



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

STATE WHETHER FOLLOWING STATEMENTS AS TRUE OR FALSE

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

FILL IN THE BLANKS

7. Organising is the process of defining and -----the activities of the enterprise.(grouping)
7. Organising translates -----into actions.(plans)
8. Organising involves -----of work into small task.(dividing)
9. Organising ensures the -----utilization of resource.(optimum)
10. Organising as a -----of management establishes working relationship.(function)
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

Ans: within the prescribed limits.

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

Ans. Within the scope of his position

19. For delegation to be effective it is essential that responsibility be accompanied with necessary

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

Ans-a

20. It is a limitation of functional structure

- e. a. functional empires
- f. b.product specialization
- g. c.funfional specialization
- h. d. lack of coordination.

Ans-a

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.

Ans. (i) Concepts involved – Planning and Organising

Lines for planning–

‘one suggested.....unemployed youth’

‘on evaluation..... local residents’

‘campaign to create awareness.....surroundings’

Lines for organizing –

‘To achieve.....disposal of garbage etc.’

‘after identification of different activities..... different members’

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

Ans. (a). Divisional Structure

Reason in support of the answer (any one)

1. Product Specialisation helps in the development of varied skills in a divisional head and this prepares him for higher positions.

2. Divisional heads are accountable for profits, as revenues and costs related to different departments can be easily identified and assigned to them.

3. It promotes flexibility and initiative because each division functions as an autonomous unit which leads to faster decision making.

4. It facilitates expansion and growth as new divisions can be added without interrupting existing operations by merely adding another divisional head and staff for the new product line.

(b) Limitations of the Divisional Structure: (Any two)

1. Conflict may arise among different divisions with reference to
1 mark for the statement 1 mark each II allocation of funds.
2. It may lead to increase in costs since there may be a duplication of activities across products.
3. Divisional interests may supersede organisational interests.

CASE BASED QUESTIONS

23. „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?

Ans. 1) Formal organization

2) Focus on objective and work performance

3) Avoidance of the emergence of informal organisation which may obstruct the fulfilment of organisational goals

24. 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. Nagarjun'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

Ans. 1. Assignment of duties-Defining the work of different job positions and allotting the work according to the skills of the employees.

2. Kanaputti responded to the complain of Ramdas by
 - a. Assigning the duties
 - b. Establishing reporting relationship
3. a. clarity in working relationship.
 - b. Benefits of specialization
 - c. Effective administration