

Test / Exam Name: Planning

Standard: 12th Commerce Subject: Business Studies

Student Name: _____

Section: _____

Roll No.: _____

Questions: 150 Time: 01:00 hh:mm Marks: 406

Instructions

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- Q1.** The fifth step in decision making is _____. 1 Mark
A Selection of alternatives to be followed. **B** Analysis and evaluation of available alternatives.
C Discovery of alternatives. **D** Communication of decision and its acceptance by the organization.
- Q2.** Planning from the top or planning by direction is called as _____.
A Centralised planning **B** Decentralised planning **C** Physical planning **D** Financial planning
- Q3.** Corporate planning is _____.
A Long term in nature **B** Short term in nature **C** Medium term in nature **D** None of the above
- Q4.** Which of the following is / are non - traditional control device(s) of control system?
A Zero base budgeting **B** Standard costing **C** Budgetary control **D** All of above
- Q5.** Which one of the following is not a myth about business plans?
A Business plans are required only for start-up companies. **B** Business plans should be optimistic.
C Business plans should be concise and well written. **D** Business plans should emphasize upon ideas and concepts.
- Q6.** Decision making is only efficient when it is supported by process of _____.
A Staffing **B** Planning **C** Controlling **D** Organizing
- Q7.** Which of the following statement is incorrect?
A Though planning affects all other functions of management, the unique feature of control is that it cannot exist without planning. **B** Planning is an all - pervasive and a primary function of management.
C Planning as a basic function does not improve efficiency of all other functions of management. **D** Planning is a rational approach to the future.
- Q8.** Selection is the process of _____. 1 Mark
A Sourcing manpower **B** Choosing a candidate **C** Interviewing candidate **D** Assigning job
- Q9.** _____ can be used to reduce rest time. 1 Mark
A Batch method **B** Low technology job **C** High technology job **D** Flow method
- Q10.** A comprehensive plan for accomplishing an organisations' objectives is known as: 1 Mark
A Policy. **B** Objective. **C** Method. **D** Strategy.b
- Q11.** Decision making is a _____. 1 Mark
A Goal oriented activity **B** Conscious and human process
C Process of selection from amongst alternative courses of action. **D** All of the above
- Q12.** Planning from the below or grass-root level planning is refers to _____. 1 Mark

- A** Centralised planning **B** Indicative planning **C** Decentralised planning **D** Functional planning
- Q13.** "All other managerial functions are performed within the framework of the plans drawn. Thus, it can be said that planning precedes other functions." This statement describes which function of planning? **1 Mark**
- A** Planning focuses on achieving objectives. **B** Planning is pervasive.
C Primacy of planning. **D** Planning is futuristic.
- Q14.** Which of the following comprises determination and laying down of objectives, policies, Procedures, rules, programmes, budget and strategies? **1 Mark**
- A** Motivating process **B** Planning process **C** Controlling process **D** Directing process
- Q15.** The Big Push strategy was adopted in the _____. **1 Mark**
- A** First Five Year Plan **B** Second Five Year Plan **C** Third Five Year Plan **D** Fourth Five Year Plan
- Q16.** Some plans are used repeatedly in similar situations. Identify the type of plan: **1 Mark**
1. Standing plan.
 2. Single use plan.
 3. Policy plan.
 4. None of these.
- Q17.** The company sets its marketing budget by estimating the investment in current assets at different points of time. Select the type of budget keeping in view the above mentioned purpose .
- A** Sales Budget **B** Cash- Budget **C** Working Capital Budget **D** Production Budget
- Q18.** It involves looking ahead and projecting the future course of events _____.
A Organizing **B** Forecasting **C** Controlling **D** Co-ordination
- Q19.** Performance budgeting is based on _____.
A Items of expenditure **B** Items of investment **C** Objective of investment **D** Plan of implementation
- Q20.** Classification of planning process.
A Situation analysis, setting goals, alternative strategies and evaluation. **B** Developing marketing action, determining goals and evaluating marketing programmes.
C Assessing areas of marketing opportunities, coordinating marketing actions and market enlargement. **D** Setting goals, developing marketing action and accessing areas of marketing opportunities.
- Q21.** What is the planning horizon?
A Time between making a plan and putting it into effect. **B** Maximum time for which managers can make plans.
C Time ahead for which there is no information. **D** Time period within which uncertainty is very low.
- Q22.** Which of the following elements gave birth to economic planning? **1 Mark**
- A** Merits of capitalism **B** Merit of Mixed economy
C Influence of socialistic thought **D** Suppression of the idea of rationalization
- Q23.** Which of the following is not an importance of planning? **1 Mark**
- A** Reduces uncertainty. **B** Promotes creativity. **C** Reduces creativity. **D** Provides direction.
- Q24.** The essential nature of planning. **1 Mark**
- A** It is based on the principle of division of work. **B** It is important secondary function of management.
C It is an intellectual process. **D** It develops spontaneously.
- Q25.** The objective of formal business plan is _____. **1 Mark**
- A** To be in the circle of contemporary business standard formality. **B** To be in the circle of requirements in the region where business is operating.
C Both (a) & (b) **D** None of the above

- Q26.** For two statements are given-one labelled Assertion (A) and the other labelled Reason (R). Select the correct answer to these questions from the codes (a), (b), (c) and (d) as given below. 1 Mark
Assertion: Planning is a primary function of management.
Reason: Planning is required at all levels of management as well as in all departments of organisation.
A Both A and R are true and R is the correct explanation of A. **B** Both A and R are true but R is not the correct explanation of A.
C A is true but R is false. **D** A is false and R is also false.
- Q27.** Name the most critical step in the process of planning: 1 Mark
A Implementing the plan. **B** Developing the plan.
C Selecting the best possible course of action. **D** None of the above. b
- Q28.** Which function of management closely related to planning? 1 Mark
A Controlling. **B** Staffing. **C** Directing. **D** Organising.
- Q29.** Plan made in the light of a competitor's plan is known as _____. 1 Mark
A Policy **B** Procedure **C** Strategy **D** Under-cover plan
- Q30.** Which of the following is/are advantage of group decision making?
A It is observed that group decisions help members evade their individual responsibilities. **B** It is costly as well as a time consuming affair
C It provides opportunity for participation by individual representing different interests. **D** All of above
- Q31.** Name the type of plan in which the move of competitors is considered:
A Budget. **B** Rule. **C** Strategy. **D** Method.
- Q32.** Which type of plan is a combination of objective, policies, procedures, rules etc.?
A Budget. **B** Programme. **C** Strategy. **D** Method.
- Q33.** A company wants to introduce a new product. What type of plan should it prepare?
A Objective. **B** Strategy. **C** Policy. **D** None of these.
- Q34.** For two statements are given-one labelled Assertion (A) and the other labelled Reason (R). Select the correct answer to these questions from the codes (a), (b), (c) and (d) as given below.
Assertion: Developing planning premises is the primary step.
Reason: Objective are in results with the management wants to achieve by its operations.
A Both A and R are true and R is the correct explanation of A. **B** Both A and R are true but R is not the correct explanation of A.
C A is true but R is false. **D** A is false and R is also false.
- Q35.** Planning means _____.
A Deciding what is to be done and how it is to be done. **B** Attaining desired results
C Executing the desires **D** None of the above
- Q36.** The starting point for a capital budget is: 1 Mark
A A survey of company's anticipated needs for capital. **B** The discovery and development of good investment proposals.
C Surveys of explicit capital requirements. **D** Surveys of implicit capital requirements.
- Q37.** **Direction:** In the following question, a statement of Assertion is given followed by a corresponding statement of Reason. Of the statements, mark the correct answer as: 1 Mark
Assertion (A): Planning involves setting objectives.
Reason (R): Setting objectives is the first step in the planning process.
A Both Assertion (A) and Reason(R) are true and Reason (R) is correct explanation of Assertion (A). **B** Both Assertion (A) and Reason(R) are true but Reason (R) is not the correct explanation of Assertion (A).
C Assertion (A) is true but Reason(R) is false. **D** Assertion (A) is false but Reason(R) is true.

- Q38.** Planning is deciding in advance what is to be done. It involves the selection of objectives, policies, procedures and programmes among alternatives." This definition has been given by: **1 Mark**
- A** ME Hurley. **B** Peter Drucker. **C** Henry Fayol. **D** Chester Barnard.
- Q39.** What is meant by 'follow-up action' as the step involved in the process of planning? these. **1 Mark**
- A** Managing the plan. **B** Checking the plan. **C** Selecting the plan. **D** None of
- Q40.** For two statements are given-one labelled Assertion (A) and the other labelled Reason (R). Select the correct answer to these questions from the codes (a), (b), (c) and (d) as given below. **1 Mark**
- Assertion:** Planning is futuristic.
Reason: Planning is regarded as a forward-looking function based on forecasting.
- A** Both A and R are true and R is the correct explanation of A. **B** Both A and R are true but R is not the correct explanation of A.
C A is true but R is false. **D** A is false and R is also false.
- Q41.** Strategic planning defines the _____. **1 Mark**
- A** Reachable **B** Time frame & exciting
C Rewarding to the respective future business direction. **D** All of the above
- Q42.** Single use plans are: **1 Mark**
- A** formulated to achieve a specific target. **B** Responsible and can be easily fixed.
C Comes under the standing plan. **D** None of the above.
- Q43.** For two statements are given-one labelled Assertion (A) and the other labelled Reason (R). Select the correct answer to these questions from the codes (a), (b), (c) and (d) as given below. **1 Mark**
- Assertion:** Planning is a time saving process.
Reason: The success of an enterprise is possible only when plans are properly drawn up and implemented.
- A** Both A and R are true and R is the correct explanation of A. **B** Both A and R are true but R is not the correct explanation of A.
C A is true but R is false. **D** A is false and R is also false.
- Q44.** Strategic marketing planning establishes. **1 Mark**
- A** The character of organisation **B** The goodwill of the organisation
C The aims of organisation **D** All the above
- Q45.** Which of the following is an activity, which requires a manager to look ahead and anticipate changes: **1 Mark**
- A** Organising. **B** Staffing. **C** Planning. **D** Controlling.
- Q46.** Herbert A.Simon has identified _____ phases with decision making process. **1 Mark**
- A** 2 **B** 3 **C** 4 **D** 5
- Q47.** Who has propounded Differential Piece Rate Plan? **1 Mark**
- A** Henry Gantt **B** Karl Marx **C** Francis A. Walker **D** Taylor
- Q48.** Advantages of forecasting _____. **1 Mark**
- A** Since forecasting involves some amount of guess work it is not fully reliable. **B** Possibility of error cannot be completely eliminated from forecasts.
C Plan is the synthesis of the various forecasts annual, short-term, long-term, etc. which enables the management to arrive various decisions relating to business matters. **D** All of above.
- Q49.** _____ are those that are largely decided by company management involving policies and programmes. **1 Mark**
- A** Unavoidable premises **B** Controllable premises **C** (A) and (B) **D** (A) or (B)
- Q50.** "SWOT" is used for _____. **1 Mark**

A Planning**B Organising****C Motivating****D Controlling**

- Q51.** For two statements are given-one labelled Assertion (A) and the other labelled Reason (R). Select the correct answer to these questions from the codes (a), (b), (c) and (d) as given below. **1 Mark**
Assertion: Planning is pervasive at all levels of management.
Reason: Planning is required in all types of organisation and at all levels of management.
A Both A and R are true and R is the correct explanation of A. **B** Both A and R are true but R is not the correct explanation of A.
C A is true but R is false. **D** A is false and R is also false.
- Q52.** Manav Ltd prepares budget in its Annual General Meeting for the year 2016-2017. What kind of plan is it? **1 Mark**
A Single use plan. **B** Standing plan. **C** Objective plan. **D** None of these.
- Q53.** The fourth step involved in planning process is the _____. **1 Mark**
A Evaluation of alternatives **B** Determining alternative courses
C Formulating derivative plans **D** Establishment of planning premises
- Q54.** Planning means deciding in the ____ what to do in the ____.
A Past ; future **B** Future ; Past **C** Present ; future **D** Future ; Present
- Q55.** One of the dangers in the formalization of strategic planning is:
A That it stifles communication, coordination and control of strategy. **B** That it often does not take sufficiently into account cultural and political dimensions in the development of strategy.
C It does not facilitate the most efficient allocation of resources. **D** Planning systems result in too many new ideas being promoted in the organization.
- Q56.** Business plans designed to achieve the organizational objectives is called _____.
A Human Resource Planning **B** Human Resource Forecasting
C Strategic Plan **D** Corporate Development Plan
- Q57.** Planning is a _____ process.
A Goal oriented **B** Flexible **C** Time bound **D** All of the above
- Q58.** Capital structure planning ensures:
A The minimum cost of capital **B** The maximum rate of return to the equity holders
C Both (a) and (b) **D** The maximum cost of capitals
- Q59.** Mission statement of a company is derived from its _____.
A Articles of association **B** Vision statement
C Memorandum of association **D** Prospectus
- Q60.** Which of the following is true about business strategies? **1 Mark**
A Well defined missions make strategy development much easier. **B** An organisation should stick with its strategy for life of the business.
C All firms within industry will adopt the some strategy. **D** Organisational strategies depends on operations strategies.
- Q61.** Pure capitalists countries also appreciated: **1 Mark**
A Partial planning **B** Centralised planning **C** Decentralised planning **D** Rolling plan
- Q62.** Divisional planning is also known as _____. **1 Mark**
A Strategic planning **B** Active planning **C** Intermediate planning **D** Operational planning
- Q63.** A group in which individuals working together to complete a job task is known as _____. **1 Mark**
A Task group **B** Friendship group **C** Command group **D** Formal group
- Q64.** Strategy is _____. **1 Mark**

- Q65.** The most critical part of the decision-making process is _____. **1 Mark**

A Defining the problem **B** Analysing the problem
C Selecting the best solution **D** Evaluating the alternatives

Q66. Which plan is defined as the formalised or systematic way of doing routine and repetitive jobs? **1 Mark**

A Objective. **B** Strategy. **C** Method. **D** None of these.

Q67. Out of, the following which are to be considered as a part of seven trends that the organisation will face in next decades as they fight to survive, grow and remain competitive? **1 Mark**

A Speed and uncertainty will prevail. **B** Technology will continue to disrupt and enable.
C Demographics will dictate much of what happens in business. **D** All of the above

Q68. Which of the following is true? **1 Mark**

A Corporate strategy is shaped by functional strategy. **B** Functional strategy is shaped by corporate strategy.
C Corporate mission is shaped by functions strategy. **D** None of the above

Q69. Operational planning is _____. **1 Mark**

A Long term in nature **B** Medium term in nature **C** Short term in nature **D** None of the above

Q70. Selecting one from several alternatives is called _____. **1 Mark**

A Planning **B** Forecasting **C** Decision making **D** Controlling

Q71. 'Estimating manpower requirements is not merely knowing how many persons we need.' What else is needed while estimating manpower requirements? State any two points. **2 Marks**

Q72. One of the functions of management completes one cycle of management process and improves planning in the next cycle in the light of the problems that were identified in the existing plans. Identify and state the function of management discussed above. **2 Marks**

Q73. Identify and state the function of management which ensures that the organisational resources are being used effectively and efficiently for the achievement of pre-determined goals. **2 Marks**

Q74. Explain the first three steps in the process of 'Planning'. **3 Marks**

Q75. 'A.S. Ltd.' is a large company engaged in assembly of air-conditioners. Recently the company had conducted the 'Time' and 'Motion' study and concluded that on an average a worker can assemble ten air-conditioners in a day. The target volume of the company in a day is assembling of 1,000 units of air-conditioners. The company is providing attractive allowances to reduce labour turnover and absenteeism. All the workers are happy. Even then the assembly of air-conditioners per day is 800 units only. To find out the reason the company compared actual performance of each worker and observed through C.C.T.V. that some of the workers were busy in gossiping.
 1. Identify the function of management discussed above.
 2. State, those steps in the process of the function identified which are discussed in the above paragraph. **4 Marks**

Q76. What is meant by planning? List any two features of planning. **3 Marks**

Q77. Explain any three features of 'planning'. **3 Marks**

Q78. Explain how planning provides direction to action. **3 Marks**

Q79. Mita has a successful ice cream business at Bikaner, namely 'Smartflavours'. Her ice creams are utterly delicious. She makes ice creams from fresh milk and the same are available in a wide range of flavours and packs. She sets viable business objectives and works with the same in mind in order to ensure that the customers will come back for purchasing. **3 Marks**

3 Marks

Having the first mover advantage, her business was doing well. To earn higher profits, she started cutting costs. This would sometimes lead to delay in delivery and the ice cream was not reaching the market in time. Over a period of time, the demand for her ice cream declined and because of it the competitors entered the market. She lost some of her market share to competitors.

At the beginning of summer season, she got back to back orders for supply of 4,000 ice cream packs of different flavours for special occasions. To ensure that the task was completed and orders delivered in time she hired additional workers. She was, thus able to produce and deliver the ice cream packs but at a high production cost. While completing activities and finishing the given task for achieving goals, Mita realized that she was ignoring one of the important aspects of management.

Identify the aspects of management that has been ignored by Mita. Also explain the same with the help of an example.

- Q80.** Differentiate between 'Policy' and 'Rule' as types of plans. **3 Marks**
- Q81.** Does planning guarantee success? Explain. **3 Marks**
- Q82.** State any three limitations of planning function of management. **3 Marks**
- Q83.** How is 'planning a pervasive function of management'? Explain.
- Q84.** State any three features of planning function of management.
- Q85.** Abhishek Limited is engaged in manufacturing of Air Purifiers. The target production is 500 Air Purifiers in a week. Over the last few months, it has been observed by the Production Manager that the weekly production target was not achieved. Identify the function and explain any two points of its importance.
- Q86.** Explain any three points of importance of planning.
- Q87.** How does planning lead to rigidity and reduce creativity? Explain.
- Q88.** Define planning. List any two limitations of planning.
- Q89.** Explain any three points that highlight the importance of planning.
- Q90.** State any three points of importance of planning function of management.
- Q91.** Explain 'objectives' as one of the types of plans.
- Q92.** Differentiate between 'Objective' and 'strategy' as types of plans.
- Q93.** Define 'Planning.' Explain the first two steps in the process of planning.
- Q94.** Explain the following, as features of Planning: **3 Marks**
1. Planning is continuous.
 2. Planning is futuristic.
- Q95.** Explain how planning reduces the risk of uncertainty. **3 Marks**
- Q96.** Explain with the help of any three points how proper Financial Planning enables the companies to tackle the uncertainty in respect of availability and timings of funds and helps in smooth functioning of the organisation. **3 Marks**
- Q97.** Explain any three limitations of planning function of management. **3 Marks**
- Q98.** Explain the relationship between 'Planning' and 'Controlling' with the help of any three points. **3 Marks**
- Q99.** Explain the relationship between 'planning' and 'controlling' functions of management. **3 Marks**
- Q100.** Explain 'Procedure' and 'Programme' as types of plans, with a suitable example. **4 Marks**

Q101. Give the meaning of 'Objectives' and 'Policy' as types of plans.

4 Marks

Q102. In 2015, Naveen left his luxurious life in Mumbai, where he worked as a manager for Blue Birds Ltd. He shifted to Begampur, Chhattisgarh to fulfil his grandmother's dream of converting their 25-acre ancestral land into a fertile farm. For this he set out specific goals along with the activities to be performed to achieve the goals. Every activity was a challenge since he was clueless about farming. He learnt every activity from filling the land to sowing the seeds. To aid farmers he launched his own company 'Innovative Agriculture Solutions Pvt. Ltd.'. It was difficult initially as no one trusted an urban youth telling farmers about farming. But when everything was discussed in detail the farmers started taking interest. He wanted to ensure that the future events meet effectively the best interests of the company. Through sales forecasting, he prepared an annual plan for production and sales. He also found that the farmers grew only paddy, which was an activity of 3-4 months and the land remained idle for the rest 8-9 months of the year. He not only identified but evaluated various alternatives through which the farms could be utilised for the remaining months of the year. Through correct foresight and logical and systematic thinking based on analysis of all facts, all alternatives were examined and evaluated. He presented a plan to the farmers, where after harvesting paddy, vegetables could be grown. The above case highlights the features of one of the functions of management. By quoting lines from the above identify and explain these features.

4 Marks

Q103. Give the meaning of 'Policy' and 'Budget' as types of plans.

Q104. Give the meaning of 'procedure' and 'rule' as types of plans.

Q105. "Planning is an important function of management". State any four reasons.

Q106. Explain 'objective' and 'policy' as types of plans using suitable examples.

Q107. Give the meaning of 'Objectives' and 'Procedure' as types of plans.

Q108. Give the meaning of 'Budget' and 'Strategy' as types of plans.

Q109. "There is a close and reciprocal relationship between planning and controlling". Explain the statement.

Q110. Explain 'objective' and 'strategy' as types of plans.

Q111. Give the meaning of 'Strategy' and 'Rule' as types of plans.

Q112. Give the meaning of 'objectives' and 'budget' as types of plans.

Q113. Give the meaning of 'Procedure' and 'Method' as types of plans.

Q114. Mega Ltd. holds an Annual Management Programme every year in the month of March in which the top managerial personnel formulate plans for the next year by analyzing and predicting the future to meet future events effectively. As they are responsible for providing direction to the organization, facts are thoroughly checked using scientific calculations. Detailed plans are prepared after discussion with professional experts. Preliminary investigations are also undertaken to find out the viability of the plan. Since it is an intellectual activity requiring intelligent imagination and sound judgement so it is mainly done by the top management. Usually rest of the members just implement the plans. Middle level managers are neither allowed to deviate from the plans nor are they permitted to act on their own. The top management ensures that the expenses incurred in formulating the plans justify the benefits derived from them. State any two limitations and any two features of planning discussed above.

Q115. Vinber Ltd. set up a manufacturing unit at Bhiwadi in Himachal Pradesh to manufacture electric geysers and supply them to dealers all over the country. Their production target was 500 geysers per week. It was decided by the management that variation in production upto 10 units would be acceptable. At the end of the first week, the production was 450 geysers. The next week, production increased to 470 geysers. A week later, production was 460 geysers. On investigation, it was found that fluctuation in production was due to irregular supply of electricity.

4 Marks

1. The above para discusses some of the steps in the process of one of the functions of management. Explain these steps.
2. Also, state the step(s) that have not been discussed in the above para.

- Q116.** Give the meaning of 'policy' and 'strategy' as types of plans. **4 Marks**
- Q117.** Explain any four points that highlight the importance of financial planning. **4 Marks**
- Q118.** Explain policy and procedure as types of plans. **4 Marks**
- Q119.** Describe the relationship between controlling and planning. **5 Marks**
- Q120.** State any five features of planning. **5 Marks**
- Q121.** Explain any five points of importance of planning for a large business enterprise. **5 Marks**
- Q122.** Two years ago Mayank obtained degree in food technology. For some time he worked in a company manufacturing Bread and Biscuits. He was not happy in the company and decided to have his own Bread and Biscuits manufacturing unit. For this, he decided the objectives and targets and formulated action plan to achieve the same. One of his objectives was to earn 50% profit on the amount invested in the first year. It was decided that raw materials like Hour, sugar, salt, etc. will be purchased on two months credit. He also decided to follow the steps required for marketing the products through his own outlets. He appointed Harsh as a Production Manager who decided the exact manner in which the production activities are to be carried out. Harsh also prepared a statement showing the requirement of workers in the factory throughout the year. Mayank informed Harsh about his sales target for different products, area wise for the forth coming quarter. While working on the production table a penalty of Rs. 150 per day was announced for not wearing the helmet, gloves and apron by the workers. Quoting lines from the above para identify and explain the different types of plans discussed. **5 Marks**
- Q123.** Define 'Planning'. State any four points of importance of planning.
- Q124.** State the relationship between 'planning' and 'controlling' functions of management.
- Q125.** 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 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 relaxation should be given to encourage women, persons from backwards and rural areas and persons with special abilities to assume responsible positions in the organisation. All efforts were made to for match the ability of the applicants with the nature of work.
1. Identify the functions of management discussed above.
 2. State the two steps in the process of each function discussed in the above para.
 3. List any two values which the company wants to communicate to the society.
- Q126.** State any five points of importance of planning. **5 Marks**
- Q127.** State any five limitations of planning. **5 Marks**
- Q128.** Two years ago Madhu completed her degree in food technology. She worked for sometime in a company manufacturing chutneys, pickles and murabbas. She was not happy in the company and decided to have her own organic food processing unit for the same. She set the objectives and the targets and formulated action plan to achieve the same.
One of her objectives was to earn 10% profit on the amount invested in the first year. It was decided that raw materials like fruits, vegetables, spices etc. will be purchased on three months credit from farmers cultivating organic crops only. She also decided to follow the steps required for marketing of the products through her own outlets. She appointed Mohan as a Production Manager who decides the exact manner in which the production

activities are to be carried out. Mohan also prepared a statement showing the number of workers that will be required in the factory throughout the year. Madhu informed Mohan about her sales target for different products, areawise for the about her sales target for different products, areawise for the forthcoming quarter. While working on the production table a penalty of Rs. 100 per day for not wearing the caps, gloves and apron was announced. Quoting lines from the above para identify and explain the different types of plans discussed.

Q129. Matta Auto Ltd. is manufacturing different types of commercial vehicles. Their sales were rupees two hundred crores in the previous year. The company decided to increase sales by 20% during the current year. It conducted internal as well as external audits for the same. Through internal audit, they analysed the strengths and weaknesses of the business across all departments. External audit focused on the opportunities and the threats in the constantly changing business environment. Thus, a comprehensive plan was prepared taking into consideration the business environment and the necessary resources were allocated to achieve the target. The company directed its offices throughout the country to follow the plan. The company's commitment to develop effective plans to achieve a consistent increase in sales has ensured its continual growth over the past one decade. Identify and explain the two types of plans discussed above.

5 Marks

Q130. Describe any five limitations of planning.

5 Marks

Q131. Explain the relationship between controlling and planning functions of management.

Q132. Two years ago Nishant, completed his degree in Textile Engineering. He worked for sometime in a company manufacturing readymade garments. He was not happy in the company and decided to have his own readymade garments manufacturing unit. He set the objectives and the targets and formulate action plan to achieve the same. One of his objectives was to earn 80% profit on the amount invested in the first year. It was decided that raw materials like cloth, thread, buttons etc. will be purchased on two months credit. He also decided to follow the steps required for marketing the products through his own outlets. He appointed Ritesh as a production manager, who decides the exact manner in which the production activities are to be carried out. Ritesh also prepared a statement showing the requirement of workers in the factory throughout the year. Nishant informed Ritesh about his sales target for different products areawise for the forthcoming quarter. A penalty of ₹ 200 per day was announced for the workers who found smoking in the factory premises. Quoting lines from the above para identify and explain the different types of plans discussed.

Q133. 'Planning and Controlling are inseparable twins of management'. How?

Q134. Explain any five limitations of planning.

Q135. 'Setting objectives is the first step in the process of one of the significant functions of management.'

1. Identify the function of management referred above.
2. State the next five steps of the process.

Q136. 'It involves setting objectives and developing appropriate course of action from amongst the different alternative courses of action to achieve these objectives.'

1. 'Identify the function of management referred above.
2. State any five features of the function of management identified in (a) above.

Q137. 'It is setting Differential piece-wage system Standardisation and simplification of work objectives for a given time period, identifying various alternative courses of action to achieve them and then selecting the best possible alternative from amongst the various alternative courses of action available.'

1. Identify the function of management referred above.
2. State any five points of importance of the function of management identified in (a) above.

6 Marks

Q138. Atul Sharma was the Chief Executive Officer of a footwear company, 'Stepone Footwear'. The company manufactured innovative and comfortable footwear for all age groups. Atul Sharma was known for meticulous planning. He ensured that the goals and objectives of the company are clearly stated so that they act as a guide for deciding what action should be taken and in which direction. Before each season, 'Stepone Footwear' carefully analysed market trends, customer preferences and production schedules. This analysis enabled the company to look ahead and anticipate changes and develop managerial responses, wherever necessary. As a result, they were able to consistently deliver innovative and comfortable shoes to the market.

6 Marks

During one season, there was a sudden surge in demand for eco-friendly shoes. 'Stepone Footwear' had already planned their production for the year with specific goals to be achieved within a specific time frame. The managers of 'Stepone Footwear' did not have the flexibility to change the plan to cope with the changed circumstances. Another shoe company 'Eco Step' quickly adapted and started manufacturing comfortable eco-friendly shoes. By not being able to adjust to the rapidly changing market, 'Stepone Footwear' faced inventory surplus while 'Eco Step' emerged as a market leader in sustainable eco-friendly footwear.

Quoting lines from the above paragraph, identify and explain two benefits and two limitations of 'Planning' function of management discussed in the above case.

- Q139.** Explain the steps in the planning process after 'identifying alternative courses of action'. **6 Marks**
- Q140.** Explain any four points of importance of planning function of management. **6 Marks**
- Q141.** Describe the relationship between 'Planning' and 'Controlling'. **6 Marks**
- Q142.** Does planning have limitations? Explain any five such limitations. **6 Marks**
- Q143.** Explain why planning is necessary for effective management.
- Q144.** Explain how does planning help reducing uncertainties?
- Q145.** What are the features of 'Planning'? Explain any six.
- Q146.** Explain 'Policies' and 'Procedures' as the types of Plans. Differentiate between the two on any four basis.
- Q147.** Explain 'Rules' and 'Methods' as types of Plans. Differentiate between the two on any four basis.
- Q148.** Explain the relationship between planning and controlling.
- Q149.** 'Planning is an important function of management'. Explain by giving any six points.
- Q150.** Explain the process of Planning.

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