

Unit -5

Organising

1. Name the network of social relationship that arises spontaneously due to interaction at work .

Ans: Informal organization

2. What is the type of organization where the decision making authority lies with the top management.

Ans: Centralisation

3. What is span of management?

Ans: Number of subordinates that can be managed efficiently by superior.

4. What is the form of organization known for giving rise to rumours?

Ans: Informal.

5. A company has its registered office in Delhi, manufacturing unit at Guragaon & marketing & sales department at Faridabad. The company manufactures the consumer products. Which type of organization structure should it adopt to achieve its targets.

Ans: Functional organization structure.

6. Name the function of management that initiates implementation plans by clarifying jobs & working relationships.

Ans: Organising.

7. In an electrical goods manufacturing company, there are 4 main activities-marketing, production, finance & personnel. The general manager is planning to structure the organization. Which type of organization structure should be adopted and why? Give two reasons.

Ans: In the given situation the general manager should go for functional organization structure. The reason for suggesting such an organization structure are:

a) The firm is dealing in electrical goods which requires services of the professionally trained experts, and

b) All the activities of similar nature will be placed under one coordinating head, this will facilitate specialization as well as standardisation.

8. “If we delegate authority, we multiply it by two: If we decentralize it, we multiply it by many. Name the two concepts to which this statement is related?

Ans: a) Delegation of authority b) Decentralisation.

9. “A Manager is of the view that he is not responsible for the quality of work that he has delegated to his subordinate.” Do you agree with his view point? Justify your answer by giving proper arguments.

Ans: Hint: Statement is incorrect as the principle of absoluteness of responsibility is violated.

10. A Manager revises the production target from 3000 kg per month to 6000 kg per month. But the authority to purchase raw material was not given by the manager. Therefore, revised production target could not be achieved. Who is responsible?

Ans: Hint: The Manager is responsible because responsibility has been created without granting authority. It violates the principle of parity of authority and responsibility.

11. Kavita runs a factory manufacturing ready made clothes. The business has been doing well and she intends to expand the business by diversifying the business into ladies' footwear, thereby keeping her company growing. Which type of structure would you recommend her for expanding organization? Give two reasons in support of your answer.

Ans: She should adopt 'Divisional organizational structure' for expanding her business because of the following reasons:

- i) Product specialization enhances various skills in a divisional head.
- ii) Easy to fix responsibility and hold divisions accountable for their results

Q12) The marketing manager of Abha Ltd, an organization manufacturing motor cycles, is asked to achieve a target sale of 200 motor cycles per day. He delegates the task to 20 sales managers working under him. Five of the sales managers could not achieve their respective targets. Is the marketing manager responsible? Explain in brief the relevant principle in support of your answer.

Ans) Yes, the marketing manager is responsible for it.

Here the principle of absoluteness of responsibility will apply.