

Remembering-based Questions

[1 mark]

Q.1. Give the meaning of 'organising as a process'.

[CBSE 2016]

Ans. Organising refers to the process of defining and grouping the activities of an enterprise and establishing authority relationship among them.

Q.2. State any one advantage of 'Formal Organisation.'

[CBSE 2014]

Ans. Easy to fix accountability: Since the authority and responsibility of all the employees have been already fixed, inefficient employees can easily be apprehended and in this way their accountability can be fixed.

Q.3. What is an organisation chart?

Ans. Organisation chart is a drawing which shows the relationship among the various posts established in the organisation.

Q.4. What is an organisation manual?

Ans. In the organisation manual the authorities and responsibilities of various posts established in the organisation are explained. It also gives other relevant details.

Q.5. Define the term 'Organisation Structure'.

Ans. According to Hurley, "Organisation structures are patterns of relationship among the various positions in a firm and among the various people occupying the positions."

Q.6. What is meant by 'Functional Organisation Structure'?

Ans. It refers to the division of whole enterprise according to the major activities to be performed by it.

Q.7. Give two advantages of functional organisation.

Ans.

- a. Benefits of specialisation.
- b. Coordination is established.

Q.8. What is meant by Divisional Organisation Structure?

Ans. It refers to the division of the whole enterprise according to the major products to be manufactured by it.

Q.9. Give the meaning of delegation?

[CBSE 2016]

Ans. It refers to the process of entrusting responsibility and authority, and creating accountability of the person to whom work or responsibility has been handed over.

Q.10. What is meant by 'Responsibility for'?

Ans. 'Responsibility for' means obligation of a subordinate to complete the assigned job.

Q.11. What is meant by 'Responsibility to'?

Ans. 'Responsibility to' means accountability of a subordinate for his work performance in relation to the authority given to him.

Q.12. Give the meaning of 'Authority' as an element of delegation. [CBSE 2014, 2016]

Ans. Authority refers to the right of an individual to control his subordinates and to take action within the scope of his position.

Q.13. Give the meaning of 'Responsibility' as an element of delegation.
[CBSE 2014, 2016]

Ans. Responsibility is the obligation of the subordinate to properly perform the assigned duty.

Q.14. State any two steps of the process of delegation of authority.

Ans.

- a. Assigning responsibility
- b. Granting authority.

Q.15. What is meant by 'Diversification'?

Ans. It refers to deal in the business of many products instead of a single product.

Q.16. State any two points of importance of decentralisation.

Ans.

- a. Quick decision making
- b. Better control.

Q.17. Define 'formal organisation'.

[CBSE 2015]

Ans. It refers to the organisation structure which is designed by the management to accomplish a particular task.

Q.18. Give the meaning of 'accountability' as an element of delegation.
[CBSE 2016]

Ans. Accountability means the answerability of the subordinate to his superior for his work performance.

Q.19. Give the meaning of 'Decentralisation'.

[CBSE 2016]

Ans. Decentralisation refers to the situation which exists as a result of systematic delegation of authority throughout the organisation.

[3 marks]

Q.1. What is meant by 'formal organisation'? List any two limitations of 'formal organisation'.

Ans. Meaning: It refers to the organisation structure which is designed by the management to accomplish a particular task.

Limitations:

- i. **Delay in Work:** Every activity is bound by rules which causes unnecessary delay in the completion of work.
- ii. **Lack of Initiative:** In this organisation, the employees have to do what they are asked to do and they do not have a chance of some independent thinking. This, therefore, kills initiative.

Q.2. What is meant by 'formal organisation'? List any two advantages of formal organisation.

Ans. Meaning: It refers to the organisation structure which is designed by the management to accomplish a particular task. **Advantages:**

- i. **Easy to Fix Accountability:** Since the authority and responsibility of all the employees have been already fixed, inefficient employees can easily be apprehended and in this way their accountability can be fixed.
- ii. **No Overlapping of Works:** In the formal organisation, everything moves in an orderly manner. Therefore, there is no possibility of any work being left out or unnecessarily duplicated.

Q.3. What is meant by 'informal organisation'? List any two limitations of informal organisation.

Ans. Meaning: It refers to the natural groupings of people in the work situation to meet personal needs.

Limitations:

- i. It creates rumours.
- ii. It resists changes.

Q.4. State any three advantages of informal organisation.

Ans. Advantages of Informal Organisation: Following are the advantages of Informal Organisation:

- i. **Effective Communication:** In the absence of any definite course, it is an effective system of communication. Messages can be quickly conveyed from one place to another with the help of this system.
- ii. **Fulfills Social Needs:** In the informal organisation, people having similarity of thoughts and ideas form a group of their own. All the people in the group stand by one another in all the organisational or personal matters.
- iii. **Fulfills Organisational Objectives:** In the informal organisation, the subordinates put their ideas before the superiors without any fear or hesitation. It helps the superiors to understand their difficulties and immediate solution of the problem is sought out. Since the problems are easily solved it becomes easier to achieve the objectives of the organisation.

Q.5. State any three advantages that a functional structure offers to an organisation?

[CBSE Sample Paper 2015]

Ans. Advantages of Functional Organisation: The following are the advantages of functional organisation structure:

- i. **Benefits of Specialisation:** The whole company is divided into many departments on the basis of major activities to be performed. Each department is headed by an expert manager. This results in more and better work being accomplished in much lesser time. Hence, the benefits of specialisation become available.
- ii. **Coordination is Established:** All the persons working within a department are specialists of their respective jobs. It makes coordination easier at the departmental level.
- iii. **Managerial Efficiency is Increased:** It helps in increasing managerial efficiency because of performing the same work again and again. Further, this results in increased profit.

Q.6. Discuss three disadvantages of divisional organisation structure.

Ans. Following are the disadvantages of divisional organisation structure:

- i. **Conflicts between Divisional Heads:** Every divisional head wants to become a divisional empire. To satisfy their ego, each demands maximum resources for their division. This situation leads to conflicts among the various divisional heads.
- ii. **Duplicity of Functions:** The entire set of functions (e.g., production, marketing, finance, personnel, etc.) is required for all divisions. It gives rise to duplicity of efforts among divisions. Hence, resources are misused and cost of operations is unnecessarily increased.

- iii. **Selfish Attitude:** Every division tries to display better performance sometimes even at the cost of other divisions. This shows their selfish attitude. Consequently, it hits the interest of the concern as a whole.

Q.7. Explain delegation of authority.

Ans. Delegation of authority popularly known as 'delegation' is an important part of the organising process. Its need is felt when due to excessive workload on a manager, he is unable to perform all the jobs independently. In this situation, he divides his work among the subordinates. But, just mere division of work does not guarantee success. For the successful work performance, authority should be given to the subordinates to take work-related decisions. Thus, division of work and assigning authority for the successful work performance is called delegation of authority.

Q.8. Write three characteristics of decentralisation.

Ans. Following are the salient characteristics of decentralisation:

- i. It is an expanded version of delegation of authority.
- ii. It increases the significance of the role of subordinates.
- iii. It is a process which is applicable to the organisation as a whole.

Q.9. What is meant by 'functional structure' of an organisational? State its any two advantages.
[CBSE 2015]

Ans. Meaning of Functional Structure: It refers to the division of the whole enterprise according to the major activities performed by it.

Advantages of Functional Structure:

- i. **Benefits of Specialisation:** The whole company is divided into many departments on the basis of major activities to be performed. Each department is headed by an expert manager. This results in more and better work being accomplished in much lesser time. Hence, the benefits of specialisation become available.
- ii. **Coordination is Established:** All the persons working within a department are specialists of their respective jobs. It makes coordination easier at the departmental level.

Q.10. State any three limitations of 'divisional structure' of an organisation.
[CBSE 2015]

Ans. The following are the main limitations of divisional organisation structure:

1. **Conflicts between Divisional Heads:** Every divisional head wants to establish his supremacy. To satisfy ego each demands maximum resources for his division. This situation leads to conflicts among the various divisional heads.
2. **Duplicity of Functions:** The entire set of functions (e.g., production, marketing, financial, personnel, etc.) is required for all divisions. It gives rise to duplicity of efforts among divisions. Hence, resources are misused and cost of operations is unnecessarily increased.
3. **Selfish Attitude:** Every division tries to display better performance sometimes even at the cost of other divisions. This shows their selfish attitude. Consequently, it hits the interest of the concern as a whole.

Q.11. What is meant by 'Formal Organisation'? State its any two advantages.

[CBSE 2015]

Ans. It refers to the organisation structure which is designed by the management to accomplish a particular task.

Advantages:

- i. It is easier to fix responsibility since mutual relationship are clearly defined.
- ii. It avoids overlapping of efforts since there is no ambiguity regarding the role of each and every employee of the organisation.

Q.12. What is meant by 'Informal Organisation'? State its any two advantages.

[CBSE 2015]

Ans. Meaning of Informal organisation: It refers to the natural grouping of people in the work situation to meet personal needs.

Advantages of Informal Organisation: Following are the advantages of informal organisation:

- i. **Effective Communication:** In the absence of any definite course, it is an effective system of communication. Message can be quickly conveyed from one place to another with the help of this system.
- ii. **Fulfils Social Needs:** In the informal organisation, people having similarity of thoughts and ideas form a group of their own. All the people in the group stand by one another in all the organisational or personal matters.

Q.13. State any three features of 'Informal Organisation'.

[CBSE 2015]

Ans.

- i. **It has independent channels of communication:** In this organisation, relations among different people are not defined because a person at the lowest rank can have direct contact with the person at the highest level. The flow of communication cannot be specified.
- ii. **It is not deliberately created:** Informal organisation is not deliberately created. It emerges out of mutual relationship and tastes.
- iii. **It has no place on organisation chart:** Informal organisation has no place on the properly prepared organisation chart. Moreover, there is no information about it even in the organisation manual.

Q.14. State any three points which highlight the importance of delegation for an organisation. *[CBSE Sample Paper 2016]*

Ans. Importance of Delegation: The following are the main points of the importance of delegation:

- i. **Effective Management:** Delegation leads to effective management through empowerment of employees.
- ii. **Employee Development:** Delegation helps in employee development by providing them with the chance to use their skills and experience.
- iii. **Motivation of Employees:** Delegation motivates employees by giving them responsibility which builds their self-esteem.

[4 marks]

Q.1. Explain briefly the steps in the process of organising. *[CBSE 2012, 2013]*

Ans.

- i. **Identification and Division of Work:** The first step of organising is the identification and division of work. At this step, the total work is divided into various activities. Every activity is placed under the supervision of a separate manager.
- ii. **Departmentalisation:** At this stage, the activities of the same nature are grouped together and assigned to a particular department, e.g., purchase of raw material, purchase of manufactured parts, etc. are given to the purchase department. And production, stocking the goods, research activities are given to the production department.
- iii. **Assignment of Duties:** At this stage, the responsibility of each individual or post is decided. While assigning these duties, it is important to match the nature of the work and the capabilities of the person to whom the work is given.
- iv. **Establishing Reporting Relations:** When two or more than two persons work for the attainment of common goals their inter-relationship must be defined very clearly.

Q.2. State any four points of importance of organising function of management.

[CBSE 2012]

Ans. The importance of organising becomes clear with the help of the following points:

- i. **Benefits of Specialisation:** Under organising all the activities are sub-divided into various works or jobs. For all the sub-works, competent people are appointed who become experts by doing a particular job time and again. In this way, maximum work is accomplished in the minimum span of time and the organisation gets the benefit of specialisation.
- ii. **Clarity in Working Relationship:** Organising clarifies the working relations among employees. It specifies who is to report whom. Therefore, communication becomes effective. It also helps in fixing accountability.
- iii. **Optimum Utilisation of Resources:** Under the process of organising, the entire work is divided into various small activities. There is a different employee performing every job. By doing so, there is no possibility of any activity being left out or any possibility of unnecessary duplicating any job. Consequently, there is optimum utilisation of all the available resources (e.g., material, machine, financial, human resource, etc.) in the organisation.
- iv. **Adaptation to Change:** Organising process makes the organisation capable of adapting to any change connected with the post of the employees. This becomes possible only because of the fact that there is a clear scalar chain of authority for the managers right from the top to the lower level. Whenever, a managerial post falls vacant, it is immediately filled up by promotion. Since every subordinate is well aware of the working of his boss, there is no difficulty for his taking up the new post.

Q.3. Give the meaning of 'divisional structure' of organising. State its any four advantages.

[CBSE 2015]

Ans. Meaning of Divisional Structure: It refers to the division of the whole enterprise according to the major products to be manufactured by it. **Advantages of Divisional Organisation:** The following are the advantages of divisional organisation structure:

1. **Development of Divisional Heads:** The head of each division looks after all the functions connected with their product, that is, purchase, sale, advertisement, production, finance, etc. It helps in the development of varied skills in a divisional head.
2. **Divisional Results can be Answered:** All the activities of each division are carried out independently. Hence, the divisional results (profit/loss) can be assessed easily. On this basis, an unprofitable division can be closed.
3. **Quick Decision Making:** Every division is independent in itself. The divisional manager can take any decision regarding his division independently without consulting other divisional managers. Hence, decisions are quick and effective.

4. **Easy Expansion:** For every product a separate division is opened. If a company wants to introduce a new product, it can be introduced easily without disturbing the existing division. Hence, it is easy to expand to concern.

[5 marks]

Q.1. What is meant by formal organisation? Explain any four features of formal organisation.

Ans. Meaning: It refers to the organisation structure which is designed by the management to accomplish a particular task.

Features:

- i. **It has Defined Inter-relationship:** Formal organisation is a sort of arrangement which clearly defines mutual relationship. Everybody knows their authority and responsibilities. This clearly shows who will be reporting to whom.
- ii. **It is Based on Rules and Procedures:** It is important to observe all the pre-determined rules and procedures in the formal organisation. The objectives laid down under planning are thus achieved.
- iii. **It is Deliberately Created:** It is deliberately created in order to achieve the objectives of the organisation in an easy manner.
- iv. **It is Impersonal:** Under it, personal feelings are ignored and strict discipline is observed. It is not the person but the work that happens to be important.

Q.2. What is meant by 'Formal Organisation'? State any four advantages of this form of organisation.

Ans. Meaning: It refers to the organisation structure which is designed by the management to accomplish a particular task.

Advantages of Formal Organisation:

- i. **Easy to Fix Accountability:** Since the authority and responsibility of all the employees have been already fixed, inefficient employees can easily be apprehended and in this way their accountability can be fixed.
- ii. **No Overlapping of Works:** In the formal organisation, everything moves in an orderly manner. Therefore, there is no possibility of any work being left out or unnecessarily duplicated.
- iii. **Unity of Command Possible:** It is possible to observe the principles of unity of command in view of the presence of scalar chain of authority.
- iv. **Easy to Get Goals:** Under the formal organisation, it is easy to achieve the goals of the organisation because there is an optimum use of all the material and human resources.

Q.3. What is meant by 'Formal Organisation'? State any two advantages and any two limitations of 'Formal Organisation'.

Ans. Meaning: It refers to the organisation structure which is designed by the management to accomplish a particular task.

Advantages:

- i. **Easy to Fix Accountability:** Since the authority and responsibility of all the employees have been already fixed, inefficient employees can easily be apprehended and in this way their accountability can be fixed.
- ii. **No Overlapping of Works:** In the formal organisation, everything moves in an orderly manner. Therefore, there is no possibility of any work being left out or unnecessarily duplicated.

Limitations:

- i. **Delay in Work:** Every activity is bound by rules which causes unnecessary delay in the completion of work.
- ii. **Lack of Initiative:** In this organisation, the employees have to do what they are asked to do and they do not have a chance of some independent thinking. This, therefore, kills initiative.

Q.4. What is meant by 'Informal Organisation'? Explain any four features of informal organisation.

Ans. Meaning: It refers to the natural groupings of people in the work situation to meet personal needs.

Features:

- i. **Based on Formal Organisation:** This is based on formal organisation where people also have informal relations. (It means first of all the formal organisation is established and then informal organisation is created out of it.)
- ii. **It has no Written Rules and Procedures:** In this organisation, there are no written rules and procedures to govern inter-relationship. But there are group norms which have to be observed.
- iii. **Independent Channels of Communication:** In this organisation relations among different people are not defined because a person at the lowest rank can have direct contact with the person at the highest level. The flow of communication cannot be specified.
- iv. **It is not Deliberately Created:** Informal organisation is not deliberately created. It emerges out of mutual relationship and tastes.

Q.5. What is meant by 'Informal organisation'? State any two advantages and any two disadvantages of this form of organisation.

Ans. Meaning: It refers to the natural groupings of people in the work situation to meet personal needs.

Advantages:

- i. **Effective Communication:** In the absence of any definite course, it is an effective system of communication. Messages can be quickly conveyed from one place to another with the help of this system.
- ii. **Fulfills Social Needs:** In the informal organisation, people having similarity of thoughts and ideas form a group of their own. All the people in the group stand by one another in all the organisational or personal matters.

Limitations:

Following are the limitations of Informal Organisation:

- i. **It creates Rumours:** All the persons in an informal organisation talk carelessly and sometimes a wrong thing is conveyed to the other person which may bring in horrible results.
- ii. **It resists Change:** This organisation resists change and lays stress on adopting the old techniques.

Q.6. What is meant by 'Functional Structure' of an organisation? State any four advantages of this form of organisational structure.

Ans. Meaning: Functional structure refers to the division of whole organisation according to major functions to be performed by it.

Advantages of Functional Structure:

- i. **Benefits of Specialisation:** The whole company is divided into many departments on the basis of major activities to be performed. Each department is headed by an expert manager. This results in more and better work being accomplished in much lesser time. Hence, the benefits of specialisation become available.
- ii. **Coordination is Established:** All the persons working within a department are specialists of their respective jobs. It makes the coordination easier at department level.
- iii. **Managerial Efficiency is Increased:** It helps in increasing managerial efficiency because of performing the same work once and again. Further, this results in increased profit.
- iv. **Minimal Duplication of Efforts:** In this type of organisation unnecessary duplication of efforts is eliminated. For example, the function of finance is only carried out by the finance department. There is no need to establish two or more departments. It makes it possible to utilise the human and other resources effectively.

Q.7. Explain the meaning and process of delegation of authority.

Ans. Meaning: Delegation of authority is the process of entrusting responsibility and authority, and creating accountability of the person to whom work or responsibility has been handed over.

Process: The three elements, *i.e.*, responsibility, authority and accountability of delegation process are completed in the following serial order:

Assigning Responsibility — Granting Authority — Fixing Accountability

- i. **Assigning Responsibility:** The first step in the delegation process is assigning responsibility. Often, no officer is capable to the extent that he can perform all activities on his own. For his successful work performance he divides the whole job. In this way, he keeps critical/crucial/significant jobs for himself and delegates the rest to his subordinates. While assigning job/responsibility to the subordinates, their capability and skill are kept in mind. For example, a finance manager keeps the job of financing for himself and delegates rest of the jobs like Accounting, Data Collection, etc. to his subordinates.
- ii. **Granting Authority:** The second step in the delegation process is granting authority for successful work performance. Assigning responsibility sans authority to the subordinates is meaningless. Thus, all needed authorities should be delegated for the fulfilment of a responsibility. For example, when a chief manager delegates responsibility of Purchase Department to the Purchase Manager, then he gives authority to the purchase manager like purchasing raw-material, stocking inventory, division of work among his subordinates, etc.
- iii. **Fixing Accountability:** The last step in the delegation process is to hold subordinates accountable for their work performance. Every subordinate is just accountable to that officer who delegates authority for the fulfilment of job/responsibility. Accountability means, justification demanded by the superior for the work performance.

Q.8. Give the meaning of essential elements of 'Delegation'.
[CBSE 2013]

Ans. Essential Elements of Delegation of Authority, *i.e.*, Responsibility, Authority and Accountability are as follows:

- i. **Responsibility:** Responsibility is the obligation of a subordinate to properly perform the assigned duty. When a superior assigns a job to his subordinate, it becomes the responsibility of the subordinate to complete that job. This means that the word responsibility comes into play only after the job has been assigned. Thus, to assign job can be called to assign responsibility.**Features:**
 - a. Responsibility can be assigned to some other person.
 - b. The essence of responsibility is to be dutiful.
- ii. **Authority:** Authority means the power to take decisions. Decision can be related to the use of resources, and to do or not to do something.**Features:**
 - a. Authority can be assigned (delegated) to some other person.

- b. It is related to the post (with the change of post, even authorities change).
- iii. **Accountability:** Accountability means the answerability of the subordinate to his superior for his work performance. **Features:**
 - a. Accountability cannot be delegated to some other person.
 - b. It is only towards the delegators.

Q.9. Discuss the elements of delegation.

[NCERT]

Ans. Refer to Q. 8 above.

Q.10. State any five points which highlight the importance of delegation of authority.

[CBSE 2015]

Ans. Importance of Delegation of Authority: The importance of delegation of authority is clarified through the following facts:

- i. **Effective Management:** Effectiveness means successful accomplishment of an objective. Delegation of authority reduces the workload of a manager. Managers who practise delegation of authority are definitely better decision makers than those managers who do not delegate authority. The former ones get the benefit of the skills of their subordinates. This situation eases the attainment of objectives. As a result, the effectiveness of managers is improved.
- ii. **Employee Development:** The mental growth of a person takes place only when he has authority to take decisions. The process of delegation of authority provides the authority to take decisions by the subordinates. With the given authority, managers take decisions contingent to the situations. As a result, in future they become more able to take extra responsibility.
- iii. **Motivation of Employees:** In the process of delegation of authority, both authority and responsibility are delegated to the subordinates. This situation provides liberty to work and take decisions on the part of subordinates. Gaining through this, they exhibit their talent and skill. With better performance the subordinates create a niche for themselves in the organisation. Consequently, they get job satisfaction and feel motivated to perform even better.
- iv. **Facilitation of Growth:** Delegation of authority does not develop only one person or division but facilitates the development of the organisation as a whole. As adequate number of able employees are available in an organisation to take decisions expansion, modernisation and diversification of a business can be done with full confidence.
- v. **Basis of Management Hierarchy:** Management hierarchy is inevitable to run a business organisation successfully. Only because of this hierarchy, the superiors and subordinates come in contact with one another and get an opportunity to understand one another. This hierarchy is established through the process of delegation of authority. Under this, authority flows from top level to the bottom level. As a result, senior and subordinate links are established from top to bottom.

Q.11. What is meant by 'Delegation'? State any four points which highlight the importance of delegation in an organisation.

[CBSE 2015]

Ans. Meaning of Delegation of Authority: It refers to the process of entrusting responsibility and authority, and creating accountability of the person to whom work or responsibility has been handed over.

Importance of Delegation of Authority: Refer to Points (i) to (iv) of Q. 10 above.

Q.12. Give the meaning of 'organising'. State the steps in the process of organising.

[CBSE 2015]

Ans. Meaning of organising: It refers to the process of defining and grouping the activities of an enterprise and establishing authority relationship among them.

Process of Organising: It includes the following steps:

- i. **Identification and Division of Work:** At this step total work is divided into various manageable activities so that duplication of work can be avoided.
- ii. **Departmentalisation:** The activities of the same nature are grouped together and assigned to a particular department.
- iii. **Assignment of Duties:** At this stage, the responsibility of each individual or post is decided.
- iv. **Establishing Reporting Relations:** Finally, reporting relations are established so that each individual know who he has to take orders from and to whom he is accountable.