



BUSINESS STUDIES

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BUSINESS STUDIES (HINGLISH)

PLANNING

Think As You Read

1. Dreams can be turned into reality if business thinks in advance what to do and how to do.

Identify the function of management.

(a) Planning (b) Organising

(c) Direction (d) Controlling



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2. One of the functions of management is closely connected with creativity and innovation. Identify the management function.



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3. Define 'Planning premises'.



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4. What is meant by implementation of plan?



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5. Name the mathematical techniques which managers may apply while selecting best possible course of action.



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6. How are the alternative courses of action evaluated in case of financial plans?



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7. To see whether plans are being implemented and activities are being performed according to schedule' is step of planning process'. Identify the step.





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8. While formulating a plan, the manager is required to make certain assumptions about the future. What are these assumptions called ?



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9. Planning requires logical and systematic thinking rather than guess work or wishful

thinking'. What characteristic of planning does this statement highlight ?



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10. Why is planning a time-consuming process ?



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11. How does planning provide direction ?



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12. Do you think planning can work in a changing environment ?



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13. If planning involves working out details for the future, why does it not ensure success ?



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14. Can planning prevent problems ?



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15. Which of the following statements is false ?

(a) Planning reduces creativity.

(b) Planning is economical.

(c) Planning focuses on achieving objectives.

(d) Planning is a mental exercise.

A. Planning reduces creativity.

B. Planning is economical.

C. Planning focuses on achieving objectives.

D. Planning is a mental exercise.

Answer: (b) Planning is economical.



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16. Following a pre-decided plan, when circumstances have changed, may not turn out to be in the organisation's interest. Which limitation of planning is indicated here ?



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17. Why are rules considered to be plans ?



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18. Name the type of plan that does not allow for any flexibility or discretion.



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19. Name the type of plan which is in the form of general statements and channelises energies towards a particular direction.



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20. Name the type of plan which specifies the steps to carry out different activities in a chronological order :



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21. Which type of plan has the least flexibility and why ?



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22. Name the type of plan in which the minutest details are worked out, that is procedures, rules and budget within the broad framework of policy.



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23. Name the type of plan which provides a basis for interpreting the strategy.



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24. Name the type of plan which provides the prescribed ways in which a task has to be performed considering the objective.



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25. Name the type of plan which defines the parameters in which a manager may function.



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26. Name the type of plan which tells what is to be done and what is not to be done.



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Evaluation Based

1. A company is manufacturing garments. The manager wants to increase profits by purchasing new high speed machines or increasing the sale price or using waste material in manufacturing stuffed toys.

He decided that' using waste material to increase the profit is the best solution for him.

(a) Identify the concept of management involved.

(b) Mention the steps involved in the above process by quoting the lines from the question.

(c) To complete the process of the concept identified in (a), what two next steps does the manager have to take? Explain.



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2. Sushasini a home science graduate from a reputed college has recently done a cookery course. She wished to start her own venture with a goal to provide 'health food' at reasonable price. She discussed her idea with her teacher (mentor) who encouraged her.

After analyzing various options for starting her business venture, they shortlisted the option to sell ready made and 'ready to make' vegetable shakes and sattu milk shakes. Then, they both weighed the pros and cons of both the shortlisted options.

(i) Name the functions of management being discussed above and give any one of its characteristics.

(b) Also briefly discuss any three limitations of the function discussed in the case.



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3. Super Fine Rice Ltd. has the largest share of 55 % in the market. The company's policy is to sell only for cash. In 2015, for the first time company's number one position in the industry has been threatened because other companies started selling rice on credit also. But the managers of Super Fine Rice Ltd. continued to rely on its previously tried and tested successful plans which didn't work because the environment is not static. This led to decline in sales of Super Fine Rice Ltd. The above situation is indicating two limitations of

planning which led to decline in its sales.

Identify these limitations.



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4. Having transformed 2500 Kirana stores across eight cities into virtual super markets, the start up Quick Bizz further decided in advance, to challenge with 15000 – 20000 store owners in top 30 cities of the country by the end of this year. The company has set its eye on digitizing over 100000 kirana stores

over next 18 – 24 months.

(a) Identify and explain the step in the process of one of the functions of management discussed above.

(b) Also explain the last step to be performed by Qucik Bizz as part of the process.



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5. On the introduction of Goods and Services Tax Act, experts in the field of business started analysing and forecasting its impact on

various sectors and industries. Vivek, an established businessman, attended a few seminars and conferences organised by such experts to familiarise himself with this information. He wanted to use these forecasts to reduce the uncertainty in making decisions for the future in his business. Name the step in the planning process that is being discussed in the above paragraph.



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6. Saurabh decided to start a chocolates manufacturing business. He set the target of earning 10% profit on sales in the first year. As a good businessman, he was concerned about the future of the business, which was uncertain. He gathered information that the demand for chocolates is increasing day by day. He used this information as the base for future planning and shared it with his team. On the basis of the gathered information, he decided a meeting in the following week to find innovative ways to achieve the objectives.

List the first two steps, which have been followed by Saurabh that are related the process of one of the functions of management.



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7. 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 in 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.



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8. Explain the following statements related to the planning function of management :

(i) Planning is closely connected with creativity and innovation.

(ii) Planning will be a futile exercise if it is not acted upon or implemented.

(iii) Planning is the most challenging activity for the management.

(iv) Planning is a pre-requisite for controlling.

(v) Planning is purposeful.

(vi) Planning is not an exclusive function of top management.



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9. Answer the following questions :

(a) What would be the consequences if there was no planning ?

(b) How does planning provide the basis of control ?

(c) What does 'primary of planning' refer to ?

(d) Why is planning an intellectual activity of thinking rather than doing ?

(e) Can planning eliminate changes/uncertain events? Give reason.



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10. Identify and state the steps involved in planning process from the following :

(i) If the end result is clear it becomes easier to work towards the goal.

(ii) Alternatives are weighed in the light of their feasibility and consequences.

(iii) This is the real point of decision making. The best plan has to be adopted and implemented.

(iv) This is the step where other managerial functions also come into the picture. This step would also involve organising for labour and

purchase of machinery.

(v) Base material upon which plans are to be drawn in the form of forecasts, i.e. a technique of gathering information about the demand for a particular product, policy change, interest rates, prices of capital goods tax rates etc.



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11. Two years ago, Madhu completed her degree in food technology. She worked for

some time in a company manufacturing chutneys, pickles and murrubles. 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 objective 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 framers 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 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, area-wise for the forthcoming quarter. While working on the production table a penalty of 100rs per day for not wearing the cap, gloves and apron was

announced.

Quoting lines from the above para identify and explain the different types of plans discussed.



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12. Laxmi Chemicals Ltd., a soap manufacturing company wanted to increase its market share from 30 % to 55 % in the long run. A recent report submitted by the Research and Development Department of the company has

predicted a growing trend of herbal and organic products. On the basis of this report the company decided to diversify into new variety of soaps with natural ingredients having benefits and fragrances of Jasmine, Rose, Lavender, Mogra, Lemon Grass, Green Apple, Strawberry etc. The Unique Selling Proposition (USP) was to promote eco-friendly living in the contemporary life style. The company decided to allocate 30 crores to achieve the objective.

Identify the type of the one of the functions of management mentioned above which will help

the company to acquire dominant position in the market.



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13. After completing her studies in product design, Sarita wishes to start her own business to design products to cater to the mobility and communication requirements of persons with special needs. She told her friend that she wanted to focus on supplying high quality products at affordable prices. The

Unique Selling Proposition (U.S.P) of the products would be sensitivity of the challenges and needs of the differently abled people.

She wants to employ only differently abled person in her factory and sales offices across the country. This decision of Sarita provides the base for interpreting her strategy. This also defines the broad parameters within which the company may recruit the persons. Sartia has also to decide about the exact manner and the chronological order to how the selection of the differently abled

applicants will be done.

In the above lines, Sarita is discussing about one of the functions of management. This is function has several types. Identify and explain the types Sarita is discussing in the above lines.



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14. Vardan Patel started the business of preparation and supplying sweets through home delivery at a production cum show-room

'Express Sweets' at Ahmedabad. He made a plan forecasting the sales of different types of sweets in various localities of Ahmedabad for each month of year to earn a profit of 20% on Capital employed.

He sets a sales target of 2000000*rs* in the current year with a 10% increase every year.

He then set the criteria for selecting suppliers from whom he would make purchases of raw material.

The planning paid off and the business was able to achieve its targets.

(a) Identify any two types of plans by quoting

the lines from the above.

(b) Also give the meaning of types of plans identified in part (a) above.



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15. Gunjan is the director of Zyesha Ltd., a ladies garments manufacturing company. In a Board's meeting, she addresses certain questions such as

- What is the demand for the product ?

- Which channel of distribution to use ?

- What is the pricing policy ?

-How do we advertise the product ?

Identify and explain the type of plan highlighted above.



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16. Panorma Ltd. Is a company selling LED television sets. Shivek, a manager of the company, makes certain decisions in the nature of manufacturing of buying decisions, should the company make or buy its

requirements of packages, printing of labels, selection of vendors for procuring supplies ?

Identify and explain the type of plan highlighted above.



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17. Define 'Budget' as a type of plan. Why is budget also a control device ? Why is it regarded as a fundamental planning instrument ?



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18. Why is policy called a basis for interpreting strategy ?



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19. Identify the types of plan.

(i) It may consist of identifying steps procedures required for opening a new department to deal with the minor work.

(ii) It is a statement of expenses, revenue and income for a specified period.

(iii) It specifies the organisation's response to a certain situation.

(iv) It describes the specified steps to be followed in particular circumstances.

(v) It provides the manner in which a task has to be performed.

(vi) It clearly states as to exactly what has to be done.

(vii) It is a general plan prepared by top management outlining resource allocation, priorities and takes into consideration the business environment and competition.

(viii) It serves as a guide for overall planning.



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Understanding Based

1. Following are the steps of planning process.

Arrange them in correct sequence :

(i) Developing premises (ii) Identifying and evaluating the course of action

(iii) Setting objective (iv) Evaluating alternative courses.

Select from the choices given below :

(a) (iii), (i), (ii), (iv) (b) (i), (ii), (iii), (iv)

(c) (i), (iii), (iv), (ii) (d) (iv), (ii), (iii), (i)



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2. Name the function of management under which policies and strategies are formulated.



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3. "Management translates work into goals and also finds ways and means to achieve those

goals." Name the term highlighting the above statement.



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4. Planning is done for achieving organisational goals'. Do you agree ? Give reasons.



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5. What is important in developing planning premises and why ?



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6. "Planning always leads to success." Do you agree ?



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7. Name the device which helps the management to plan and control the use of cash. It is a statement showing the estimated cash inflows and cash outflows over a given period.



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8. What major strategic decisions does a business organisation take?



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9. How are policies and procedures interlinked with each other?



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10. Identify the type of plan which includes the entire gamut of activities as well as the organisation's policy and how it will contribute to the overall business plan.



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11. Identify the type of plan :

(i) It is measurable in quantitative terms in the form of a written statement of desired results to be achieved with in a given time period.

(ii) It takes the course of forming the organisation's identify in the business envirnoment.



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12. Name the type of plan which represents the end point of planning or the end result of activities or overall business planning.



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13. What type of plan is 'no smoking' ?



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14. Name the type of plan which is a general plan prepared by top management outlining resource allocation and priorities.



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15. Name the type of of plan which is the general response to a particular problem or situation.



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16. Name the type of plan which contains minute details of information vital to the employees of an organisation.



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17. Which type of plan is highlighted in each of the following statements ?

(a) Alcohol is not permitted within the factory premises.

(b) Company follows the practice of hiring employees who are above 25 years of age.

(c) Any employee found logging to any social networking site in the office will be subject to strict disciplinary action.

(d) 10 % jobs reserved for women in every department.

(e) Strict penal actions against anyone who uses office stationery for personal use.

(f) A discount of 10 % will be offered to all the customers buying goods worth 20000rs or more.

(g) Library will issue the books for 7days.

(h) Girls will be given a rebate of 5 % in cut off for admission in the college.



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18. Increasing sales by 10% in the next quarter is an important type of plan. Identify the type of plan.

A. Objective

B. Policy

C. Strategy

D. Programme

Answer:



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19. _____ are routine steps on how to carry out activities.

A. Policies

B. Strategies

C. Procedures

D. Rules

Answer:



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20. Name the type of plan which represents the end point of planning.

- A. Objectives
- B. Strategies
- C. Procedures
- D. Rules

Answer:



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21. Name the type of plan which refers to future decisions defining the organisation's direction and scope in the long run.

A. Objectives

B. Strategies

C. Procedures

D. Rules

Answer:



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22. Name the type of plan which defines the formal parameters within which the managers may function.

A. Policies

B. Strategies

C. Procedures

D. Rules

Answer:



23. Name the type of plan which reflects the managerial decision that a certain action must or must not be taken.

A. Policies

B. Procedures

C. Strategies

D. Rules

Answer:





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24. Chaitanya Limited follows a standard a procedure for selection Production Manager for its company. Is it a single-use plan or a standing plan? Give reason.



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25. Small Limited prepares budget for its Annual General Meeting for Financial Year

2019 – 20. Is it a single use plan or a standing plan ? Give the reasons.



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26. Name the type of plan which is also a control device from which deviation can be taken care of.



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27. Shagun Ltd. Decides to advertise its products on radio and newspapers. What type of plan it is ?



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28. Tanya Ltd. Decides that at the supervisory level, on the job training can be used while for higher level management, lectures and orientation programmes be organised. What type of plan it is known as ?





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29. Which one of the following is a standing plan ?

A. Policy

B. Budget

C. Project

D. Programme

Answer:



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Brain Teaser

1. Ravi was working in a mobile company. It had an assembling unit in Noida. In this assembling unit, standard output of producing 12 units per day per worker had been set. While assembling mobile phones, he realised that by simply reorganising the sequence of tasks more units can be assembled at a lower cost. He went to his supervisor and informed him about his new discovery. The supervisor,

on the contrary, instructed him to carry out work as per the method and techniques decided earlier.

Identify this limitation of one of the functions of management.



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2. Mr. Mohan, Financial manager to ABC Ltd., has prepared the annual statement of proposed expenditure to be presented in the Annual General Meeting.

Identify the type of plan formulated by the financial manager.



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3. Rahul decided to start a desert cooler manufacturing business. He sets the target of earning 20 % profit on sales in the first year. He was very much concerned about the future prospects of the business, which were uncertain. For this, he gathered information from the potential market and analysed that

the demand for wall-mounted coolers is increasing day by day. He used this information as the base for future planning. On the basis of the gathered information, he called a meeting in the following week to find new methods to achieve the objective.

(a) Identify the function of management involved in the above case.

(b) Enumerate the next two steps, which have been followed by Rahul that are related to the process of one of the functions of management.



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4. Name the type of plan which is prepared to show the number of workers required in the factory at peak production times.



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5. An auto company *C* Ltd. is facing a problem of declining market share due to increased competition from other new and existing players in the market. Its competitors are

introducing lower priced models for mass consumers who are price sensitive. *C* Ltd. sets its long-term objective to increase profits by 20% in the next year. For quality conscious consumers, the company is introducing new models with added features and new technological advancements. For this, the company raises 100rs crore by issuing equity shares.

(a) Identify the type of plan the company is preparing.

(b) State its three dimensions by quoting the line from the above paragraph.



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6. Name the type of plan which provides the broad contours of an organisations's business.



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7. Name the type of plan which is time bound and linked with measureable outcome.



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8. A company needs a detailed plan for its new project, "Construction of a shopping Mall".

What type of plan is it?



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9. Maruti started offering a discount of 20000rs on purchase of Wagon R. In response to this, Hyundai started with a scheme of free MP3 player with every Santro. Identify the type of plan indicated in the given statement.



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10. State the main aspects in the concept of planning ?

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Self Evaluation Test 1

1. Define planning premises.

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2. Why is planning called the pre-requisite for controlling ?



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



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4. Prem India Limited is a well-established International Camera Company. It was pioneer in introducing products like non-digital 'aim and shoot' cameras. After tasting success in the previous project, they introduced wide range of products in DSLR cameras. Their products range from 20 to 250 mega pixels digital cameras. With the advancement of technology, they planned to make huge investment in developing and selling even higher resolution digital cameras. The made a budget allocation of 1000rs crore in

developing it. The company has started working on this improved product. It is a lengthy process of research and development. It may take 2 to 3 years to actually start production. In the mean time one of its competitors moved a step forward and developed and marketed mirror-less cameras in the market. It resulted in heavy losses to Prem India Limited.

Identify any three limitations of planning by quoting the lines from the above para.



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5. Pan Masala and Sons is a manufacturer of tobacco products. It decided to increase profits by at least 20 % in the next quarter. It has many options.

(i) To increase the working hours of labourers without additional payment.

(ii) To employ children from the local community.

(iii) To sell its products outside the schools and colleges.

It opted the (ii) and (iii) options to achieve the target.

(a) Identify the function of management described in the above para.

(b) State the steps of the process involved in the function of management indentified in (a) quoting the lines from the above para.



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6. In 'Chak De India' movie, Shahrukh Khan becomes the coach of the girls' hockey team. He knows that he has to prepare the girls for the internaitonal hockey matches and bring

the world cup after winning. For this he prepares a long-term plan and thinks the ways how to beat the competitors. He coaches the girls to play in different ways like defensive, offensive, etc. At the outset of a match he explains who will open the match, and how the ball will be passed by one player to another step by step.

Identify four types of plans that are highlighted in the above case, quoting the lines from it.



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



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Self Evaluation Test 2

1. Lira Ltd. Is a company manufacturing designer socks. While making its plan, the company takes into consideration the business environment. It constantly adapts

itself to changes in environment by making changes in its plan. However, it becomes difficult for the managers of the company to accurately foresee future trends in the environment. Competition in the market upsets its financial plans, then sales targets have to be revised and, accordingly cash budgets also need to be modified since they are based on sales figures.

States the limitations of planning highlighted in the above lines.



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2. Is planning actually worth the huge costs involved ? Explain.



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3. Explain the following as features of planning

:

(a) Planning is continuous, and

(b) Planning is futuristic.



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4. ABC Ltd. Has a plan of increasing profits by 20%. It has devoted a lot of time and money to this plan. But the competition starts increasing, so it could not change its plan to beat its competitors because a huge amount of money had already been devoted to the pre-decided plan. It caused losses to the company.

Explain any two limitations of planning highlighted in the above case. Also, quote the lines from it.



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5. Give the meaning of 'Procedure' and 'rule' as types of plans.



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6. A reputed car manufacturing company in NCR is facing the problem of decline in its market share due to its internal mismanagement. Therefore it has planned to increase its production capacity at its Gurgaon plant by manufacturing low period eco-friendly cars for price sensitive consumers and

introducing new models with added features for quality conscious consumers. For this the company issues shares to the public and raises 150rs crore. The company purchases more machinery required to increase production.

(a) Identify the type of plan the company is preparing.

(b) State the steps involved in this plan quoting the lines from the above case.



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7. "Failing to plan is planning to fail".

Comment.



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