



# INDIAN SCHOOL AL WADI AL KABIR

## DEPARTMENT OF COMMERCE

### MCQ: ORGANISING

1. “Grouping similar nature jobs into larger units called departments” is the step in the process of one of the functions of management. Identify the function of management.
  - (a) Planning
  - (b) Organising
  - (c) Directing
  - (d) Staffing
2. \_\_\_\_\_ ensures that the subordinate performs tasks on behalf of the manager thereby reducing his workload and providing him with more time to concentrate on important matters.
  - (a) Decentralization
  - (b) Delegation of authority
  - (c) Authority
  - (d) Accountability
3. Name the concept that refers to the number of subordinates that can be effectively managed by a superior and determines the number of levels of management in the organisation.
  - (a) Organisation structure
  - (b) Span of management
  - (c) Hierarchy of authority
  - (d) Delegation of Authority
4. For the following two statements choose the correct option:  
Statement I: Accountability can be delegated  
Statement II: Responsibility can be delegated completely Choose the correct option from the options given below:
  - (a) Statement I is correct and II is wrong
  - (b) Statement II is correct and I is wrong
  - (c) Both the statements are correct
  - (d) Both the statements are incorrect
5. Arrange the following steps in the process of organising in the correct sequence:
  - (a) Assignment of duties
  - (b) Departmentalisation
  - (c) Identification and division of work
  - (d) Establishing reporting relationshipChoose the correct option:
  - (a) (a) ; (b) ; (d); (c)
  - (b) (c) ; (b) ; (a); (d)
  - (c) (c) ; (b) ; (d); (a)
  - (d) (b) ; (c) ; (a); (d)

Read the following text and answer question number 6-11 on the basis of the same.  
'Saarathi', the name has been associated with the manufacturing and sale of Fashion

products since 1960, when Kapil Saarthi opened his first retail fashion clothing outlet in Ahmedabad. Sarthi Cosmetics was incorporated in India in 1940, and became a member of the S & M family of companies in 1959. Sarthi Perfumes began operations in Gujarat in an existing administrative S&M facility in 1985. An important difference between S&M and most other companies is that instead of operating as one large corporation it operates as 180 smaller companies each focused on a specific product and area, implying selective dispersal of authority, recognising the decision makers need for autonomy, as decision making authority is pushed down the chain of command. It enables the company to maintain short lines of communication with customers and employees, and accelerate the development of talent.

6. Identify the philosophy that is being followed by S&M through which it is dividing the decision-making responsibilities among hierarchical levels.
  - (a) Delegation of authority
  - (b) Decentralization of authority;
  - (c) Division of work
  - (d) Span of management
7. 'Why is there, need to apply the philosophy being followed by S&M, with caution?
  - (a) As it can cause a delay in communication
  - (b) As it can cause disintegration of the organisation
  - (c) As it can increase the workload of the top management
  - (d) As it can reduce the chances of growth of the firm.
8. The application of the philosophy discussed above can foster a sense of competition amongst the departments, which in turn will help the firm in the following manner:
  - (a) Facilitates growth
  - (b) Better control
  - (c) Relief to top management
  - (d) Quick decision making.
9. Quote the line from above which highlights the importance of the philosophy towards providing management education to employees.
  - (a) "Maintain short lines of communication
  - (b) 'Accelerate the development of talent'
  - (c) 'selective dispersal of authority;
  - (d) 'Recognises decision makers need for autonomy'
10. As "The decision-making authority is pushed down the chain of command" at S&M enterprises, it provides the benefit of quick decision making to the organisation because:
  - (a) There is no requirement for approval from many levels
  - (b) Organisation is able to generate more returns
  - (c) There are innovative performance systems
  - (d) It's a means of management education
11. The philosophy being followed by S&M is not followed by most other companies. This tells us that the philosophy is :
  - (a) Optional
  - (b) Compulsory
  - (c) Limited to superior and his subordinate

- (d) Merely done to lessen the burden of the manager
12. This type of organisational structure is most suitable when the size of the organisation is large, has diversified activities and operations require a high degree of specialisation,
- (a) Divisional structure
  - (b) Functional structure
  - (c) Network structure
  - (d) Matrix structure
13. Identify the type of organisational structure which makes training of employees easier, as the focus is only on a limited range of skills.
- (a) Network structure
  - (b) Divisional structure
  - (c) Functional structure
  - (d) Matrix structure
14. Lakshay has been given the task of arranging for five-day conference for foreign delegates. In order to ensure smooth functioning of the event, he has made two people as co-ordinators to take care of activities related to registration and refreshment. Identify the function of management being carried out by Lakshay.
- (a) Planning
  - (b) Staffing
  - (c) Organising
  - (d) Directing
15. Under which function of management, the relationship between different posts is explained?
- (a) Planning
  - (b) Communication
  - (c) Organising
  - (d) Supervision
16. What is the key to managerial posts?
- (a) Responsibility
  - (b) Authority
  - (c) Accountability
  - (d) All of the above.
17. Which of the following is not an importance of organising?
- (a) Increase cost
  - (b) Clarity in working relationship
  - (c) Adoption to change
  - (d) None of the above
18. Under Accountability a person is answerable for the
- (a) Growth of company
  - (b) Final outcome of the assigned task
  - (c) Delegation of authority
  - (d) None of these
19. In many organisations the top management plays an active role in taking all decisions while there are others in which this power is given to even the lower levels of management. Decision making authority is shared with lower levels and is

consequently placed nearest to the points of action. Identify the concept of management highlighted by the phrase “Decision making authority is shared with lower levels and is consequently placed nearest to the points of action.”

- (a) Responsibility
- (b) Authority
- (c) Accountability
- (d) Decentralisation.

20. Assertion (A) Organising leads to specialisation.

Reason (R) In organising, clarity in working relations cannot be possible.

Codes: (a) Both A and R are true. R is the correct explanation of A.

(b) Both A and R are true but R is not correct explanation of A.

(c) A is correct but R is incorrect.

(d) A is incorrect but R is correct

21. Assertions (A) There are more chances of managerial development in functional structure.

Reason (R) Managers perform multifunction in divisional structure.

Codes: (a) Both A and R are true. R is the correct explanation of A.

(b) Both A and R are true but R is not correct explanation of A.

(c) A is correct but R is incorrect.

(d) A is incorrect but R is correct.

22. Assertion (A) In divisional structure there is problem of coordination among different departments.

Reason (R) All departments want to achieve their goal that's why everyone tries to get more resources.

Codes: (a) Both A and R are true. R is the correct explanation of A.

(b) Both A and R are true but R is not correct explanation of A.

(c) A is correct but R is incorrect.

(d) A is incorrect but R is correct.

23. It is defined as the framework within which managerial and operating tasks are performed.

(a) Span of management

(b) Organisational structure

(c) Informal organisation

(d) None of the above

24. Identify the type of organisational structure which facilitates occupational specialisation,

(a) Functional structure

(b) Horizontal structure

(c) Network structure

(d) Divisional structure

25. Assertion (A) Organisation structure is indispensable means, and the wrong structure will seriously impair business performance and even destroy it.

Reason (R) A proper organisation structure is essential to ensure a smooth flow of communication and better control over the operations of a business enterprise. It specifies the relationship between people, work and resources.

Codes: (a) Both A and R are true. R is the correct explanation of A.

(b) Both A and R are true but R is not correct explanation of A.

(c) A is correct but R is incorrect.

(d) A is incorrect but R is correct

Read the following text and answer question no. 26-28 on the basis of the same:

A company X limited manufacturing cosmetic, which has enjoyed a pre-eminent position in business, has grown in size. Its business was very good till 1991. But after that, new liberalised environment has seen the entry of many MNC's in the sector.

With the result the market share of X limited has declined. The company had followed a very centralised business model with Directors and divisional heads making even minor decisions. Before 1991 this business model had served the company very well as consumers had no choice. But now the company is under pressure to reform.

26. What organisation concept changes should the company bring about in order to retain its market value?

(a) It should adopt functional structure.

(b) It should adopt divisional structure.

(c) It should adopt centralisation.

(d) It should adopt decentralisation.

27. How will the changes suggested by you help the firm?

(a) It will help in increasing managerial and operational efficiency, resulting in increased profit.

(b) It will facilitate expansion and growth as new divisions can be added without interrupting the existing operations by merely adding another divisional head and staff for the new product line.

(c) It will help in quick decision-making since decisions will be taken at levels which are nearest to the points of action.

(d) It will facilitate effective management.

28. \_\_\_\_\_ explains the manner in which decision-making responsibilities are decided among hierarchical levels.

(a) Delegation

(b) Decentralisation

(c) Authority

(d) Accountability

29. Shreya Ltd. has been awarded recently with the 'Best Employer of the Year Award'.

The company has believed in the ideas and suggestions of its employees. There is selective dispersal of decision making authority at all levels. There is no delay in delivery of orders to customers due to prompt decisions taken by employees. Identify the concept of management followed by the company.

(a) Authority

(b) Responsibility

(c) Delegation

(d) Decentralisation

30. Assertion (A): Decentralisation must always be balanced with centralisation in areas of major policy decisions.

Reason (R): Decentralisation recognises the decision maker's need for autonomy. The management, however, needs to carefully select those decisions which will be pushed down to lower levels and those that will be retained for higher levels.

Alternatives: (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.