



INDIAN SCHOOL AL WADI AL KABIR

Class: XII Business Studies	Department: Commerce
Worksheet No: 5	Topic: Organising

ASSERTION AND REASONING:

Read the following statements: Assertion (A) and Reason(R). Choose the correct alternative from those given below:

1. Assertion (A): Delegation is a pre-requisite to the efficient functioning of an organization.

Reasoning (R): It enables a manager to use his time on high priority activities.

Alternatives:

- a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- c) Assertion (A) is true but Reason (R) is False
- d) Assertion (A) is False but Reason (R) is True

2. Assertion (A): Authority refers to the official powers and position required to carry on any task

Reasoning (R): Accountability refers to the obligation on the part of the subordinates, to whom responsibility and authority are granted to see to it that the work is done.

Alternatives:

- a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- c) Assertion (A) is true but Reason (R) is False
- d) Assertion (A) is False but Reason (R) is True

3. Assertion (A): Responsibility arises from a superior-subordinate relationship.

Reasoning (R): the subordinate is bound to perform the duty assigned to him by his superior

Alternatives:

- a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)
- c) Assertion (A) is true but Reason (R) is False
- d) Assertion (A) is False but Reason (R) is True

STATE WHETHER FOLLOWING STATEMENTS AS TRUE OR FALSE

- 1. Organisation structure is an important means, the wrong structure will seriously destroy the business.
- 2. Product specialization helps in the development of skills.
- 3. Duplication of activities across the products do not increase the cost.
- 4. Divisional structure is suitable for the firms producing single product.
- 5. Functional structure does not promote efficiency as employees perform similar tasks.
- 6. Divisional heads are responsible for profits and loss of their division.

FILL IN THE BLANKS

- 7. Organising is the process of defining and -----the activities of the enterprise.
- 7. Organising translates -----into actions.
- 8. Organising involves -----of work into small task.
- 9. Organising ensures the -----utilization of resource.
- 10. Organising as a -----of management establishes working relationship.
- 11. Delegation of authority merely means the granting of authority to subordinates to operate
 - 1. Within the prescribed limits
 - 2. Without any prescribed limits
 - 3. To any extent
 - 4. As per post approval of managers

CHOOSE THE CORRECT ANSWER

- 18. Authority refers to the right of an individual to command his subordinates and take action
 - 1. Within the scope of his position
 - 2. Out of the scope of his position
 - 3. Commensurate with his manager
 - 4. To any extent
- 19. For delegation to be effective it is essential that responsibility be accompanied with necessary

- a. Authority
- b. incentives
- c. manpower
- d. promotions

20. It is a limitation of functional structure

- a. functional empires
- b. product specialization
- c. functional specialization
- d. lack of coordination.

21. Rajeev, the owner of Pathways constructions decided to start a campaign to create awareness among people for developing clean surroundings in their area. He formed a team of 10 members to list the different ways for cleaning the surroundings. One suggested to take the help of local residents, another suggested that they may involve school going children in their venture. One more suggestion was to take the help of unemployed youth. On evaluation of different ways, it was decided to take the help of local residents. To achieve the desired goal various activities were identified like

- a) Purchase of necessary items like dustbins, garbage bags, brooms, etc.;
- b) Collection of garbage;
- c) Disposal of garbage, etc.

After identification of different activities the work was allocated to different members.

i. Identify the concepts of management involved in the above situation and quote the lines which help in their identification.

22. Kiran Industries is a company manufacturing office furniture. The company chose to diversify its operations to improve its growth potential and increase market share. As the project was important many alternatives were generated for the purpose and were thoroughly discussed amongst the members of the organisation. After evaluating the various alternatives Sukhvinder, the Managing Director of the company decided that they should add 'Home Interiors and Furnishings' as a new line of business activity.

- a) Name the framework, which the diversified organisation should adopt, to enable it to cope with the emerging complexity? Give one reason in support of your answer.
- b) State any two limitations of this framework

21. „Shan Spices Ltd.“ are the manufacturer of different food specific spices like Rajmaa Masala, Cholley Masala, AalooParantha Masala etc. Mr. Raghav, the owner of the company has created different departments for purchase, production, marketing, finance and human resource. There are thirty employees working in the organisation. Planning is of paramount importance to the company as Mr. Raghav believes that effective planning leads to achievement of organisational objectives. So in order to make employees focus on objectives, he issued instructions that during working hours only official matters will be discussed. He made certain rules and code of conduct for the employees to follow, according to which employees are not allowed to visit and talk to the employees of other departments except for official work. He emphasised on work performance which resulted in smooth functioning of the organisation.

1) Identify and state the type of organisation mentioned in the above para.

2) State one feature of the concept identified in part (1) as mentioned in the above para.

3) What was the purpose behind the formulation of rules for the employees that restricted their personal communication with the employees of other departments?

22. Ramdas, aged 49 is working in an aviation company. He is the senior most employee in his division. He is even senior to the division manager, Kanaputti. Ramdas is considered one of the most committed, capable and hard-working employees. As a result of his abilities and seniority, he generally received the work assignments of his choice. Although there was no formal designation of various „special“ projects assigned to Ramdas, he handled them as a matter of routine. A problem developed when an able and intelligent person Nagarjuna, aged 33, was appointed by Kanaputti. Nagarjuna's previous three years' experience in the closely related work, made it possible for him to catch on to the routine work of his new job more rapidly than was customary for a new employee. On several occasions, Kanaputti noticed the tension developing between the two employees. However, he didn't want to get involved in their personal issues as long as the work was completed effectively and efficiently by them. One day, the tension between them reached the boiling point and Ramdas complained to Kanaputti stating that his duties were being largely taken over by Nagarjun. Kanaputti issued the order stating the clear allocation of the jobs and related duties between the two. He further clarified the working relationship between them by specifying who was to report to whom. This helped in reducing the workload, enhancing productivity and removing ambiguity.

1. Identify and state the step of organizing process which has not been carried out properly and contributed to this problem.

2. State the two steps of the organizing process which have been taken by Kanaputti to respond to the complaint of Ramdas.

3. Also state two points of importance of organizing as reflected in the above case

23. Explain in detail the elements of delegation

24. JS Printing Solutions Ltd is a company manufacturing printers and scanners. The management of this company is known for speedy and prompt delivery of orders. As a result, the market share of this company is growing. The company grabbed a new project to supply 1500 printers to Uprise Bank Ltd for its various branches, within two weeks. The production manager Ashok made one of his efficient subordinates, Deepak, in charge of the project and also gave him the right to command workers in order to meet the target.

Now Ashok could use his time on high priority areas. He felt that this will also give an opportunity to Deepak to gain experience and develop himself for higher positions. On getting the charge, Deepak was very happy, his confidence level increased and he was encouraged to do his best to fulfil the responsibility, Ashok kept a track of the completion of work with Deepak and he provided him the needed guidance to reach the target on time.

Identify the concept of management used by Ashok to ensure accomplishment of the new project.

- a. Functional structure
- b. Divisional structure
- c. Delegation
- d. Decentralization

The application of the concept used above allows Ashok to use his time on high priority areas. This will lead the organization towards.

- a. Adaptation to change
- b. Effective management
- c. Economies of scale
- d. Reduction in conflicts among different divisions

On getting the charge, Deepak was very happy, his confidence level increased and he was encouraged to do his best to fulfil the responsibility. The concept discussed above helps in:

- a. Departmentalization
- b. Reduction in conflicts among different divisions
- c. Motivating the employees
- d. Promoting control and coordination within a department

24. Aaxy Ltd decided to set up its steel manufacturing factory in the backward are of U.P where very less job opportunities were available. People of that are welcomed this effort of Aaxy Ltd. To attract people to work in its factory it also decided to provide many other facilities like school, hospital, market etc. in the factory premises.

Aaxy Ltd.' started earning huge profits. Another competing company asked its production manager Prakash to investigate the reasons of earning huge profits by Aaxy Ltd.'

Prakash found that in both the companies there was systematic coordination among the various activities to achieve organisational goals. Every employee knew who was responsible and accountable to whom, the only difference was that in his organisation communication took place only through the scalar chain whereas Aaxy Ltd.' was allowing flow of communication in all the directions as per the requirement which lead to faster spread of information as well as quick feedback

Identify and explain the type of organisation which permits Aaxy Ltd.' the flow of communication in all the directions

25. A.V.M Ltd. Set up its electric appliances manufacturing factory in a backward area of Himachal Pradesh where subsidies are provided by the government and labour is available at cheaper rates.

A.V.M Ltd. was able to produce its products at low cost thereby generating enough profits in the first year itself. It was because of the fact that the limits of authority and responsibility of the employees were clearly defined and the activities of various departments were coordinated and integrated. The Production Manager of the company also came to know about the availability of raw material at cheaper rates from a vendor. For this, he wrote a letter to the Managing Director of the company for getting sanction. But because of procedural delays in getting this sanction and procuring funds from the Finance Manger, the order could not be placed.

(i) Identify the type of organization that led to procedural delays and because of which the company could not get the advantage of procuring raw material at cheaper rates.

(ii) State an advantage of the type of organization identified in above other than those discussed in the above case.

26. Aradhana and Gandharv are heads of two different departments in 'Yumco Ltd.' They are efficient managers and are able to motivate the employees of their respective departments to

improve performance. However, their drive to excel in their own sphere of activity instead of giving emphasis on objectives of the enterprise has hindered the interaction between the departments that Aradhana and Gandharv are heading.

Often there are inter-departmental conflicts and they have become incompatible. This has proved to be harmful in the fulfilment of the organisational objectives. The situation has deteriorated to such an extent that the CEO of 'Yumco Ltd.' has hired a consultant, Rashmi, to resolve the problem.

After studying the situation closely, Rashmi found that the problem has arisen due to inflexibility and a narrow perspective on the part of both Aradhana and Gandharv. She is of the view that this situation is a result of the type of organisational structure 'Yumco Ltd.' has adopted.

From the above information, identify the organisational structure adopted by Yumco Ltd.' and state any three advantages of the structure so identified.