



# **BUSINESS STUDIES**

**BOOKS - SHREE RADHEY PUBLICATION**

**BUSINESS STUDIES (HINGLISH)**

## **CONTROLLING**

### **Case Study**

1. Mr. Ankit is the chief manager in a well-known MNC, producing shoes. He called the

production manager of his unit and told him to keep a constant watch on all the activities of his respective unit so that there is no possibility of adverse results. As long as the company runs its operation, employees at all levels will adopt it to achieve results.

(a) Identify the function of management referred above.

(b) Describe its three functions.



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2. "There is close and reciprocal relationship between planning and controlling". Explain the statement through an example.



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3. You are a manager in a car manufacturing company. It is reported that posta expenses have increased by 10 % and cost of raw material is increased by 2 % which of the two

deviations is more critical to you ? It is related to which concept of controlling ?



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## Exercise

1. Which two steps in the process of controlling are concerned with compelling events to confirm to plan ?



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2. What do you mean by Deviation ?



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3. Is controlling backward looking ?



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4. Why is planning an empty exercise without controlling ?



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5. What is compared with what in controlling ?



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6. What is feedback in controlling ?



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7. Give two examples of quantitative standards set up in controlling process.



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8. Give two examples of qualitative standards set up in controlling process.



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9. There are two managers Bhuvan and Rajiv. Bhuvan is saying 'Controlling is forward looking' but Rajiv is saying 'Controlling is backward looking'. Who is correct ? Explain why ?



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**10.** How does controlling simplify the task of supervisor ?



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**11.** Explain to a newly appointed foreman under whose supervision, school bags are being made. How has he to carry out the process of control ?



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**12.** An ideal control system is the one that checks every bit of performance'. Do you agree with this statement ? Give reasons to support your answer.



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**13.** Which function of management ensures work accomplishment according to plans?

Name and explain the importance of this function.



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## **Hots And Case Studies**

1. How does controlling help in "Judging accuracy of standards" and "Ensuring order and discipline."



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2. "If anything goes wrong the performance of key activities, the entire organisation suffers. Therefore, the organisation should focus on them." Explain the statement with a suitable example.



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3. Prakash Jha wishes to fix-standard production for worker along with standard time to complete the job. Under which function of management, standards are fixed ?



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4. Jindal Ltd. Could not achieve the target production of 15,000 car p.a. It could produce only 14,125 cars- While analysing the reasons for deviations, it was found that workers were not efficient. Training programmers were organised and next year, company was able to produce 15,000 units. Production Manager is of the opinion that with this, management ends at controlling. Do you agree ? Give

reason to support your answer.

Explain any four importance of controlling.



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5. Suppose you are the manager of ABC Clothing Ltd. It comes to your knowledge that postal expenses have increased by 15% over the standard price and cost of labour and raw materials has increased by 3 %. Which of the two situations is more critical according to you ?



6. Tricom Ltd.' a computer hardware manufacturing company imported a new machinery for manufacturing latest technology based computer systems. The human resource manager determined that for operating the new machines, the company required the necessary workers through placement agency.

After 3 months, it was reported by the production manager that the workers were

not able to meet the target production. The General Manager got annoyed and ordered inquiry for the same. It was reported that the newly recruited workers possessed the necessary skills and abilities but lacked the willingness to do work.

(i) Name the functions of management involved above.

(ii) Name the relevant concept of functions identified in (i).

(iii) Which concept of management will help the company in meeting the target production

?



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7. Polycons Ltd. is a firm manufacturing paper bags in Odisha. It has employed female workers in the company and manufactures paper bags from recycle paper and thereafter sells them to various firms at economic rates.

Since last 1 month, its customers (firms) are reporting of complaints received from the users that these paper bags are unable to manage heavy weight and get torn easily.

1. Which function of management has been

ignored above ?

2. Discuss the steps to be undertaken in respect of the ignored function to pacify the situation.



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8. Mr Sandhu worked as a manager in a company manufacturing stationery items for 10 years. Later he thought of starting his own business as he acquired the skills and expertise in past years. He started his own

venture. He divides the organisation into six major departments Production, Purchase, Marketing, Legal, Human resource and Finance. After a month, he called upon the meeting of all the department heads in his office and told and production marketing and finance department managers to be very vigilant as their departments are critical to the success of the business. Short comings in Purchase, Personnel or Legal department would not affect much the success of business. Therefore, Mr Sandhu determined deviation tolerance limits for the critical

departments.

1. Identify the two functions of management referred above.
2. Describe the relevant concept of the identified functions.



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**9.** One day, the management instructor of BBA classes organised a "Panel Discussion" on important topics of management. The students were given the following clues for

discussion.

Each student was given 3 minutes for elaborating on the clues given below :

Clue 1 : They are inseparable twins.

Clue 2 : They are inter-dependent, inter-related and reinforce each other.

Clue 3 : They both are forward as well as backward looking.

1. Identify the functions of management written in clues above.
2. Elaborate on the 3 clues.



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10. 

Name and explain the first three steps of the function of management shown in the picture.



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11. Explain the two principles a manager must consider while dealing with deviation effectively ?



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**12.** What do you mean by key result area in the context of controlling ?



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**13.** ABC Ltd. is manufacturing auto spare parts on large scale. The company policy is that 3% of the daily production could be defective. Over last two months it is observed that about 10-12% of production is defective. Which function of management is required to correct

the above case ? State the procedure to be followed to correct the things.



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**14.** Which principle of management control is based on the belief "an attempt to control everything may end up by controlling nothing" ?



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**15.** Engineer India Ltd. is engaged in manufacturing machine components the target production is 300 units per day. The company had been successfully attaining the target three months ago. Over the last three months, it has been observed that daily production varies between 220 and 250 units. Identify the management function to rectify the above situation. Briefly state the procedure of this function.



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**16.** A company 'M' Ltd. is manufacturing mobile phones both for domestic Indian market as well as for export. It had enjoyed a substantial market share and also had a loyal customer following. But lately it has been experiencing problems because its targets have not been met with regard to sales and customer satisfaction. Also mobile market in India has grown tremendously and new players have come with better technology and pricing. This is causing problems for the company. It is planning to revamp its controlling system and

take other steps necessary to rectify the problems it is facing.

(a) Identify the benefits the company will derive from a good control system.

(b) How can the company relate its planning with control in this line of business to ensure that its plans are actually implemented and targets attained ?

(c) Give the steps in the control process that the company should follow to remove the problems it is facing.



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# Guidelines To Ncert Questions Multiple Choice Questions

1. An efficient control system helps to

- A. (a) Accomplish organisational objectives
- B. (b) Boost employee's morale
- C. (c) Judge accuracy of standards
- D. (d) All of the above.

**Answer:**



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2. Controlling function of an organisation is

A. (a) Forward looking

B. (b) Backward looking

C. (c) Forward as well as backward looking

D. (d) None of the above

**Answer:**



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**3.** Management audit is a technique to keep a check on the performance of

A. (a) Company

B. (b) Management of the company

C. (c) Shareholders

D. (d) Customers

**Answer: 2.**



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4. Budgetary control requires the preparation of

- A. (a) Training schedule
- B. (b) Budgets
- C. (c) Network diagram
- D. (d) Responsibility centres

**Answer: 2.**



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# Guidelines To Ncert Questions Short Answer Type Questions

1. Explain the meaning of controlling.



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2. "Planning is looking ahead and controlling is looking back". Comment.



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3. An effort to control everything may end up in controlling nothing.' Explain.



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## Guidelines To Ncert Questions Long Answer Type Questions

1. Explain the various steps in the process of controlling.



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2. Explain the techniques of managerial control.



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3. Explain the importance of controlling in an organisation.



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4. Discuss the relationship between planning and controlling.



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## Test Yourself Very Short Answer Type Questions

1. What do you mean by Deviation ?



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## Test Yourself Short Answer Type Questions

1. Planning is an empty exercise without controlling'. Explain the statement through an example.



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2. Explain the meaning of strategic control and operational dimensions of control.



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## Test Yourself Long Answer Type Questions

1. Explain the importance of controlling in an organisation.



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2. Discuss the relationship between planning and controlling.



**Watch Video Solution**

3. "Planning is looking ahead and controlling is looking back". Comment.



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## Previous Years Examination Questions One Mark Questions

1. Hina Sweets is a renowned name for quality sweets since 1935. Harsh the owner of Hina Sweets was worried as the sales had declined during the last three months. When he

enquired from the Sales Manager, the Sales Manager reported that there were some complaints about the quality of sweets. Therefore, Harsh ordered for sample checking of sweets. Identify the step taken by Harsh that is related to one of the functions of management.



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**Three Marks Questions**

1. The last step in the process of controlling is 'taking corrective actions'. Briefly explain the steps in chronological order that are taken in the process of controlling before this step.



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2. Explain any four points of important of controlling.



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3. A.S. Ltd.' is a large company engaged in assembly of airconditioners. 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.

(a) Identify the function of management discussed above

(b) State those steps in the process of the function identified which are discussed in the above. paragraph.



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1. Explain any four points of importance of controlling.



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2. Which among the following statements describes the relationship between Science and Technology?



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## Five Marks Questions

1. Explain the various steps in the process of controlling.



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2. Explain any five points which highlight the importance of controlling function in management.



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**3.** 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 backward and rural areas and persons with special abilities to assume responsible positions in the organisation. 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 para.

(c) List any two values which the company wants to communicate to the society.



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## Six Marks Questions

1. Explain any five points which highlight the importance of controlling function in management.



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