

Different Types of Plan

1 Mark Questions

1. Given the meaning of method as a type of plan. (All India 2014; Delhi 2014)

Ans. Method provides the prescribed ways in which work is to be performed considering the objective.

2. Give the meaning of policy as type of plan. (Delhi 2014)

or

What is meant by policy as a type of plan? (Delhi 2014; All India 2009)

Ans. A policy is a general statement which guides the action and decision of the subordinates in various departments. It provides the basis for interpreting strategy, which is usually stated in general terms.

3. Which type of plan has the least flexibility and why? (HOTS; All India 2014C, 2008)

Ans. Rules are enforced rigidly. No exception or deviations are allowed in rules. With regard to rule, the managers have no scope for discretion.

4. Name the type of plan which is in the form of general statements and channelise energies towards a particular direction. (HOTS; Delhi 2014c, 2010c)

Ans. Policies are general statements that guide thinking or channelise energies towards a particular direction.

5. Name the type of plan which is time bound and linked with measurable outcome. (HOTS; Delhi 2012)

Ans. Objective/Budget.

6. Name the type of plan which provides the broad contours of an organisation's business. (HOTS; All India 2012)

Ans. Strategy.

7. Name the type of plan which specifies the steps to carry out different activities in a chronological order.(HOTS; ah India 2010)

Ans. Procedure lays down the routine steps on how to carry out activities. They are specified in a chronological order.

8. Give the difference between policy and procedure. (Delhi 2009)

Ans. Policy is a general statement that is guide to decision-making while procedure specifies the steps on how to carry out activities in a chronological order.

3 Marks Questions

9. Explain 'objectives' as one of the types of plan. (Delhi 2013)

Ans. It is the most important type of plan. These are defined as ends which the management seeks to achieve by its operations. The objectives are usually set by top management of the organisation and focus on broad and general issues. They define the future state of affairs which the organisation strives to realise. For example, An organisation may have an objective of increasing sales by 10% or earning a reasonable rate of return.

10. Explain 'strategy' as one of the types of plans. (Delhi 2013)

Ans. It refers to future decisions defining the organisation's direction and scope comprehensive plan for accomplishing the organisation's objectives. The comprehensive plan includes three dimensions:
(i) Determining the long-term objectives.
(ii) Adopting a particular course of action, and
(iii) Allocating resources necessary to achieve the objectives.

11. Differentiate between policy and rule as types of plan.

Ans. Difference between policy and rule

S.No.	Policy	Rule
(i)	Policy is a guide to decision-making.	A rule is a guide to human behaviour.
(ii)	It is a general statement which brings uniformity in decision-making.	It is the most specific statement.
(iii)	A policy is subjected to interpretation. In other words, it allows discretion during decision-making.	Rules are rigid in nature and there is no scope for any kind of discretion.

12. Differentiate between method and budget as types of plan. (Delhi 2011)

Ans. Difference between method and budget

S.No.	Method	Budget
(i)	These are standardised ways or manner by which a task is performed.	These are the statement of expected results expressed in numerical terms.
(ii)	It is an instrument of planning only..	It is an instrument for both planning and controlling.
(iii)	It is a type of standing plans.	It is a type of single use plans.

13. Differentiate between objective and strategy as types of plan.(All India 2011)

Ans. Difference between objective and strategy

S.No.	Objective	Strategy
(i)	These are defined as ends towards which the activities and efforts are to be directed.	These are defined as comprehensive plan for accomplishing organisational objectives.
(ii)	Objectives focus on broad and general issues.	They are generally focussed on achieving specific objectives, specifically in light of competitors' strategies.
(iii)	Objectives need to be in measurable terms, e.g. increasing sales by 10%.	They convert the objectives into results by adopting a particular course of action and allocating resources to achieve them.

4/5 Marks Questions

14. Explain policy and procedure as types of plan. (All India 2011,2010; Delhi 2010)

Ans. Policy These are the general guidelines which facilitate uniformity in decision-making for the attainment of objectives of the organisation. It can be defined as organisation's general response to a particular problem or situation. Policies are made at every level because the managers at every level need to decide or predetermine the way of handling a situation and policy acts as a guide to take decisions in an unexpected situation.

For example, a school may have a policy of issuing admission to the students who have secured more than 60% marks.

Procedure It is a stipulated sequence of a course of action for handling activities. They are specified in chronological order, e.g. there may be a procedure for requesting supplies for production. Procedures are designed to execute policies and achieve objectives.

For example, procedure may be for purchase of raw material, selection of employees, redressal of grievances, etc.

15. Explain methods and rules as types of plan. (All India 2010; Delhi 2010,2008)

Ans. Methods These provide the- prescribed ways or manner in which a task has to be performed considering the objective. It deals with a task comprising one step of a procedure and specifies how this step is to be performed. The method may vary from task to task. Selection of proper method saves time, money and effort and therefore, increases efficiency.

For example, for the valuation of stock, the organisation must decide in advance which method has to be adopted (LIFO or FIFO), so that everyone must follow the same.

Rules These are specific statements that inform what is to be done. They do not allow any flexibility or discretion. It reflects a managerial decision that a certain action must or must not be taken. Rules generally refer to the administrative area of the procedure. They serve as guides and do not leave any scope for discretion. For example, no smoking in the organisation.

**16. Explain objectives and strategy as types of plan.
(All India 2010; Delhi 2010c)**

Ans. (i) Objectives These are defined as end results which the management seeks to achieve by its operations.

The main features of objectives are:

- They are set by the top management of the organisation.
- Different departments and units may have their own objectives.
- They are measurable.
- There must be a time limit for achievement of objectives.
- They must be achievable or feasible.

For example, increase in sales by 10% or decrease in rejections by 2%.

(ii) **Strategy** A strategy is a comprehensive plan to achieve the organisational objectives.

The dimensions of strategy are:

- (a) Determining long-term objective.
- (b) Adopting a particular course of action.
- (c) Allocating resources for achieving the objectives.
- (d) Strategy is formulated after scanning the business environment.

**17. Explain objective and policy as types of plan using suitable examples.
(All India 2008; Delhi 2008)**

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For example, a school may have a policy of issuing admission to the students who have secured more than 60% marks.

18. Explain procedure and Programme as types of plan.(All India 2008; Delhi 2008)

or

**Mention any two types of plans and explain each with an example.
(All India 2008; Delhi 2008C)**

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(d) Give the file to admission incharge.

(ii) Programme These are the combination of goals, policies, procedures and rules. The programmes are made to achieve specific objectives. For example, there might be a project of constructing a shopping mall. To execute the project there will be a need of determining the objective, policies procedures, methods and budgets for completing the task. Thus, the comprehensive plan including all other plans is called a Programme.