SmartKalike

CBSE Class 12 · Business Studies

Planning

10 most probable questions for Boards 2027

Q1. 1 mark · Multiple choice

How does planning promote innovative ideas?
(A) It turns new ideas into concrete plans that guide future action.
(B) It eliminates the need to set objectives.
(C) It ensures that the business environment never changes.
(D) It replaces all managerial functions.

Answer

(A) It turns new ideas into concrete plans that guide future action. — Planning gives new ideas a concrete shape and guides all future actions.

Q2. 2 marks · Short answer

Explain how planning provides direction to employees and departments in an organisation. (2 marks)

Answer

By stating in advance how work is to be done, planning gives employees and departments clear direction. Clearly defined goals guide decisions about what action to take, coordinate efforts, and prevent employees from working in different directions.

Q3. 3 marks · Medium answer

Briefly explain the following two steps in the planning process: (i) developing premises and (ii) identifying alternative courses of action. (3 marks)

Answer

1. Planning concerns an uncertain future, so managers make assumptions called premises. Premises are the base material for plans and may include forecasts, existing plans or past information about policies.
2. After objectives are set and premises made, managers identify possible courses of action. Alternatives may be routine or innovative; important projects require more alternatives, thorough discussion and ideas from more people.

Q4. 4 marks · Long answer

Explain how planning reduces the risks of uncertainty. Why can it not eliminate changes or uncertain events? (4 marks)

Answer

Planning enables managers to look ahead and prepare for possible changes and uncertain events.
1. By deciding in advance the tasks to be performed, planning shows the way to deal with changes and uncertain events.

2. Managers can anticipate changes and develop suitable managerial responses before those changes affect operations.
3. Changes and uncertain events cannot be eliminated merely through planning. Planning can only anticipate them and prepare the organisation's response.
4. For example, a business may forecast a change in demand and plan alternative production or marketing actions, although it cannot prevent the demand change itself.
Planning therefore reduces the risks of uncertainty by preparing responses, but it cannot eliminate changes or uncertain events.

Q5. 5 marks · Long answer

Explain how policy changes, political instability, natural calamities and competition may disrupt plans and require revisions to sales targets and cash budgets. (5 marks)

Answer

Planning becomes difficult when the business environment changes in ways that cannot be accurately predicted.
1. Economic policies may be modified, making future trends difficult to assess. Plans based on earlier conditions may no longer suit the organisation.
2. Political instability creates uncertainty about future conditions, so managers may find it difficult to prepare reliable plans.
3. Natural calamities can cause sudden changes in the environment and obstruct the organisation's planned activities.
4. Competition in the market can upset financial plans. Sales targets may need revision, and cash budgets must also be modified because they are based on sales figures.
Therefore, plans must be reviewed and revised when environmental changes make them unsuitable.

Q6. 6 marks · Very long answer

Explain how planning (i) establishes standards for controlling, (ii) facilitates rational decision-making and (iii) reduces overlapping and wasteful activities. (6 marks)

Full answer on SmartKalike: https://smartkalike.com/cbse/class-12/business-studies/planning

Q7. 1 mark · Multiple choice

Planning is regarded as a forward-looking function because it:
(A) anticipates future events through forecasting and prepares plans accordingly.
(B) deals only with the organisation's present activities.
(C) eliminates the need to consider future conditions.
(D) requires managers to follow only past plans.

Full answer on SmartKalike: https://smartkalike.com/cbse/class-12/business-studies/planning

Q8. 2 marks · Short answer

State two ways planning helps managers prepare for changes and uncertain events. (2 marks)

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Q9. 3 marks · Medium answer

State what planning decides in advance and explain why it is a process of decision-making. (3 marks)

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Q10. 4 marks · Long answer

Explain why planning is futuristic and based on forecasting. Also explain why planning involves evaluating available alternatives and selecting the most appropriate course of action. (4 marks)

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