



Short Answer Type Questions

1. Explain the meaning of controlling.

Ans: Controlling means ensuring that activities in an organisation are performed as per the plans. Controlling also ensures that an organisation's resources are being used effectively and efficiently for the achievement of desired goals. Controlling is, thus, a goal-oriented function. Controlling is a very important managerial function. Because of controlling, a manager is able to compare actual performance with the planned performance. In order to control the activities at all levels, a manager needs to perform the controlling function.

2. Planning is looking ahead and controlling is looking back comment.

Ans: Planning and controlling are inseparable. Planning is the primary function of every organisation; it is the thinking process, which means looking ahead or making plans that how a desired goal is achieved in the future; thus, it is called a forward-looking function. On the other hand, controlling is a systematic function which measures the actual performance with the planned performance. It compares and analyses the whole process of an organisation and takes correcting actions. Thus, it is a backward-looking function. But the statement "Planning is looking ahead and controlling is looking back" is partially correct because it should be understood that planning is guided by past experiences and the corrective action initiated by the control function, which aims to improve future performance. Thus, planning and controlling are both backward-looking as well as forward-looking functions.

3. 'An effort to control everything may end up in controlling nothing'. Explain.

Ans: It's a well-known fact that "Jack of all, master of none" when we start controlling everything, it results in controlling nothing because it is not possible at one time to control various activities as this process may neither be economical nor easy. Control thus focuses on KRAs (Key Result Areas). It means instead of controlling all activities, control where the critical points go wrong and by which the organisation suffers. Thus, KRAs are set as critical points and one should be aware that he has to control what.

4. Write a short note on budgetary control as a technique of managerial control.

Ans: Budgetary control is a technique of managerial control in which all operations are planned and this will help us in knowing how much we have to spend in order to achieve the future result. It compares the actual result with budgetary standards. This comparison reveals the necessary actions to be taken so that the organisational objectives are accomplished. Budgeting offers the following advantages:

- (i) Budgeting focuses on specific and time-bound targets.
- (ii) Budgeting is a source of motivation to the employees; they set the standards against which their performance will be appraised and thus, enables them to perform better.
- (iii) Budgeting helps in optimum utilisation of resources by allocating them according to the requirements of different

departments.

(iv) It helps the management in setting standards.

5. Explain how management audit serves as an effective technique of controlling.

Ans: Management audit is a technique which helps in measuring the efficiency and effectiveness of management. It is a comprehensive and constructive review. Thus, we can say it is defined as the review of the functioning performance and to improve its efficiency in future period hence it serves as an effective technique of controlling following points are proving the same.

(i) It helps to locate present and potential deficiencies in the performance of management functions.

(ii) It helps to improve the control system of an organisation by continuously monitoring the performance of management.

(iii) It ensures updating of existing managerial policies and strategies in the light of environmental changes.

This results in efficient controlling of management.

***** END *****