

## Ch-08 CONTROLLING

### Important Question

#### Part-1

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**Q1. If you want to control everything you may end up controlling.**

**Ans1.** Management By Exception.

**Q2. Define Management Audit.**

**Ans2.** Systematic appraisal of the overall performance of the management of an organization.

**Q3. Why is controlling considered to be a backward looking?**

**Ans3.** Controlling involves evaluation of past activities to find out deviations from standards so it is a backward looking function.

**Q4. Name two types of profitability ratios?**

**Ans 4.** a) Gross Profit Ratio  
b) Net Profit Ratio.

**Q5. What do you call the sales volume at which there is no profit, No loss?**

**Ans5.** Breakeven Point (BEP).

**Q6. Give 2 examples of Corrective Action.**

**Ans 6.** a) Provide training  
b) Revive standards.

**Q7. Give two examples of responsibility centers.**

**Ans7.** Cost Centre, revenue center etc.

**Q8. Marketing department comes under which type of responsibility center.**

**Ans8.** Revenue Centre.

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**Q9. Give the formula of Return on Investment.**

**Ans 9.** Net Profit

Total investment

**Q10. What do you understand by key KRAs result areas?**

**Ans10.** The areas which are critical to the success of an organization.

**Q11. Why planning is an empty exercise without controlling? (1)**

**Ans11.** Planning is an empty exercise without controlling because implementation of plans and monitoring of plan depend upon controlling.

**Q12. Which two steps in the process of controlling are concerned with compelling events to conform to plan?**

**Ans12** a) Comparison of actual performance with standards.

b) Taking corrective actions.

## Chapter-8 Controlling Important Questions Part-2

### 3-6 MARKS QUESTIONS

- Q1.** Which feature of controlling does it refer to when it is said that ‘Controlling is exercised at all levels of management’? Explain.
- Q2.** Which two steps in the process of control are concerned with ensuring events to confirm to plan? Explain.
- Q3.** There are two managers Mr. X and Mr. Y. They both have different point of views. Mr. X says that “controlling is backward looking” while Mr. Y contradicts by saying that “controlling is forward looking”. Who do you think is right? Give reason.
- Q4.** ABC Ltd. is engaged in manufacturing readymade garments. The target production is 500 shirts per day. The company has been successfully attaining this targets until last three months. The actual production has been varying between 400-450 shirts. Which management function is needed to rectify the situation? Write any two features associated with it.
- Q5.** Name and explain the first three steps of the function of management shown in the picture.

