

OPEN STUDENT FOUNDATION
Std-12 Business Administration
Day - 7

Chapters : 7

Date : 24/02/24

Section A

- Choose correct answer from the given options. [Each carries 1 Mark] [5]
1. What is the process of maintaining balance between efforts and results and resources and objectives? (March-2023)
(A) Directing (B) Staffing (C) Coordinating (D) Controlling
 2. What is the first stage of controlling process? (Aug-2020, March-2022)
(A) Measurement of performance
(B) Comparison of performance with established standards
(C) Corrective measures
(D) Setting standards
 3. At which level controlling works? (July-2019, July 2022)
(A) At each level (B) At top level (C) At middle level (D) At bottom level
 4. Which function of management is known as the father of control? (July-2018, March-2019, March-2020, March-2022, July-2022)
(A) Planning (B) Organising (C) Staffing (D) Directing
 5. What kind of process a control is not? (March-2018, May-2021, March.2022)
(A) Internal (B) Rigid (C) Dynamic (D) Continuous

Section B

- Write the answer of the following questions. [Each carries 2 Marks] [8]
6. 'Controlling is a continuous process' - Explain. (July-2022)
 7. How is controlling an internal process? (July-2018, May-2021, March-2023)
 8. 'Controlling is a dynamic process' - Explain (March-2022)
 9. Planning is the father of controlling' - Explain. (July-2019, Aug-2020)

Section C

- Write the answer of the following questions. [Each carries 3 Marks] [21]
10. "Planning and Controlling are two sides of the same coin -Explain. (March-2022, March-2023)
 11. Is controlling an end activity of management? Why? (May-2021)
 12. Explain the corrective measures in the control process phase.(March-2020, July-2022)
 13. Explain the stages of the controlling process. (July -2019)
 14. Write a three-point explanation explaining the relationship between planning and control. (March-2019)
 15. Explain the relation between planning and controlling. (July-2018)
 16. Explain any of the six important points of controlling. (March-2018, Aug-2020)

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Section A

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- ➡ Ans : (D)
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(A) Measurement of performance
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- ➡ Ans : (D)
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(A) At each level (B) At top level (C) At middle level (D) At bottom level
- ➡ Ans : (A)
4. Which function of management is known as the father of control? (July-2018, March-2019, March-2020, March-2022, July-2022)
(A) Planning (B) Organising (C) Staffing (D) Directing
- ➡ Ans : (A)
5. What kind of process a control is not? (March-2018, May-2021, March.2022)
(A) Internal (B) Rigid (C) Dynamic (D) Continuous
- ➡ Ans : (B)

Section B

- Write the answer of the following questions. [Each carries 2 Marks] [8]
6. 'Controlling is a continuous process' - Explain. (July-2022)
- ➡ It is a mistake to assume that once a unit's activities are under control, everything will go as per planned forever. So that employee's activities are actively monitored to eliminate deviations Quality, maintenance, control, and cost control are continuously running activities. Thus, controlling is a continuous process.
7. How is controlling an internal process? (July-2018, May-2021, March-2023)
- ➡ The various activities of the unit like production, sales, purchasing, financial affairs, finance, accounting and personnel procedures, are related with controlling method. Due to which controlling can be kept over these functions.
- ➡ While external factors like changes in government policy, competition, inflation, depression, scarcity of raw materials, change in the choices of people, change in fashion, etc. cannot be controlled.
- ➡ The management can only control internal factors. So, it can be said, controlling is an internal process.
8. 'Controlling is a dynamic process' - Explain (March-2022)

➡ The function of controlling is associated with planning. Planning is a proposed intellectual process based on estimation. As the estimates of different factors change, the planning objectives change, and the controlling process is also rapidly changed accordingly. So Controlling is a dynamic process.

9. **Planning is the father of controlling' - Explain. (July-2019, Aug-2020)**

➡ Planning is the first function in the management process and controlling is the last function. Control is born because of planning.

➡ Planning is done for the achievement of goals in business. Future programs are formulated through planning. Plans are made for what, where, when, and how to do things in the future. While the function of controlling is to see whether the work is done according to the plan determined by the planning.

➡ Thus, if planning is present, control is also present because planning is the act of directing (guiding) and control is the act of coordinating activities as per planning of any business unit.

➡ So, it can be said that planning is the father of controlling..

Section C

● **Write the answer of the following questions. [Each carries 3 Marks]**

[21]

10. **"Planning and Controlling are two sides of the same coin -Explain. (March-2022, March-2023)**

➡ Both planning and controlling are very important interdependent functions of management. Controlling finds the remaining deviations in the activities and takes them in the right direction through corrective measures. Thus, the key to success of planning lies in controlling.

➡ On the other hand, the existence of the function of controlling is not possible without planning, because whether the objectives of planning have been achieved or not is verified by the controlling function. There is no need for the function of controlling if there is no planning.

➡ So, it can be said that "Planning and controlling are two sides of the same coin."

11. **Is controlling an end activity of management? Why? (May-2021)**

➡ The first task in the management process is planning, through which the objectives of the unit are determined. For proper implementation of the planning, the organization is formed, and the necessary direction is given to the employees, only after that the function of controlling starts. All management functions must be done before controlling. Thus, the function of controlling is to regulate, and it is the end function of management.

12. **Explain the corrective measures in the control process phase.(March-2020, July-2022)**

➡ **Corrective measures : (March -2020, July -2022)**

⇒ Corrective measures are the final stage of the control process. It compares actual results with established standards. If deviation is found, corrective action is taken to remove it. These corrective measures are as follows:

(a) No change in condition:

▶ If the deviations are normal, no change is made in the situation and normal deviations are accepted. No corrective action is taken.

(b) Change the condition to remove deviation:

▶ If there is a large difference between established standards and actual results, the situation is to be changed, and necessary corrective measures are taken to remove the deviations.

(c) Change the condition and establish new standards:

▶ If the established standards cannot be achieved despite continuous efforts, then they are considered as high established standards. In such circumstances new standards are established by making necessary changes in the established standards.

▶ Sometimes standards are revised with high standards if there are better results than the established standards.

- ▶ Thus, the function of control is not only to detect deviations but to direct the function of the unit towards goal achievement. Hence control is a process.

13. Explain the stages of the controlling process. (July -2019)

⇒ Control is a universal and continuous process. Each business unit has unique characteristics, so the controlling process may not be the same for all units. However, some stages of the controlling process are commonly found in all business units which are as follows :

(1) Setting standards :

⇒ Standards are first established in the controlling process. It is then evaluated by comparing it with actual performance. Predefined standards can be quantitative or qualitative. These standards should be simple enough to be understood by those to be followed. Such norms may include physical, cost-price, income, capital, profit target, production target, cost target etc.

⇒ Such goals can be long-term or short-term. Standards are chosen from the top level of management. These targets are explained to the employees. Employees plan their activities keeping in mind the objectives and try to maintain these standards.

(2) Gathering of information :

⇒ Once standards are established, employees begin tasks. Then information is obtained about the actual situation of the work or activity for which the standards have been established. It is called data acquisition. Data acquisition is obtained through personal observation, oral report and written report.

(3) Measuring performance :

⇒ It is necessary to measure the work being done to know whether the work is done according to the established standards or not. Work can be measured both quantitatively and qualitatively.

(4) Comparing work done with set standards :

⇒ In this stage of controlling, the actual performance or tasks are compared with the established standards. This comparison shows how many proportions have been achieved and how many proportions have not been achieved.

(5) Corrective measures : (March -2020, July -2022)

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- ▶ If the established standards cannot be achieved despite continuous efforts, then they are considered as high established standards. In such circumstances new standards are established by making necessary changes in the established standards.
- ▶ Sometimes standards are revised with high standards if there are better results than the established standards.
- ▶ Thus, the function of control is not only to detect deviations but to direct the function of the unit towards goal achievement. Hence control is a process.

14. Write a three-point explanation explaining the relationship between planning and control. (March-2019)

⇒ Planning is the first function of management while controlling is the last function of management. Planning

sets the goal while controlling checks the deviation from the path. Standards cannot be established if there is no planning.

⇒ Consequently, actual activities cannot be compared. Hence, control is necessary wherever there is planning and wherever there is control, there is already existence of planning. Thus, planning and controlling are closely related, which is stated from the following points:

(1) Planning and Controlling are two sides of the same coin :

⇒ Both planning and controlling are very important interdependent functions of management. Controlling finds the remaining deviations in the activities and takes them in the right direction through corrective measures. Thus, the key to success of planning lies in controlling. On the other hand, the existence of the function of controlling is not possible without planning, because whether the objectives of planning have been achieved or not is verified by the controlling function. There is no need for the function of controlling if there is no planning.

(2) Protection against changes :

⇒ While formulating the plan, internal factors and external factors affecting it are considered. Internal factors can be controlled by the management. But the management has no control over external factors like government policy, competition, boom-bust, scarcity of raw materials, people's taste, change in fashion etc. The function of controlling is to understand these external factors, take corrective measures accordingly, and see whether the activities are carried out as planned or not. Thus, the function of controlling is to provide protection against changes.

(3) Planning is a prerequisite for control:

⇒ Planning is the function of formulating plans to achieve the goals of the business unit. The function of controlling is to see whether activities are carried out as per plans or not. Controlling compares the results of actual performance with the standards set for the activities and corrective action is taken if deviations are found to be maximum, thus planning is a prerequisite for the function of controlling.

(4) Planning is the father of controlling:

⇒ Controlling exists only because of planning. The function of controlling is to see whether all the activities decided in the planning are carried out as per the plan or not. Therefore, without planning the function of controlling cannot exist. Keeping this fact in mind it can be said that planning is the father of control.

15. Explain the relation between planning and controlling. (July-2018)

⇒ Planning is the first function of management while controlling is the last function of management. Planning sets the goal while controlling checks the deviation from the path. Standards cannot be established if there is no planning.

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16. Explain any of the six important points of controlling. (March-2018, Aug-2020)

⇒ Controlling is an important aspect of management. Controlling is needed to achieve the objectives of management. An industrial unit without control is like a chariot without a charioteer. Thus, the importance of controlling increases as below:

(1) Makes planning effective

⇒ The function of controlling is to see whether all the activities are carried out as per the planning objectives or not. The function of controlling evaluates the activities and finds deviations in activities and tries to eliminate them. Due to this planning becomes effective.

(2) Helpful in achievement of objectives:

⇒ Control detects errors and deficiencies in the business unit and takes corrective actions. Due to this, all the activities are done according to the plan. So, the task of goal achievement becomes easier.

(3) Co-ordination between various activities:

⇒ Control enables coordination between the various activities of a unit.

(4) Necessary for delegation of authority:

⇒ It is the responsibility of the superior to supervise the employees after assigning the work. A superior may delegate his authority to another person, but his responsibility continues.

(5) Helpful in directing:

⇒ Through controlling, the performance of the employees is monitored, so that the task of guiding and directing the employees towards the work becomes easier by knowing the difficulties faced by the employees in their work. So, every activity is done in a fixed manner.

(6) Controlling on activities:

⇒ Due to controlling, various activities and work areas of a business unit can be controlled. E.g., Production, Sales, Employee, Financial, Quality etc.

(7) Evaluation of activities:

⇒ Evaluation of tasks and measurement of actual achievements can be done by predetermined standards or ratios of the unit.

(8) Finds out errors:

⇒ Controlling evaluates the performance of subordinates or employees by monitoring them. As a result, their mistakes, glitches, errors and deviations are detected and eliminated. So that it can be prevented from repeating in the future.

(9) Long Term Planning:

⇒ Long-term predictions can be made based on the information obtained about the current activity of the unit due to the controlling process.

(10) Barometer of Efficiency:

⇒ A barometer is used to measure air pressure. Similarly, the efficiency of management can be known through controlling. Hence controlling is called a barometer to measure the efficiency of management.

(11) Removes deviations:

⇒ Comparing the work with the predetermined standards with the help of controls, corrective action is

taken if deviations are found to be high, but no corrective action is taken for relatively negligible or low deviations.