



Self Evaluation Test

Time: 3 hours

Maximum Marks: 80

1. 'Dreams can be turned into reality only when managers think in advance what to do and how to do it.' Name the function of management indicated by the statement. (1)
2. Which function of management helps in reducing the overlapping and wasteful activities? How? (1)
3. What is meant by 'Follow up action' as a step involved in the planning process? (1)
4. Why is planning a time-consuming process? (1)
5. What are planning premises? (1)
6. 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 marking decisions for the future in his business. Name the step in the planning process that is being discussed in the above paragraph. (1)
7. 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 it as 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. (1)
8. 'Planning eliminates changes/uncertainties'. Do you agree? Give reason in support of your answer. (1)
9. Is planning an exclusive function of top management? Explain. (3)
10. Explain the following as features of planning: (3)
 - (a) Planning is continuous; and
 - (b) Planning is futuristic.
11. Explain how: (3)
 - (a) planning reduces creativity and
 - (b) planning leads to rigidity.
12. Why does planning sometimes fail in spite of the best efforts of management? Give three reasons. (3)
13. Distinguish between 'single use' and 'standing' plans. Give an example of each. (3)
14. Differentiate between 'Method' and 'Budget' as types of plans. (4)
15. Differentiate between 'Objective and Strategy' as types of plans. (4)
16. Explain 'Policy' and 'Rule' as types of plans. (4)
17. 'If you fail to plan, you plan to fail.' Do you agree? Give any four reasons. (4)
18. 'Though planning is an important tool of management, yet it is not a remedy for all types of problems.' Do you agree? Give any four reasons. (4)
19. 'Dr. Rao Pharmaceuticals Ltd.' is engaged in the manufacturing and distribution of medicines. The company has set-up an objective of increasing its sales turnover by 18%. To achieve this objective the company has decided to diversify into baby health care products. Since the company has already set its objectives and developed the premises, it wants your help for the remaining steps to be taken in this process. Explain briefly these steps. (4)
20. Define 'planning' as a function of management. State the steps involved in planning process. (5)
21. State any five features of planning. (5)

22. 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 priced 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 ₹ 150 crore. The company purchases more machinery required to increase production.
- Identify the type of plan the company is preparing.
 - State the steps involved in this plan quoting the lines from the above case.
 - State any one value which the company wants to communicate to the society. (5)
23. Identify and explain the types of plans:
- This plan specifies the steps to carry out different activities in a chronological order.
 - These are the simplest type of plans. (6)
 - This plan prescribes the manner in which a task has to be performed.
24. Subodh Beverages Ltd. was planning to introduce a new Jamun-flavoured drink in the market. The CEO of the company prepared a detailed statement about this launch and a sales target of 10 lakh bottles per year was set. To achieve this target, the sales manager decided to indulge in aggressive advertising and marketing of the product. The company guidelines say that a big dealer, purchasing goods worth more than ₹ 10 lakhs, will be given 60 days credit, while those purchasing goods worth less than ₹ 10 lakhs, will be given 30 days credit. The cashier will maintain payment record of the dealers known as 'Performance Record'. In case of delay, a proper warning will be issued to the dealer. If a dealer fails thrice to make the payment within the stipulated time, the company will not indulge in any transaction with that dealer. No sales shall be made to the retailers. (6)
- Identify and explain any four types of plans used by Subodh Beverages Ltd. (6)
25. Identify and explain the steps involved in planning process from the following : (6)
- Manager is required to make certain assumptions about the future.
 - This is the real point of decision-making.
 - Under this step, managerial functions come into picture and involves organising for labour and purchase of machinery.