

Meaning, Importance & Limitations of Controlling

1 Mark Questions

1. Why it is said that controlling is a continuous activity? (Delhi 2011)

Ans. Controlling is a continuous activity as the progress has to be assessed continuously as per the pre-determined standards.

2. Why is it said that controlling is looking back? (All India 2011, 2009; Delhi 2009)

Ans. Controlling is called a process of looking back as under it, actual results are compared with the set standards, decided in the past. After that, a corrective action is initiated.

3. 'Controlling is a pervasive function'. Explain. (Delhi 2009; All India 2009)

Ans. Controlling is a pervasive function because it is performed:

- (i) In all the organisations whether profit making or non-profit making.
- (ii) At all levels of management whether top, middle and lower level to ensure that work at every stage is performed as planned.

4. In controlling, why is actual performance compared with standards? (All India 2009; Delhi 2009 C)

Ans. The actual performance is compared with standards to locate the deviations, if any.

5. Which function of management ensures that actual activities confirm to planned activities? (HOTS; Delhi 2008)

Ans. The controlling function of management ensures that actual activities confirm to planned activities.

6. Name the function which reviews the operations in a business unit. (HOTS; All India 2008)

Ans. Controlling.

3 Marks Questions

7. Explain how controlling helps in

- (i) Accomplishing organisational goals; and
- (ii) Judging accuracy of standards. (All India 2013)

Ans. (i) Accomplishing organisational goals The controlling function measures the performance against the pre-determined standards and corrects deviations. This helps in ensuring that organisation is moving on right track to achieve the organisational goals. In other words, by controlling, the manager ensures that resources are obtained and used economically and efficiently for the achievement of organisational objectives.

(ii) **Judging accuracy of standards** A sound controlling system helps the management to verify whether the standards set are accurate and objective. It keeps a careful check on the changes, which are taking place in the organisation and helps in revising standards as and when required.

8.Explain how controlling helps in

(i)Making efficient use of resources; and

(ii)Improving employee's motivation (All India 2013)

Ans. (i) Making efficient use of resources By exercising control, a manager seeks to reduce wastage and spoilage of resources. Each activity is performed in accordance with pre-determined standards and norms. This ensures that resources are used in the most effective and efficient manner.

(ii) Improving employees motivation A good control system ensures that employees know well in advance what they are expected to do and what are the standards of performance on the basis of which they will be appraised. Thus, it motivates them and helps them to give better performance.

9.'Controlling is forward looking'. Explain. (HOTS; All India 2009; Delhi 2009)

Ans. Controlling is forward looking as it must focus attention on two things checking current performance and providing early information to achieve results in conformity with set standards. Checking on operations should enable prompt detection of faults before it is too late for remedy. Deviations, if any, should lead to investigation of the factors responsible which may affect future operations. Remedial actions should be followed so as to prevent the occurrence of defects thereafter. In other words, control must ensure timely detection of deviations and prevention of their repetition in future.

10.'Controlling is looking back'. Give a suitable example in support of your answer.(HOTS; Delhi 2008 C)

Ans. Controlling is called a process of looking back as under it/ actual results are compared with the set standards, decided in the past. After that, a corrective action is initiated. In other words, if the standards are not decided in the past, controlling is not possible. Hence, it is true that controlling is backward looking.

For example, a salesman is expected to sell 50 units of a product per week. This is the standard against which actual performance would be judged at the end of the week. If he sells 35 units during the week, reasons for shortfall would be ascertained by his superior.

4/5 Marks Question

11.How does controlling help in achieving objectives and improving employees' morale? (Delhi 2009)

Ans. Controlling helps in achieving objectives and improving employers' morale by following ways: Controlling helps in achieving objectives By continuously measuring the performance in the light of organisational goals brings out the deviations, if any and indicates the corrective actions to be taken. Thus, controlling keeps the organisation on the right track.

Controlling improves employers' morale The implementation of controlling makes all the employees to work with complete dedication because they are aware that their performance will be evaluated and they will have a chance to build their reputation in the organisation. The employees who show good performance are rewarded by giving them promotions, cash prizes, etc.

6 Marks Questions

12. Explain any four points that highlight the importance of controlling.(Delhi 2014; Foreign 2014)

or

Briefly explain the importance of controlling. (Ail India 2012; Delhi 2011c)

Ans. Importance of controlling are as follows;

(i) **Accomplishing organisational goals** The controlling function measures the performance against the pre-determined standards and corrects deviations. This helps in ensuring that organisation is moving on right track to achieve the organisational goals. In other words, by controlling, the manager ensures that resources are obtained and used economically and efficiently for the achievement of organisational objectives.

(ii) **judging accuracy of standards** A sound controlling system helps the management to verify whether the standards set are accurate and objective. It keeps a careful check on the changes, which are taking place in the organisation and helps in revising standards as and when required.

(iii) **Making efficient use of resources** By exercising control, a manager seeks to reduce wastage and spoilage of resources. Each activity is performed in accordance with pre-determined standards and norms. This ensures that resources are used in the most effective and efficient manner.

(iv) **It improves employees' morale** The implementation of controlling makes all the employees to work with complete dedication because they are aware that their performance will be evaluated and they will have a chance to build their reputation in the organisation. The employees who show good performance are rewarded by giving them promotions, cash prizes, etc.

(v) **It helps in better performance** Planning and controlling are closely inter-related as the real test of planning is controlling. Control reveals deficiencies and deviations, suggests corrective actions for prevention of deviations and deficiencies through modified planning.

(vi) **Facilitates coordination** Control keeps all activities and efforts within their fixed boundaries and makes them move towards the set goals. Thus, control facilitates coordination, it provides unity of direction.

13. 'Controlling is an indispensable function of management'. Do you agree? Give four reasons in support of your answer. (Compartment 2014; Delhi 2008)

Ans. Yes, controlling is an indispensable function of management, it is a force which helps the management to attain the pre-determined or planned performance.

Reasons for good control system

Importance of controlling are as follows;

(i) **Accomplishing organisational goals** The controlling function measures the performance against the pre-determined standards and corrects deviations. This helps in ensuring that organisation is moving on right track to achieve the organisational goals. In other words, by controlling, the manager ensures that resources are obtained and used economically and efficiently for the achievement of organisational objectives.

(ii) **judging accuracy of standards** A sound controlling system helps the management to verify whether the standards set are accurate and objective. It keeps a careful check on the changes, which are taking place in the organisation and helps in revising standards as and when required.

(iii) **Making efficient use of resources** By exercising control, a manager seeks to reduce wastage and spoilage of resources. Each activity is performed in accordance with pre-determined standards and norms. This ensures that resources are used in the most effective and efficient manner.

(iv) **It improves employees' morale** The implementation of controlling makes all the employees to work with complete dedication because they are aware that their performance will be evaluated and they will have a chance to build their reputation in the organisation. The employees who show good performance are rewarded by giving them promotions, cash prizes, etc.

(v) **It helps in better performance** Planning and controlling are closely inter-related as the real test of planning is controlling. Control reveals deficiencies and deviations, suggests corrective actions for prevention of deviations and deficiencies through modified planning.

(vi) **Facilitates coordination** Control keeps all activities and efforts within their fixed boundaries and makes them move towards the set goals. Thus, control facilitates coordination, it provides unity of direction.