



INDIAN SCHOOL AL WADI AL KABIR

DEPARTMENT OF COMMERCE

MCQs: PLANNING

1. _____ provides a rational approach for setting objectives and developing appropriate courses of action for achieving predetermined objectives.
 - (a) Directing
 - (b) Staffing
 - (c) Planning
 - (d) Controlling
2. The Statement “Planning is a primary function”, suggests that.....
 - (a) Planning precedes other functions
 - (b) Planning requires logical and systematic thinking
 - (c) Plan is framed, it is implemented, and is followed by another plan, and so on
 - (d) Planning is required at all levels of management as well as in all departments of the organisation.
3. Planning is closely connected with _____ and _____
 - (a) Responsibility and accountability
 - (b) Delegation and decentralization
 - (c) Stability and security
 - (d) Creativity and innovation
4. Which step in the process of planning will precede the step in which the manager is required to make certain assumptions about the future, which are the base material upon which the plans are drawn.
 - (a) Implementing the plan
 - (b) Identifying alternative courses of action
 - (c) Setting objectives
 - (d) Selecting an alternative
5. Planning requires logical and systematic thinking rather than guess work. The feature of planning being referred to in the above statement is:
 - (a) Planning is a continuous process

- (b) Planning is futuristic
- (c) Planning is pervasive
- (d) Planning is a mental exercise

6. "Following a pre-decided plan, when circumstances have changed, may not turn out to be in the organisation's interest." The limitation of planning being referred to in the above statement is-----.

- (a) Planning does not guarantee success
- (b) Planning may not work in a dynamic environment
- (c) Planning leads to rigidity
- (d) Planning is a time consuming process.

7. If there is a plan to increase production then more labour, more machinery will be required. This step in the process of planning will involve organising for labour and purchase of machinery. Identify the step in the planning process being discussed above.

- (a) Identifying alternative courses of action
- (b) Setting objectives
- © Selecting an alternative
- (d) Implementing the plan

8. Assertion :(A) Planning is futuristic

Reason: (R) Planning is concerned with the future which is certain and does not require forecast

- (a) Both (A) and (R) are correct
- (b) (A) is correct (R) is incorrect
- (c) Both (A) and (R) are correct, and R is the correct explanation of R
- (d) Both (A) and (R) are correct, and R is not the correct explanation of R

9. A sanitizer manufacturing company wants to become a market leader. For this purpose the manager follows an activity with certain logical steps. The first step suggested by him is to increase profits by at least 30% in the next quarter. What will be the last step of the activity being followed by the manager.

- (a) Follow-up action
- (b) Identifying alternative course of action
- (c) Setting objectives
- (d) Evaluating alternative courses of action

10. Planning has no meaning unless it contributes to the achievement of predetermined organisational goals. Identify the feature of planning from above statement:

- (i) planning focuses on achieving objectives
- (ii) Planning is futuristic
- (iii) planning is continuous
- (iv) Planning is pervasive.

11. Planning precedes other functions as all the other managerial functions are performed within the framework of planning. Identify the feature of planning from above statement:

- (i) Planning is futuristic
- (ii) Planning is continuous
- (iii) Planning is primary function of management
- (iv) Planning involves decision making

12. Planning involves thorough examination and evaluation of each alternative and choosing the most appropriate one. Identify the feature from above statement

- (i) Planning is pervasive
- (ii) it is a mental exercise.
- (iii) it is continuous process.
- (iv) it involves decision making

13. A co. is manufacturing garments. The manager wants to increase profits by purchasing new high-speed machines or increasing the sale price or using waste materials in manufacturing stuffed toys. He decided that “using waste material” is the best solution for him. Identify the concept of management involved.

- i) Effectiveness
- ii) Efficiency
- iii) Planning
- (iv) All of these

14. Rahim wanted to start with a stationery business to reach the students of schools and colleges to provide stationery to them. He felt that students were not able to get the needed stationery easily and hence wanted to provide the stationery directly in the school. He listed out the various of setting up this business and finally selected the best way to set up this business by developing the app. Suggest what should be the next step to be followed by him:

- i) Identifying alternative courses of action
- ii) Evaluating alternative courses of action
- iii) Implementation of plan
- (iv) follow up

15. On the Introduction of GST act, experts in the field of business started analysing and forecasting its impact on various sectors and industries. Vivek, an established businessman attended a few seminar and conferences organised by such experts to familiarise himself with this information. He wanted to use these forecasts to reduce the uncertainty in making decisions for future in his business. Name the step of planning that will be followed after the step mentioned in the paragraph.

- i) Developing Premises
- ii) Evaluating alternative courses of action
- iii) Implementation of plan
- iv) Identifying alternative courses of action

16. Planning requires peeping into near future, analysing it and predicting it. Identify the related feature of planning.

- i) Planning is futuristic
- ii) Planning is goal oriented
- iii) Planning is mental exercise
- iv) Planning focuses on achieving objectives

17. Identify the correct sequence of steps of planning process

- i) Setting objectives, Identify alternative courses of action, Implementation of plan, Evaluation of alternative courses of action
- ii) Setting objectives, Implementation of plan, Evaluation of alternative courses of action, Identify alternative courses of action
- iii) Setting objectives, Identify alternative courses of action, Implementation of plan, Evaluation of alternative courses of action
- iv) Setting objectives, Identify alternative courses of action, Evaluation of alternative courses of action, Implementation of plan

18. Which of the following statement not true with reference to planning?

- i) Planning is prerequisite for controlling
- ii) Planning does not look into future
- iii) Planning facilitates coordination in organisation
- iv) Planning focuses on achieving objectives

19. Most plans may not always be subjected to a mathematical analysis. In such cases, subjectivity and the manager's experience and judgement are taken into consideration. Identify the step of planning process :

- i) Setting up of objectives
- ii) Identifying alternative courses of action

iii) Selecting alternative courses of action

iv) Evaluating alternative courses of action

20. Assertion (A): Planning seeks to bridge the gap between where we are and where we want to go.

Reason (R): Planning involves setting objectives and developing appropriate courses of action to achieve these objectives. Planning provides a rational approach for achieving predetermined objectives.

(a) Both Assertion (A) and Reason (R) are true.

(b) Both Assertion (A) and Reason (R) are false.

(c) Assertion (A) is true and Reason(R) is false.

(d) Assertion (A) is false and Reason(R) is true

21. Assertion (A): Planning does not reduce overlapping and wasteful activities.

Reason (R): Planning ensures clarity in thought and action, work is carried on smoothly without interruptions.

(a) Both Assertion (A) and Reason (R) are true.

(b) Both Assertion (A) and Reason (R) are false.

(c) Assertion (A) is true and Reason(R) is false.

(d) Assertion (A) is false and Reason(R) is true.

22. Assertion (A): Planning is basically an intellectual activity of thinking rather than doing.

Reason (R): Planning requires application of the mind involving foresight, intelligent imagination and sound judgement.

(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

23. Assertion (A) Objectives should be stated clearly for all departments units and employees.

Reason (R) The end results do not have any significance in planning process.

(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

Read the following case carefully and answer question number 24 to 27 on that basis: Excel Business' is a balloon manufacturing firm. With the arrival of foreign firms, it is feeling the pressure of improving its business strategy. Because of the firm's advance planning it could not suddenly bring changes in its plans as the whole organisation had started implementing the decided plan. But this year the organisation wants to ensure success. However, the firm knows that the external environment is changeable and continues to vary in a fast manner. The organisation wants to prepare in advance for a better future. It has decided to allocate a portion of its budget specifically for proper planning as it knows there are going to be expenses like Expert's fee, survey charges, etc.

24. Which limitations of planning have been identified in the above case?

(A) Planning Does Not Work in a Dynamic Environment

(B) Planning Reduces Creativity

(C) Planning Involves Huge Costs

(D) Both (A) and (C)

25. "Planning leads to rigidity." In context to above paragraph, Is the statement?

i) True

ii) False

26. The organisation wants to prepare in advance, the line describes the feature of planning?

a) Planning is continuous

b) Planning is futuristic

c) Planning is pervasive

d) Planning involves decision making

27. Read the following case carefully and answer question number 39 to 43 on that basis: It is deciding in advance what to do and how to do? It is one of the basic managerial functions. It requires thinking before doing something; the manager must formulate an idea of how to work on a particular task. This function is closely connected with creativity and innovation. It seeks to bridge the gap between where we are and where we want to go and is performed at all levels of management. What function of management is referred to here?

a) Planning.

b) Organizing

c) Staffing.

d) Controlling

28. What are the two limitations of planning?

a) Reduces creativity & Rigidity.

b) Competitive edge & Co-ordination

c) Both (A) and (B).

d) Minimizes uncertainties

29. By comparing.....with standards manager can know whether the goals are achieved or not.

a) Ideas.

b) Cost

c) Actual Performance.

d) Risk

30. Which of the following is a feature of planning?

a) Focuses on achieving goals.

b) Pervasive

c) Mental exercise.

d) All of Above