

	<p>(b) Providing good on the job training to the workers to build an efficient team.</p> <p>(c) Building up high morale among workers through good leadership.</p> <p>(d) Giving feedback to the workers after analyzing their work and suggesting ways of developing their work skills</p> <p>(e) Ensuring performance of work according to the targets set.</p> <p>(f) To oversee the efforts of the workforce.</p> <p>(g) To ensure that the quality of output is maintained and wastage of material is minimized.</p> <p>(h) To ensure safety standards are maintained</p> <p>(i) Incentives provided to Siyaram Singh are:</p> <p>(a) Pay and allowances/ Financial Incentive</p> <p>(b) Employee Recognition Programmes/ Non Financial Incentive.</p>	
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CHAPTER : CONTROLLING

Q. NO.	QUESTION	MARKS
1	Planning is perspective whereas controlling is_____.	1
2	Controlling creates an atmosphere of_____and_____in the organization.	1
3	Controlling can be used to_____the performance of employees.	1
4	A good control enables the management to verify whether the standards set are_____and_____.	1
5	_____function of management helps in formulation of future plans in the light of the problems that were identified in the past.	1

<p>6</p>	<p>Critical point control focuses on _____</p> <ul style="list-style-type: none"> (a) Every task (b) Financial areas (c) Key result areas (d) Planning areas 	<p>1</p>
<p>7</p>	<p>Measurement of employees' performance can be done by _____.</p> <ul style="list-style-type: none"> (a) Increasing the market share of the company (b) Gross profit ratio (c) Return on investment (d) Performance report 	<p>1</p>
<p>8</p>	<p>Which one of the following is not the step in the process of controlling?</p> <ul style="list-style-type: none"> (a) Measurement of actual performance. (b) Establishing reporting relationship. (c) Setting performance standards. (d) Taking corrective action. 	<p>1</p>
<p>9</p>	<p>Among the following, which one standard can be maintained in Marketing?</p> <ul style="list-style-type: none"> (a) Cost (b) Flow of Capital (c) Advertising Expenditure (d) Liquidity. 	<p>1</p>

10	<p>“Controlling is required at all the levels of management”. Which feature is highlighted in the above statement?</p> <p>(a) Dynamic</p> <p>(b) Contingent</p> <p>(c) Pervasive</p> <p>(d) Continuous</p>	1
11	<p>Which of the following is the function prerequisite for controlling?</p> <p>(a) Staffing</p> <p>(b) Organising</p> <p>(c) Planning</p> <p>(d) Directing</p>	1
12	<p>Chief basis of standard is _____</p> <p>(a) Quantity</p> <p>(b) Quality</p> <p>(c) Time</p> <p>(d) All of the above</p>	1
13	Controlling is related to results. (Yes/No)	1
14	Controlling in the absence of planning is blind. (True/False)	1
15	Management by exception differentiates between actual and planned performance. (True/False)	1
16	Standards are the bench marks to measure future performance. (True/False)	1
17	Clarity in working relationship is not an importance of controlling?	1

	(True/False)	
18	<p>Kansal Sweets is a renowned name for quality sweets since 1955. Somesh, the owner of Kansal 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 Somesh ordered for sample checking of sweets.</p> <p>Identify the step taken by Somesh that is related to one of the functions of management.</p>	1
19	<p>Isha Machines was a renowned name for quality sewing machines since 1960. Mr Suresh, the owner of Isha Machines was worried as the production had declined during the last three months. He directed the production Manager to find out the reason. The production Manager ordered the different supervisors to prepare a performance report of the workers working under them.</p> <p>Identify the step taken by the production Manager that is related to one of the functions of management.</p>	1
20	Give the meaning of 'Management by Exception.'	1
21	<p>Sonakshi Ltd. produces safety pins on a mass scale. The company's policy is that maximum 2.5% of the daily production could be defective. Over a three months period, it has been observed that 8% - 10% of the production is defective. The cause of deviation found is defective machinery. What corrective action should be taken by the management?</p>	1
22	<p>You are the manager of NFL Petro Chemicals Ltd. it is reported to you that postal expenses have increased by 10% over standard rates and cost of raw materials has increased by 2%. Which of the two deviations will be more critical to you?</p>	1
23	<p>Isha Machines is engaged in manufacturing machine components. The target production is 200 units daily. The company had been successfully attaining this target until two months ago. Over the last few months it has been observed that daily production varies between 150-170 units.</p>	2+1=3

	Identify the possible causes for the decline in production and the step to be taken to achieve the desired targets.	
24	If anything goes wrong with the performance of key activities, the entire organization suffers. Therefore, the organization should focus on them'. Explain the statement with suitable example.	3
25	Rajeev and Sanjeev are managers in the same organisation heading different units. While discussing about the functions of management, Rajeev says that 'Planning is looking ahead whereas controlling is looking back.' But Sanjeev says, 'You are wrong because planning is looking back whereas controlling is looking ahead.' Both are giving reasons in favour of their statements. Explain the possible reasons given by both and justify who is correct.	4
26	Vinber Ltd. set up a manufacturing unit at Bhiwadi at 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 out that fluctuation in production was due to irregular supply of electricity. (a) The above para discusses some of the steps of one of the functions of management. Explain the steps. (b) Also, state the step(s) not discussed in the above para.	4
27	A critical point control (CPC) approach is followed by McDonald in the cooking and handling process so that any food safety threat can be prevented, eliminated, or reduced to an acceptable level. Hence, continuous monitoring of activities are undertaken to ensure that the process is right at each critical point control. The main principle followed for cooking at McDonald is "less amount many time" which can ensure the high quality and high fresh level of the food. For instance, if your	1+2+2=5

	<p>hamburgers have to be made, a worker cannot cook all the four hamburgers at one time. The time figured out for making one hamburger is one hundred and forty-five seconds. Moreover, nearly all foods in the McDonald have the specific holding time, the holding time for hamburgers is ten minutes and for French fries is seven minutes. If it is not sold within that time it is thrown away. Also, the temperature of the milk sent by the supplier must be under 40 c, otherwise, it will be returned.</p> <p>In context of the above case:</p> <ol style="list-style-type: none"> 1. Name the steps involved in the controlling process which are being discussed in the above lines. 2. What do you understand by 'critical point control'? Explain. 3. How does the controlling function of management help in accomplishing organizational goals and ensure efficient use of resources? 	
<p>28</p>	<p>Vikas was the Chief Operating Officer of 'Yalet Ltd.', a company providing advanced software solutions to Indian Defence Services. They had been carrying on business successfully for the last twelve years and earning enough profits. But from the last one year, they realised that though the business is getting big orders which are being fulfilled in time, even then the revenues kept on decreasing. Vikas was not able to find out where the problem was. He started keeping a close check on the progress of activities as he could sense that something was wrong. He wanted to take some action before any major damage could be done to the business. Vikas appointed a cyber security expert who monitored the company's processes and found out that the computer operator was deleting the entries from the computers and pocketing the revenues. He was caught and handed over to the police. This created an atmosphere of order and discipline in the organisation and helped in minimizing dishonest behavior on the part of the Employees.</p> <p>(a) Identify the function of management highlighted in the above paragraph.</p> <p>(b) Explain any four other ways in which this function of management may</p>	<p>5</p>

	help the organisation.	
29	<p>'Jolly Ltd.' is a company known for manufacturing good quality confectionery products. The automated system of production ensures uniformity in production and quality maintenance. The quality assurance team conducts stringent checks at all stages, records and analyses the deviations and takes the necessary corrective actions right from the procurement of raw material to its processing, production and packaging. The company has a well-equipped in-house quality inspection cell where confectionery products are tested on various parameters of quality by the team of experienced quality staff.</p> <p>In context of the above case:</p> <ol style="list-style-type: none"> 1 Identify and explain the function of management being performed by the quality assurance team of 'Jolly Ltd.' 2 Explain the statement, "records and analyses the deviations and takes the necessary corrective actions". 	2+4=6
30	<p>Airtech Ltd. is manufacturing mobile phones both for domestic Indian market as well as for export. It has 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. It also decides to offer its basis models of mobile phones at 50% discount to the poor people.</p> <ol style="list-style-type: none"> 1. State any two benefits the company will derives from a good control system. 2. How can the company relate its planning with control in this line of business to ensure that their plans are actually implemented and targets attained. 3. Give the steps that the company should follow to remove the problems 	6

	it is facing.	
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ANSWERS

Q.NO.	ANSWER	MARKS
1	Evaluative	1
2	Order and discipline	1
3	Appraise	1
4	Accurate , objective	1
5	Controlling	1
6	C	1
7	D	1
8	B	1
9	C	1
10	C	1
11	C	1
12	D	1
13	Yes	1
14	True	1
15	False	1
16	False	1
17	False	1
18	Measurement of actual performance	1
19	Measurement of actual performance	1
20	Management by Exception is a technique of managerial control which involves identifying only significant deviations which go beyond the permissible limit and bringing them to the notice of the management.	1
21	Repair existing machine or replace the machine if it cannot be repaired	1
22	Increase in cost of raw materials by 2% is more critical. (Critical Point Control)	1

<p>23</p>	<p>The possible causes for decline in production are listed below:</p> <ul style="list-style-type: none"> • The workers are not well versed with the production process. • The working environment is not conducive to efficient working. • The raw materials and other equipment are not available on time. • The machinery is defective or has become obsolete. <p>The deviations require immediate management attention so that they do not reoccur in future. Therefore, the manager should take appropriate corrective action after analyzing the situation like providing training to workers, improving the work environment, ensuring timely availability of the raw materials and other equipment or replacing the machinery.</p>	<p>2+1=3</p>
<p>24</p>	<p>The given statement refers to the importance of 'Critical Point Control' in order to ensure effective performance of key activities in an organisation.</p> <p>Critical Point Control: it may be neither economical nor easy to monitor each and every activity in the organisation. Therefore, every organisation identifies and states its specific Key Result Areas (KRAs) or critical points which require tight control and are likely to have a significant effect on the working of the business. Any deviations on these points are attended to urgently by the management. For example, if in an organisation, the expenditure on stationery goes up by 10%, it can be ignored but if the production cost goes up by 5%, it may call for managerial action</p>	<p>3</p>
<p>25</p>	<p>Both Rajeev and Sanjeev are correct in their statements as explained below:</p> <ul style="list-style-type: none"> • Planning is considered as a forward looking function by Rajeev as plans are made for future. • Planning may be considered as a backward looking function by Sanjeev because the quality of planning can be improved with the help of valuable information provided by controlling in terms of 	<p>4</p>

	<p>results achieved.</p> <ul style="list-style-type: none"> Controlling is considered as a backward looking function by Rajeev as it is like the post mortem of the past activities to ascertain the deviations if any. Controlling is considered as a forward looking function by Sanjeev as it helps to improve the future performance by providing guidance for taking corrective action so that deviations do not reoccur in future. 	
26	<p>(a) Steps in the process of controlling discussed in the above case:</p> <p>(i) Setting performance standards</p> <p>(ii) Measuring actual performance</p> <p>(iii) Comparing actual performance with standards and Analysing deviations</p> <p>(b) Step not discussed in the above para:</p> <p>Taking corrective action if deviations go beyond the acceptable limits.</p>	4
27	<p>1. Analyzing deviation and taking corrective action are being discussed in the above lines.</p> <p>2. Since it may neither be economical nor easy to monitor each and every activity in the organization, there for every organization identifies and states its specific key result area (KRAs) or critical points which require tight control are likely to have a significant effect on the working of the business. Any deviations on these points are attended to urgently by the management.</p> <p>3. Explanation of following points of importance of controlling function:</p> <ol style="list-style-type: none"> Accomplishing organizational goals Making efficiently use of resources 	1+2+2=5
28	<p>(a) Controlling.</p> <p>(b) Other ways in which this function may help the organization : (Any four)</p> <p>(i) Accomplishing organisational goals.</p>	5

	<p>(ii) Making efficient use of resources.</p> <p>(iii) Improving employee motivation.</p> <p>(iv) Judging accuracy of standards.</p> <p>(v) Facilitating co-ordination in action.</p>	
29	<p>1. Controlling is the function of management being performed by the quality assurance team of 'Jolly Ltd.'</p> <p>Controlling is the process of ensuring that events conform to plans.</p> <p>2. The statement "records and analyses the deviations and takes the necessary corrective actions" refers to the following steps involved in the process of controlling:</p> <ul style="list-style-type: none"> • Comparing the actual performance with the standards: The actual performance is compared with the standards and deviations, if any, are recorded. • Analysing deviations: Once the deviations are identified, it is important to analyze them through: • Critical point control: All the deviations may not be significant. Moreover, it may not be either economical or easy to monitor each and every activity in the organisation. Therefore, every organisation identifies and states its specific key result areas (KRAs) or critical points which require tight control as they are likely to have a significant effect on the working of the business. Any deviations on these points are attended to urgently by the management. Like in the above case, if the expenditure on refreshment of workers goes up by 10% it can be ignored but if the production cost goes up by 5% it may call for managerial action. • Management by exception: Management by exception is the principle of management control which is based on the belief that if you try to control everything, you may end up controlling nothing. Therefore, only significant deviations 	2+4=6