

6. **Yes**, I agree with the statement because objectives and specific goals are set up in the

plans along with the activities to be undertaken to achieve the goals.

7. Organizing helps in assigning, coordinating and arranging all types of resources as:

Human resources

Material resources

Financial resources

8. Here, best plan out of various alternatives is chosen, adopted and implemented. For this decision-making, manager has to apply permutations and combinations. Sometimes instead of selecting one alternatives, the combinations of different alternatives may be selected. The purpose is to select the most ideal, favourable and profitable combination as per the circumstances.

9.

Basis	Procedure	Rule
Meaning	The term 'Procedure' is defined as a set of chronological or sequentially arranged steps determined in advance carrying for a certain routine and repetitive activity.	Rules are specific statements that in form what is to be done. They do not allow for any flexibility or discretion.
Statement	Procedures are steps to be carried out within a broad policy framework .They are generally meant for insiders to follow.	Rules strictly define the guidelines and there is no scope for discretion.

Flexibility	Procedures are more flexible as compared to rules.	Rules are rigid statements.
Effect of violation	There is no specific penalty for violation of procedure.	The guilty has to face penalty in case of violation.
Example	Procedure established for selection of employees by a company.	Rule of 'No Smoking' in the organisation.

10. Difference between objectives and strategy:

Basis	Objectives	Strategy
Meaning	An objective is an end towards which all activities of the organization are directed.	Strategy refers to a comprehensive plan which provides direction scope in the long run.
Example	To increase sales by 10%	To study moves taken by competitors
Aim	To determine "what is to be done."	To determine "the environmental threats and opportunities."
Nature	Objectives are standing plans which are derived from the goals.	Strategies are single-use plans specially designed for a particular situation.

- 11.
- Policies are those general statements which guide employees while decision making.
 - Their purpose is to lay down a limit within which a particular work can be done or a decision is taken.
 - Policies tell how objectives can be achieved.
 - Policies bring uniformity to actions.
 - For e.g. "No Credit Sale" or "Seats reserved for Women" is a policy.

12. Objectives

Procedure

- These are defined as end results which the management seeks to achieve by its operations.
- They are set by the top management of the organisation.
- There must be a time limit for the achievement of objectives.
- These are expressed in quantifiable terms.
- For e.g. increasing sales by 10%
- It is a stipulated sequence of a course of action for handling activities.
- They are specified in chronological order.
- Procedures are designed to execute policies and achieve objectives.
- For example, the procedure may be for the purchase of raw material, selection of employees, redressal of grievances, etc.

13.

Policies	Basis	Procedures
Policies are general statements that guide thinking or channelize energies towards a particular direction.	Meaning	The term 'Procedure' is defined as a set of chronologically arranged sequential steps determined in advance.
These are derived from objectives of the enterprise.	Purpose	These are laid down to implement some policy and to attain pre-determined objectives.
Policies are flexible and managers have discretion within the prescribed limits.	Scope for Discretion	Procedures are more rigid and there is little scope for discretion to be used by managers.

These are expressed in the form of general statements	Expression	These are expressed in more specific terms.
Policies in general are formulated at top management level	Formulation	Procedures are laid down at a somewhat lower managerial level.

14. i. Objectives

ii. Policies

iii. Procedures

iv. Methods

v. Rules

vi. Programmes.

15. i. **Planning focuses on achieving objectives:**

Planning contributes to objectives in the sense that it involves the determination of the activities required to be undertaken to achieve objectives of organisation. Planning is the exercise of creative thinking in the solution of various problems.

ii. **Planning is a primary function of management:**

Planning is a primary function which it provides the basis for the other managerial functions like organising, staffing, directing and controlling.

Planning precedes other function, i.e, it is primacy of planning. It provides the basis of all these functions.

iii. **Planning is pervasive:**

Planning is a pervasive because it is performed at all levels of management (top, middle or lower) as well as in all departments of the organisation. It is required at every place and at every type of institution whether it is business organisations, hospitals or colleges.

iv. **Planning is continuous:**

Plans are prepared for a specific period of time, may be for a month, a quarter, or a year. At the end of that period there is need for a new plan to be drawn on the basis of new requirements and future conditions. Hence, planning is a continuous process.

v. **Planning is futuristic:**

Planning is futuristic in the sense that it essentially involves looking ahead into the future and making provision to tackle future events and situations. It is based on forecasting, so future events and conditions are anticipated and plans are drawn accordingly. It keeps the managers prepared for future shocks and surprises.

vi. **Planning is a mental Exercise:**

Under planning individual thinks about future situations and take decisions. It requires logical and systematic thinking rather than guess work. The market situations and plans are thought of in advance and is not performed but framed in the form of a blue print. Thus it involves mental exercise.

Conclusion : Planning has a number of positive features which makes it a very important function of management. Plans are made for easy and optimum achievement of goals or objectives. Thus, all the mentioned features makes it a complete function in itself.