



M COM ENTRANCE

MICROECONOMICS PRACTICE QUESTIONS

CH10 : CONTROLLING

1. The process of comparing actual performance with the standard and taking corrective action is:
A Controlling
B Management
C Planning
D Co-ordination
2. When management pays attention to more important areas looked after by lower level of management, this is known as :
A Management by objectives
B Management by exception
C Unity of Command
D Critical path method
3. Techniques of managerial control are useful in
A Selection of plant
B identifying appropriate technology
C profit planning
D conducting shareholders' meeting
4. Which of the following combination consists of the correct statements?
(i) Control and planning are interlinked.
(ii) Control is not meant for men, but for activities
(iii) Control is a circular movement
Codes :
A (i) and (ii)
B (i) and (iii)
C (ii) and (iii)
D All of these
5. The following are the steps of management control process:
(i) Taking corrective action from standards
(ii) Establishing standards
(iii) Measuring actual performance
(iv) Comparing performance against standard
Select the correct sequence of those steps from the codes given below :
Codes:
A (i), (ii), (iii), (iv)
B (ii), (iii), (iv), (i)
C (iii), (iv), (i), (ii)
D (ii), (iv), (i), (iii)

6. Developed by the Special Projects Office of the U.S. Navy; this technique was first formally applied to the planning and control of the Polaris Weapon System in 1958 and worked well in expediting the completion of that programme. The technique is known as
- A Gantt Chart
 - B PERT
 - C CPM
 - D Milestone budgeting
7. **Assertion (A)** : Due to these experiments (Time, Motion and Fatigue Studies) a factory does not remain a factory, it is converted into a laboratory.
Reasoning (R) : Management succeeds or fails as human relations in business are intelligently or unintelligently handled.
 Code :
- A Both (A) and (R) are correct and (R) is the right explanation of (A).
 - B Both (A) and (R) are correct but (R) is not the right explanation of (A).
 - C (A) is correct but (R) is not correct.
 - D (R) is correct but (A) is not correct.
8. **Statement – I** : Management control seeks to compel events to conform to plans.
Statement – II : Controlling is determining what is motivational to the employees of the organization.
 Code :
- A Statement - I is correct but II is incorrect
 - B Statement - II is correct but I is incorrect
 - C Both the statements I and II are correct
 - D Both the statements I and II are incorrect
9. ----- aims at visualizing and identifying deviation before they actually occur.
- A Feed-forward control
 - B Concurrent control
 - C Feedback control
 - D Behavioral control
10. The main purpose of the Control function is to:
- A Oversee Work
 - B Take remedial action
 - C Punish defaulters
 - D Meet targets
11. Which of the following statements does not highlight the relationship between planning and controlling?
- A Planning and controlling are separable twins of management.
 - B Planning without controlling is meaningless, controlling without planning is blind.
 - C Planning is prescriptive, controlling is evaluative.
 - D Planning and controlling are interrelated and interdependent.
12. This concept of Control Management is based on the belief that if you try to control everything, you may end up controlling nothing.
- A Critical point control
 - B Key result areas

- C** Management by exception
- D** Deviations

13. When the deviations between the actual performance and the planned performance are within the limits
- A** A limited corrective action is required
 - B** No corrective action is required
 - C** A major corrective action is required
 - D** None of the above
14. Measurement of performance and their comparison with standards is a difficult task in case of moral job satisfaction and human behavior. Which limitation of controlling is highlighted in this case?
- A** Little control on external factors
 - B** Resistance from employees
 - C** Difficulty in setting quantitative standards
 - D** Costly affairs
15. The Critical Path of a network is :
- A** for which earliest start time and latest start time are same
 - B** the shortest time path through a network
 - C** for which earliest finish time and latest finish time are same
 - D** the longest time path through a network