

Meaning Definition, Features & Importance of Planning

1 Mark Questions

1. 'Dreams can be turned into reality only when managers think in advance what to do and how to do it'. Name the function of management indicated by the Statement. (Compartment 2014)

or

'Deciding in advance what to do and how to do is one of the basic management functions', Give the meaning of this function (Compartment 2014)

Ans. Planning seeks to bridge the gap between where we are and where we want to go. It involves setting objectives and targets and formulating an action plan to achieve them.

2. 'Planning is done for achieving the organisational goals'. Do you agree? Give one reason in support of your answer. (Delhi 2012)

Ans. Yes, planning ensures that goals or objectives are clearly stated so that they act as a guide for deciding what action should be taken and in which direction.

3. Why is it said that 'planning is pre-requisite for controlling'? (Delhi 2009c)

Ans. Under the system of controlling, actual work performance is compared with standards. Hence, if the standards are not determined, there is no justification left for control. Therefore, planning is pre-requisite for controlling.

4. Define planning. (Delhi 2009c)

Ans. According to Koontz and O' Donnell, 'Planning is deciding in advance what to do, how to do it, when to do it and who is to do it'.

5. List any two characteristics of (Delhi 2009c)

Ans. Two characteristics of planning are as follows:

- (i) Planning is an intellectual process.
- (ii) Planning is a goal-oriented process.

6. 'Planning is doing the work for achievement of goals'. Do you agree? Give reasons in support of your answer. (All India 2009)

or

'Planning is goal oriented'. How? (Delhi 2008C)



Ans. Yes, planning is doing the work for achievement of goals because planning is purposeful. Planning has no meaning unless it contributes to the achievement of pre-determined organisational goals.

7. Mention any two features of planning. (All India 2009c)

Ans. Two features of planning are as follows:

- (i) Planning is a continuous process. (ii) Planning is all pervasive.

3 Marks Questions

8. Explain the following as features of planning

- **Planning is continuous**
- **Planning is futuristic. (Delhi 2013)**

Ans. (i) Planning is continuous Plans are prepared for a specific period of time, may be for a month, a quarter or a year. At the end of that period, there is need for a new plan to be drawn on the basis of new requirements and future conditions. Management can't afford to follow rigid plans in the era of fast changes in technology, market, etc. Thus, a manager must develop or modify the plans from time to time as per the need. Hence, planning is a continuous process.

(ii) Planning is futuristic Planning is essentially looking ahead and preparing for the future. It is based on the proverb, 'look before you leap'. In other words, it is carried out to achieve some objectives in future. It, therefore, becomes essential to anticipate or predict the future.

For example, A manufacturer prepares next year's production plan after forecasting the demand. Therefore, it is said that planning is futuristic and involves thinking before doing.

9. Explain the following features of planning

- **Planning involves decision-making; and**
- **Planning is pervasive. (Delhi 2013)**

Ans. (i) Planning involves decision-making The need of planning arises because of the availability of various alternatives to achieve specified objectives. It considers or evaluates the best alternative. Decision-making is an integral part of planning. A manager is surrounded by number of alternatives. He has to pick the best depending upon requirements and resources of the enterprises.

(ii) Planning is pervasive Planning is required at all levels of management as well as in all departments of the organisation. It is not only for top management but it differs at

different levels and among different departments. The top level may be more concerned about planning for the organisation as a whole whereas, the middle level may be more specific in departmental plans and the lower level is concerned for the implementation of the same.

10. State any three advantages of planning. (Delhi 2012)

Ans. Advantages of planning are as follows:

(i) Planning provides direction By stating in advance how work is to be done, planning provides direction for action. It reduces aimless activity and makes action more meaningful.

(ii) Planning reduces the risk of uncertainty Planning is always done for future and future is uncertain. With the help of planning, possible changes in future are anticipated and various activities are planned in the best possible way.

(iii) Planning facilitates decision-making Planning is an intellectual activity. It helps the manager to look into the future and make a choice from amongst various alternative courses of action. The manager has to evaluate each alternative and select the most viable option. Thus, decision-making is inherent in planning.

11. What is meant by planning? List any two features of planning. (Delhi 2010)

Ans. Planning is the process of thinking before doing. It is the process of determining a course of action to achieve the desired results. Planning bridges the gap between 'where we are' and 'where we want to go'.

Two features of planning are as follows:

- (i) Planning is a goal-oriented function of management.
- (ii) Planning is a continuous process.

12. Explain how planning provides direction to action? (Delhi 2008)

Ans. Planning provides direction to action by

- (i) Clearly defining objectives/goals to be achieved by an organisation.
- (ii) Stating the action to be taken for the achievement of the objectives.
- (iii) Making the employees aware of how they will have to work, by giving them necessary directions for achieving objectives.

13. Explain how planning is 'futuristic'? (Delhi 2008)

Ans. Planning is futuristic Planning is essentially looking ahead and preparing for the future. It is based on the proverb, 'look before you leap'. In other words, it is carried out to achieve some objectives in future. It, therefore, becomes essential to anticipate or



predict the future.

For example, A manufacturer prepares next year's production plan after forecasting the demand. Therefore, it is said that planning is futuristic and involves thinking before doing.

14. Explain how planning reduces the risk of uncertainty? (All India 2008)

Ans. Planning reduces the risk of uncertainty because

- (i) It enables a manager to look ahead and anticipate changes.
- (ii) It shows the way to deal with changes and uncertain events.
- (iii) Changes or events can not be eliminated, as they can only be anticipated and managerial responses to them can be developed.

15. Explain how planning is a 'mental exercise'? (Delhi 2008)

Ans. Planning is a 'mental exercise' because

- (i) It requires application of the mind involving foresight, intelligent imagination and sound judgement.
- (ii) It is basically an intellectual activity of thinking rather than doing because planning determines the actions to be taken.
- (iii) It requires logical and systematic thinking rather than guesswork or intuitional thinking. In other words, thinking for planning must be orderly, based on the analysis of facts and forecasts.

16. Explain how planning facilitates decision-making? (All India 2008)

Ans. Planning facilitates decision-making because

- (i) Decision-making involves choice among various alternatives and activities. Planning provides the framework to make the best choice.
- (ii) Planning lays down the criterion for evaluating alternative courses of action and selecting the most appropriate alternative.
- (iii) Planning involves setting targets and predicting future conditions and thereby making rational decisions.
- (iv) It is planning that provides the guidelines for decision-making, by listing the goals of an organisation.

17. Explain how planning is a 'continuous process'? (All India 2008)

Ans. Planning is continuous Plans are prepared for a specific period of time, may be for a month, a quarter or a year. At the end of that period, there is need for a new plan to be drawn on the basis of new requirements and future conditions. Management can't afford to follow rigid plans in the era of fast changes in technology, market, etc. Thus, a manager must develop or modify the plans from time to time as per the need. Hence, planning is a continuous process.

4/5 Marks Questions

18. Explain any five features of 'planning'.
(All India 2014. Delhi 2014,2011; Foreign 2014)
or
State any five features of planning.
(All India 2013; 2012; Delhi 2012; 2009)
or
Explain any two features of planning. (Delhi 2011c)

Ans. (i) Planning is continuous Plans are prepared for a specific period of time, may be for a month, a quarter or a year. At the end of that period, there is need for a new plan to be drawn on the basis of new requirements and future conditions. Management can't afford to follow rigid plans in the era of fast changes in technology, market, etc. Thus, a manager must develop or modify the plans from time to time as per the need. Hence, planning is a continuous process.

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For example, A manufacturer prepares next year's production plan after forecasting the demand. Therefore, it is said that planning is futuristic and involves thinking before doing.

(iii) Planning involves decision-making The need of planning arises because of the availability of various alternatives to achieve specified objectives. It considers or evaluates the best alternative. Decision-making is an integral part of planning. A manager is surrounded by number of alternatives. He has to pick the best depending upon requirements and resources of the enterprises.

(iv) Planning is pervasive Planning is required at all levels of management as well as in all departments of the organisation. It is not only for top management but it differs at different levels and among different departments. The top level may be more concerned about planning for the organisation as a whole whereas, the middle level may be more specific in departmental plans and the lower level is concerned for the implementation of the same.

19. In addition to providing directions and reducing the risk of uncertainty, planning helps managers in the many other ways. Explain any four such ways. (All India 2014)

Ans. Planning is deciding in advance what to do, how to do and for whom to do it. Features of Planning are as follows:

(i) Planning is goal-oriented Planning seeks to achieve certain objectives and all plans are linked with the goals of the organisation. Planning identifies the action that would

lead to the desired results quickly and economically.

(ii) Planning is a primary function Planning serves as the basis for all other functions of management. It precedes organising, staffing, directing and controlling. All these functions are performed within the framework of plans.

(iii) Planning is pervasive Planning is required at all levels of management as well as in all departments of the organisation. It is not only for top management but it differs at different levels and among different departments.

(iv) Planning involves decision-making The need of planning arises because of the availability of various alternatives to achieve specified objectives. It considers or evaluates the best choice which serves the purpose. Thus, planning involves decision-making.

(v) Planning is a mental exercise Planning requires application of mind involving foresight, intelligent imagination and sound judgement. It is basically an intellectual activity of thinking rather than doing.

20. Define 'Planning, state any four points of importance of planning.

(All India 2014; Delhi 2014)

or

'Planning is an important function of management'. State any four reasons in favour of the statement. (All India 2011; Delhi 2011)

or

Describe any two points of importance of planning. (All India 2011)

or

Explain any five points of importance of planning for a large business enterprise. (All India 2009; Delhi 2009)

Ans. Planning It is deciding in advance what is to be done. When a manager plans, he projects a course of action for the future, attempting to achieve a consistent and coordinated structure of operations aimed at the desired results.

Importance of planning are as follows:

(i) Planning provides directions By stating in advance how work is to be done, planning provides direction for action. It reduces aimless activity and makes action more meaningful. It makes the employees aware of how they will have to work, by giving them necessary directions for achieving the objectives.

(ii) Planning reduces the risk of uncertainty Planning is always done for future and future is uncertain. With the help of planning, possible changes in future are anticipated and various activities are planned in the best possible way.

(iii) Planning facilitates decision-making Planning helps the manager to look into the future and make a choice from amongst various alternative courses of action. The manager has to evaluate each alternative and select the most viable option.

(iv) Planning promotes innovative ideas Planning is the first function of management, where new ideas can take the shape of concrete plans. It is the most challenging job or

an activity of the management as it guides all future actions, leading to growth and prosperity of the business.

(v) Planning reduces overlapping and wasteful activities Planning serves as the basis of coordinating the activities and efforts of different divisions, departments and individuals. It helps in avoiding confusion and misunderstanding. Since, planning ensures clarity in thought and action, hence the work is carried on smoothly without any interruptions. **21.**

Planning provides directions and reduces the risks of uncertainty. Explain how? (All India 2010)

Ans. (i) Planning provides directions By stating in advance how work is to be done, planning provides direction for action. It reduces aimless activity and makes action more meaningful. It makes the employees aware of how they will have to work, by giving them necessary directions for achieving the objectives.)

(ii) Planning reduces the risk of uncertainty Planning is always done for future and future is uncertain. With the help of planning, possible changes in future are anticipated and various activities are planned in the best possible way.