

## **Chapter-8: Controlling**

1. Controlling function includes

- (a) Measuring results against corporate objectives
- (b) Explaining procedure to perform activities
- (c) Setting Standards
- (d) Assigning work

Ans: (a) Measuring results against corporate objectives

2. Controlling starts where

- (a) Planning ends
- (b) Organising ends
- (c) Directing ends
- (d) Staffing ends

Ans: (a) Planning ends

3. Controlling function of an organisation is

- (a) Forward Looking
- (b) Backward Looking
- (c) Forward as well as backward looking
- (d) none of the above

Ans: (c) Forward as well as backward looking

4. Which of the following is not a limitation of controlling?

- (a) Controlling is pervasive
- (b) Controlling restricts employee freedom
- (c) Controlling cannot control external factors
- (d) Controlling involves huge cost

Ans: (a) Controlling is pervasive

5. Controlling cannot be performed without

- (a) Planning
- (b) Organising
- (c) Directing
- (d) Leadership

Ans: (a) Planning

6. Management audit is a technique to keep a check on the performance of

(a) Company

(b) Management of the company

(c) Shareholders

(d) Customers

Ans: (b) Management of the company

7. What is meant by controlling?

Ans: Controlling refers to comparison of actual performance with the planned performance and taking corrective actions, in case of deviations between actual and planned performance.

8. Why is it said that controlling is “looking back”? State.

Ans: Controlling is a backward-looking function as it measures and compares actual performance with standards fixed in the past.

9. State any four importance of controlling.

Ans: (a) Controlling helps in achieving organisational goals

(b) Controlling judge accuracy of standards

(c) Controlling makes efficient use of resources

(d) It improves employee’s motivation.

10. State the points of controlling process.

Ans: 1. Setting up Standards: The standards of performance are set which serve as the criteria against which actual performance will be measured.

2. Measuring Performance: The measurement of actual performance is done on the basis of pre-determined standards. It tells the manager whether the work has been done according to the plan or not.

3. Comparing Performance against standard: The measuring of actual performance is compared with the standards to find out the deviations.

4. Analyzing Deviations: Deviations are analysed for their causes through Critical Point Control and Management by Exception.

5. Taking Corrective Measures: Corrective action is taken if deviations go beyond the acceptable limits.

6. Feedback : After and taking corrective measures a feedback report is prepared.

11. Explain how 'Management by Exception' helps in controlling process.

Ans: According to this principle, control will be effective only if the manager focuses his attention on more important exceptions. Here important exceptions mean the especially good or especially bad deviations. It means that the manager should take corrective action, in respect of those deviations, which are either too good or too bad. By taking care of important deviations both time and efforts are saved.

12. How controlling is an all pervasive function?

Ans: Controlling is not the task of top level managers only but managers working at all the levels i.e. top, middle and operational level perform controlling function. Its need is everywhere and hence it is an pervasive function.

13. Mr. Ankit is the chief manager in a well known MNC, producing shoes. He called the production manager of his unit and told him to keep a constant watch on all the activities of his respective unit so that there is no possibility of adverse results. As long as the company runs its operation, employees at all levels will adopt it to achieve results.

(i) Identify the function of management referred above.

(ii) Describe its three features

Ans: (i) Controlling

(ii) a. Goal-oriented

b. Continuous process

c. Pervasive function

14. Suppose you are a manager in a car manufacturing company. It is reported that postal expenses have increased by 10% and cost of raw material is increased by 2%. Which of the two deviations is more critical to you? It is related to which concept of controlling?

Ans: (i) Rise in cost of raw-material @ 2% is more important. (ii) It is related to "Critical Point Control".

15. What do you mean by 'Deviation'? Explain with the help of an example.

Ans: Deviation refers to difference between actual performance and plan performance. For example, if plan is to producing 100 units and actually only 80 units are produced, then deviation =  $100 - 80 = 20$  units. The deviation may be a positive or a negative deviation.