

HEADINGS BASED TEST

(WITH ANSWER KEY)

- Q1. But to turn these dreams into reality managers need to work hard in thinking about the future, in making business predictions and achieving targets by thinking in advance on what to do and how to do it. This is the essence of _____
- Q2. _____ company policies are for all to know i.e., customers, clients, competitors minute details of information vital to the employees of an organization
- Q3. _____ is deciding in advance what to do and how to do. It is one of the basic managerial functions.
- Q4. _____ seeks to bridge the gap between where we are and where we want to go.
- Q5. _____ is defined as setting objectives for a given time period, formulating various courses of action to achieve them, and then selecting the best possible alternative from among the various courses of action available.
- Q6. From the following identify the point of importance of planning**
1. By stating in advance how work is to be done planning provides direction for action.
 2. Planning ensures that the 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. If goals are well defined, employees are aware of what the organization has to do and what they must do to achieve those goals.
 4. Keeping the objective in view and being in action individuals in the organization are able to work in coordination. If there was no planning, employees would be working in different directions and the organization would not be able to achieve its desired goals.
 5. Planning is an activity which enables a manager to look ahead and anticipate changes. By deciding in advance the tasks to be performed,
 6. Planning shows the way to deal with changes and uncertain events. Changes or events cannot be eliminated but they can be anticipated and managerial responses to them can be developed.
 7. Planning serves as the basis of coordinating the activities and efforts of different divisions, departments and individuals. It helps in avoiding confusion and misunderstanding.
 8. Useless and redundant activities are minimized or eliminated. It is easier to detect inefficiencies and take corrective measures to deal with them.
 9. Since planning is the first function of management, new ideas can take the shape of concrete plans.
 10. Planning helps the manager to look into the future and make a choice from amongst various alternative courses of action.
 11. The manager has to evaluate each alternative and select the most viable proposition. Planning involves setting targets and predicting future conditions, thus helping in taking rational decisions.
 12. Planning involves setting of goals or standards against which actual performance is measured.

13.If there were no goals and standards, then finding deviations which are a part of controlling would not be possible. The nature of corrective action required depends upon the extent of deviations from the standard.

Q7. From the following identify the point of features of planning

1. Polaris, the company has plans of expansion. Their objective is to increase their capacity so that they can employ 800 more professionals. Their target time is six months. The objective of the current year has also been clearly stated which is to increase capacity by 1500-2000 more professionals.
2. Specific goals are set out in the plans along with the activities to be undertaken to achieve the goals.
3. Planning has no meaning unless it contributes to the achievement of predetermined organizational goals.
4. Planning lays down the base for other functions of management. All other managerial functions are performed within the framework of the plans drawn.
5. Planning precedes all other functions. This is also referred to as the primacy of planning. Planning provides the basis of all other functions.
6. Planning is required at all levels of management as well as in all departments of the organization
7. The top management undertakes planning for the organisation as a whole. Middle management does the departmental planning. At the lowest level, day-to-day operational planning is done by supervisors.
8. 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.
9. Continuity of planning is related with the planning cycle. It means that a plan is framed; it is implemented, and is followed by another plan, and so on.
- 10.Planning essentially involves looking ahead and preparing for the future.
- 11.Sales forecasting is the basis on which a business firm prepares its annual plan for production and sales.
- 12.Planning essentially involves choice from among various alternatives and activities. If there is only one possible goal or a possible course of action, there is no need for planning because there is no choice. Planning, thus, involves thorough examination and evaluation of each alternative and choosing the most appropriate one.
- 13.Planning requires application of the mind involving foresight, intelligent imagination and sound judgement.
- 14.It is basically an intellectual activity of thinking rather than doing, because planning determines the action to be taken. However, planning requires logical and systematic thinking rather than guess work or wishful thinking.

Q8. From the following identify the limitations of planning

1. A well-defined plan is with specific goals & time frame. These plans then decide the future course of action and managers may not be in a position to change it. This kind of rigidity in plans may create difficulty.
2. Managers need to be given some flexibility to be able to cope with the changed circumstances. Following a pre-decided plan, when circumstances have changed, may not turn out to be in the organisations interest.
3. Nothing is constant. The organisation has to constantly adapt itself to changes in economic, political, physical, legal and social. It becomes difficult to accurately assess future trends in the environment if economic policies are modified or political conditions in the country are not stable or there is a natural calamity.

4. Competition in the market can also upset financial plans, sales targets may have to be revised and, accordingly, cash budgets also need to be modified since they are based on sales figures. Planning cannot foresee everything and thus, there may be obstacles to effective planning.
5. Planning done by top management is implemented by middle management and other decision makers who are neither allowed to deviate from plans nor are they permitted to act on their own. Thus, much of the initiative or creativity inherent in them also gets lost or reduced.
6. Planning in a way reduces creativity since people tend to think along the same lines as others. Most of the time, employees do not even attempt to formulate plans. They only carry out orders. Thus, there is nothing new or innovative.
7. When plans are drawn up huge costs are involved in their formulation in terms of time and money for example, checking accuracy of facts may involve lot of time.
8. Detailed plans require scientific calculations to ascertain facts and figures. There are a number of incidental costs as well, like expenses on boardroom meetings, discussions with professional experts and preliminary investigations.
9. Sometimes plans to be drawn up take so much of time that there is not much time left for their implementation.
10. The success of an enterprise is possible only when plans are properly drawn up and implemented. Any plan needs to be translated into action or it becomes meaningless.
11. Managers have a tendency to rely on previously tried and tested successful plans. It is not always true that just because a plan has worked before it will work again.

Q9. From the following identify the point of planning process

1. Every organization must have certain objectives. Objectives may be set for the entire organisation and each department or unit within the organisation. If the end result is clear it becomes easier to work towards the goal.
2. Objectives or goals specify what the organization wants to achieve. It could mean an increase in sales by 20% which could be objective of the entire organisation.
3. The manager is required to make certain assumptions about the future. These assumptions are called premises & may be in the form of forecasts, existing plans or any past information about policies.
4. All managers involved in planning should be familiar with and use the same assumptions. Forecasts can be made about the demand for a particular product, policy change, interest rates, prices of capital goods, tax rates etc.
5. Once objectives are set, assumptions are made. Then the next step would be to act upon them. There may be many ways to act and achieve objectives. All the alternative courses of action should be identified.
6. If the project is important, then more alternatives should be generated and thoroughly discussed amongst the members of the organisation.
7. The next step is to weigh the pros and cons of each alternative. The positive and negative aspects of each proposal need to be evaluated in the light of the objective to be achieved.
8. Alternatives are evaluated in the light of their feasibility and consequences.
9. This is the real point of decision making. The best plan has to be adopted and implemented. The ideal plan, of course, would be the most feasible, profitable and with least negative consequences.

10. Most plans may not always be subjected to a mathematical \ analysis. In such cases, subjectivity and the manager's experience, judgement and at times, intuition play an important part in selecting the most viable alternative
11. This is the step where other managerial functions also come into the picture. The step is concerned with putting the plan into action, i.e., doing what is required.
12. For example, if there is a plan to increase production then more labour, more machinery will be required. This step would also involve organising for labour and purchase of machinery.
13. To see whether plans are being implemented and activities are performed according to schedule is also part of the planning process.
14. Monitoring the plans is equally important to ensure that objectives are achieved.

Q10. From the following identify the point of types of plans (single-use and standing plans)

1. Plan is developed for a one-time event or project. Such a course of action is not likely to be repeated in future, i.e., they are for non-recurring situations.
2. The duration of this plan may depend upon the type of the project. It may span a week or a month. A project may sometimes be of only one day, such as, organising an event or a seminar or conference.
3. Plan is used for activities that occur regularly over a period of time. It is designed to ensure that internal operations of an organisation run smoothly.
4. Such a plan greatly enhances efficiency in routine decision-making. It is usually developed once but is modified from time to time to meet business needs as required.
5. Standing plans include policies, procedures, methods and rules.
6. These plans include budgets, programmes and projects
7. They consist of details, including the names of employees who are responsible for doing the work and contributing to the single-use plan.

Q11. Identify the type of plans (objectives, strategy, policy, procedure, method, rule, programme, budget)

1. _____ are general forms of standing plans that specifies the organisations response to a certain situation like the admission policy of an educational institution.
2. A _____ may consist of identifying steps, procedures required for opening a new department to deal with other minor work.
3. Projects are similar to _____ but differ in scope and complexity.
4. A _____ is a statement of expenses, revenue and income for a specified period.
5. _____ describe steps to be followed in particular circumstances like the procedure for reporting progress in production.
6. _____ provide the manner in which a task has to be performed.
7. _____ are very clearly stated as to exactly what has to be done like reporting for work at a particular time.

8. A _____, for example, is part of strategic planning or management. It is a general plan prepared by top management outlining resource allocation, priorities and takes into consideration the business environment and competition.
9. _____ are usually set by the top management and serve as a guide for overall planning. Each unit then formulates their own objectives keeping in view the overall organisational goals.
10. _____ are the desired future position that the management would like to reach. Objectives are very basic to the organisation and they are defined as ends which the management seeks to achieve by its operations. Therefore, an objective simply stated is what you would like to achieve, i.e., the end result of activities.
11. _____ is a plan of increasing sales by 10% or earning a reasonable rate of return on investment, earn a 20% profit from business. They represent the end point of planning.
12. They are usually set top management of the organization and focus on broad, general issues. They define the future state of affairs which the organization strives to realise.
13. _____ Need to be expressed in specific terms i.e., they should be measurable in quantitative terms, in the form of a written statement of desired results to be achieved within a given time period.
14. A _____ provides the broad contours of an organisation's business. It will also refer to future decisions defining the organisations direction and scope in the long run. Thus, we can say a strategy is a comprehensive plan for accomplishing an organization objectives.
15. _____ This comprehensive plan will include three dimensions, (i) determining long term objectives, (ii) adopting a particular course of action, and (iii) allocating resources necessary to achieve the objective.
16. A company's marketing _____ has to address certain questions i.e., who are the customers? What is the demand for the product? Which channel of distribution to use? What is the pricing policy? And how do we advertise the product. These and many more issues need to be resolved while formulating a marketing _____ for any organisation.
17. _____ are general statements that guide thinking or channelize energies towards a particular direction. _____ provide a basis for interpreting strategy which is usually stated in general terms. They are guides to managerial action and decisions in the implementation of strategy.
18. The company may have a recruitment _____, pricing _____ within which objectives are set and decisions are made. If there is an established _____, it becomes easier to resolve problems or issues.
19. As such, a _____ is the general response to a particular problem or situation. There are _____ for all levels and departments in the organization ranging from major to minor _____
20. _____ define the broad parameters within which a manager may function. The manager may use his/her discretion to interpret and apply a policy.
21. _____ are routine steps on how to carry out activities. They detail the exact manner in which any work is to be performed. They are specified in a chronological order.
22. _____ are specified steps to be followed in particular circumstances to enforce a policy and to attain pre-determined objectives. They are generally meant for insiders to follow.
23. _____ and procedures are interlinked with each other.

24. _____ are steps to be carried out within a broad policy framework.
25. _____ provide the prescribed ways or manner in which a task has to be performed considering the objective.
26. _____ Deals with a task comprising one step of a procedure performed. It may vary from task to task. Selection of proper _____ saves time, money and effort and increases efficiency.
27. _____ are specific statements that inform what is to be done. They do not allow for any flexibility or discretion.
28. _____ reflects a managerial decision that a certain action must or must not be taken. They are usually the simplest type of plans because there is no compromise or change unless a policy decision is taken.
29. _____ are detailed statements about a project which outlines the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action.
30. _____ will include the entire gamut of activities as well as the organisation's policy and how it will contribute to the overall business plan. The minutest details are worked out i.e., procedures, rules, budgets, within the broad policy framework.
31. A _____ is a statement of expected results expressed in numerical terms. It is a plan which quantifies future facts and figures.
32. For example, a sales _____ may forecast the sales of different products in each area for a particular month. It may also be prepared to show the number of workers required in the factory at peak production times.



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ANSWER KEY

ALL ANSWERS ARE WRITTEN IN RED INK

- Q1. But to turn these dreams into reality managers need to work hard in thinking about the future, in making business predictions and achieving targets by thinking in advance on what to do and how to do it. This is the essence of **Planning**
- Q2. **Major** company policies are for all to know i.e., customers, clients, competitors minute details of information vital to the employees of an organization
- Q3. **Planning** is deciding in advance what to do and how to do. It is one of the basic managerial functions.
- Q4. **Planning** seeks to bridge the gap between where we are and where we want to go.
- Q5. **Planning** is defined as setting objectives for a given time period, formulating various courses of action to achieve them, and then selecting the best possible alternative from among the various courses of action available.
- Q6. From the following identify the point of importance of planning**
1. By stating in advance how work is to be done planning provides direction for action. **Planning provides directions**
 2. Planning ensures that the goals or objectives are clearly stated so that they act as a guide for deciding what action should be taken and in which direction. **Planning provides directions**
 3. If goals are well defined, employees are aware of what the organization has to do and what they must do to achieve those goals. **Planning provides directions**
 4. Keeping the objective in view and being in action individuals in the organization are able to work in coordination. If there was no planning, employees would be working in different directions and the organization would not be able to achieve its desired goals. **Planning provides directions**
 5. Planning is an activity which enables a manager to look ahead and anticipate changes. By deciding in advance the tasks to be performed, **Planning reduces the risks of uncertainty**
 6. Planning shows the way to deal with changes and uncertain events. Changes or events cannot be eliminated but they can be anticipated and managerial responses to them can be developed. **Planning reduces the risks of uncertainty**
 7. Planning serves as the basis of coordinating the activities and efforts of different divisions, departments and individuals. It helps in avoiding confusion and misunderstanding. **Planning reduces overlapping and wasteful activities**
 8. Useless and redundant activities are minimized or eliminated. It is easier to detect inefficiencies and take corrective measures to deal with them. **Planning reduces overlapping and wasteful activities**
 9. Since planning is the first function of management, new ideas can take the shape of concrete plans. **Planning promotes innovative ideas**
 10. Planning helps the manager to look into the future and make a choice from amongst various alternative courses of action. **Planning facilitates decision making**

11. The manager has to evaluate each alternative and select the most viable proposition. Planning involves setting targets and predicting future conditions, thus helping in taking rational decisions. **Planning facilitates decision making**
12. Planning involves setting of goals or standards against which actual performance is measured. **Planning establishes standards for controlling**
13. If there were no goals and standards, then finding deviations which are a part of controlling would not be possible. The nature of corrective action required depends upon the extent of deviations from the standard. **Planning establishes standards for controlling**

Q7. From the following identify the point of features of planning

1. Polaris, the company has plans of expansion. Their objective is to increase their capacity so that they can employ 800 more professionals. Their target time is six months. The objective of the current year has also been clearly stated which is to increase capacity by 1500-2000 more professionals. **Planning focuses on achieving objectives**
2. Specific goals are set out in the plans along with the activities to be undertaken to achieve the goals. **Planning focuses on achieving objectives**
3. Planning has no meaning unless it contributes to the achievement of predetermined organizational goals. **Planning focuses on achieving objectives**
4. Planning lays down the base for other functions of management. All other managerial functions are performed within the framework of the plans drawn. **Planning is a primary function of management**
5. Planning precedes all other functions. This is also referred to as the primacy of planning. Planning provides the basis of all other functions. **Planning is a primary function of management**
6. Planning is required at all levels of management as well as in all departments of the organization **Planning is pervasive**
7. The top management undertakes planning for the organisation as a whole. Middle management does the departmental planning. At the lowest level, day-to-day operational planning is done by supervisors. **Planning is pervasive**
8. 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. **Planning is continuous**
9. Continuity of planning is related with the planning cycle. It means that a plan is framed; it is implemented, and is followed by another plan, and so on. **Planning is continuous**
10. Planning essentially involves looking ahead and preparing for the future. **Planning is futuristic**
11. Sales forecasting is the basis on which a business firm prepares its annual plan for production and sales. **Planning is futuristic**
12. Planning essentially involves choice from among various alternatives and activities. If there is only one possible goal or a possible course of action, there is no need for planning because there is no choice. Planning, thus, involves thorough examination and evaluation of each alternative and choosing the most appropriate one. **Planning involves decision making**

13. Planning requires application of the mind involving foresight, intelligent imagination and sound judgement
Planning is a mental exercise.
14. It is basically an intellectual activity of thinking rather than doing, because planning determines the action to be taken. However, planning requires logical and systematic thinking rather than guess work or wishful thinking.
Planning is a mental exercise

Q8. From the following identify the limitations of planning

1. A well-defined plan is with specific goals & time frame. These plans then decide the future course of action and managers may not be in a position to change it. This kind of rigidity in plans may create difficulty. **Planning leads to rigidity**
2. Managers need to be given some flexibility to be able to cope with the changed circumstances. Following a pre-decided plan, when circumstances have changed, may not turn out to be in the organisations interest. **Planning leads to rigidity**
3. Nothing is constant. The organisation has to constantly adapt itself to changes in economic, political, physical, legal and social. It becomes difficult to accurately assess future trends in the environment if economic policies are modified or political conditions in the country are not stable or there is a natural calamity. **Planning may not work in a dynamic environment**
4. Competition in the market can also upset financial plans, sales targets may have to be revised and, accordingly, cash budgets also need to be modified since they are based on sales figures. Planning cannot foresee everything and thus, there may be obstacles to effective planning. **Planning may not work in a dynamic environment**
5. Planning done by top management is implemented by middle management and other decision makers who are neither allowed to deviate from plans nor are they permitted to act on their own. Thus, much of the initiative or creativity inherent in them also gets lost or reduced. **Planning reduces creativity**
6. Planning in a way reduces creativity since people tend to think along the same lines as others. Most of the time, employees do not even attempt to formulate plans. They only carry out orders. Thus, there is nothing new or innovative. **Planning reduces creativity**
7. When plans are drawn up huge costs are involved in their formulation in terms of time and money for example, checking accuracy of facts may involve lot of time. **Planning involves huge costs**
8. Detailed plans require scientific calculations to ascertain facts and figures. There are a number of incidental costs as well, like expenses on boardroom meetings, discussions with professional experts and preliminary investigations. **Planning involves huge costs**
9. Sometimes plans to be drawn up take so much of time that there is not much time left for their implementation. **Planning is a time-consuming process**
10. The success of an enterprise is possible only when plans are properly drawn up and implemented. Any plan needs to be translated into action or it becomes meaningless. **Planning does not guarantee success**
11. Managers have a tendency to rely on previously tried and tested successful plans. It is not always true that just because a plan has worked before it will work again. **Planning does not guarantee success**

Q9. From the following identify the point of planning process

1. Every organization must have certain objectives. Objectives may be set for the entire organisation and each department or unit within the organisation. If the end result is clear it becomes easier to work towards the goal.
Setting Objectives

2. Objectives or goals specify what the organization wants to achieve. It could mean an increase in sales by 20% which could be objective of the entire organisation. **Setting Objectives**
3. The manager is required to make certain assumptions about the future. These assumptions are called premises & may be in the form of forecasts, existing plans or any past information about policies. **Developing Premises**
4. All managers involved in planning should be familiar with and use the same assumptions. Forecasts can be made about the demand for a particular product, policy change, interest rates, prices of capital goods, tax rates etc. **Developing Premises**
5. Once objectives are set, assumptions are made. Then the next step would be to act upon them. There may be many ways to act and achieve objectives. All the alternative courses of action should be identified. **Identifying alternative courses of action**
6. If the project is important, then more alternatives should be generated and thoroughly discussed amongst the members of the organisation. **Identifying alternative courses of action**
7. The next step is to weigh the pros and cons of each alternative. The positive and negative aspects of each proposal need to be evaluated in the light of the objective to be achieved. **Evaluating alternative courses**
8. Alternatives are evaluated in the light of their feasibility and consequences. **Evaluating alternative courses**
9. This is the real point of decision making. The best plan has to be adopted and implemented. The ideal plan, of course, would be the most feasible, profitable and with least negative consequences. **Selecting an alternative**
10. Most plans may not always be subjected to a mathematical \ analysis. In such cases, subjectivity and the manager's experience, judgement and at times, intuition play an important part in selecting the most viable alternative **Selecting an alternative**
11. This is the step where other managerial functions also come into the picture. The step is concerned with putting the plan into action, i.e., doing what is required. **Implementing the plan**
12. For example, if there is a plan to increase production then more labour, more machinery will be required. This step would also involve organising for labour and purchase of machinery. **Implementing the plan**
13. To see whether plans are being implemented and activities are performed according to schedule is also part of the planning process. **Follow-up action**
14. Monitoring the plans is equally important to ensure that objectives are achieved. **Follow-up action**

Q10. From the following identify the point of types of plans (single-use and standing plans)

1. Plan is developed for a one-time event or project. Such a course of action is not likely to be repeated in future, i.e., they are for non-recurring situations. **Single-use Plan**
2. The duration of this plan may depend upon the type of the project. It may span a week or a month. A project may sometimes be of only one day, such as, organising an event or a seminar or conference. **Single-use Plan**
3. Plan is used for activities that occur regularly over a period of time. It is designed to ensure that internal operations of an organisation run smoothly. **Standing Plan**
4. Such a plan greatly enhances efficiency in routine decision-making. It is usually developed once but is modified from time to time to meet business needs as required. **Standing Plan**

5. These plans include policies, procedures, methods and rules. **Standing Plan**
6. These plans include budgets, programmes and projects **Single-use Plan**
7. They consist of details, including the names of employees who are responsible for doing the work and contributing to the single-use plan. **Single-use Plan**

Q11. Identify the type of plans (objectives, strategy, policy, procedure, method, rule, programme, budget)

1. **Policies** are general forms of standing plans that specifies the organisations response to a certain situation like the admission policy of an educational institution.
2. A **programme** may consist of identifying steps, procedures required for opening a new department to deal with other minor work.
3. Projects are similar to **_programme_** but differ in scope and complexity.
4. A **budget** is a statement of expenses, revenue and income for a specified period.
5. **Procedures** describe steps to be followed in particular circumstances like the procedure for reporting progress in production.
6. **Methods** provide the manner in which a task has to be performed.
7. **Rules** are very clearly stated as to exactly what has to be done like reporting for work at a particular time.
8. A **strategy**, for example, is part of strategic planning or management. It is a general plan prepared by top management outlining resource allocation, priorities and takes into consideration the business environment and competition.
9. **Objectives** are usually set by the top management and serve as a guide for overall planning. Each unit then formulates their own objectives keeping in view the overall organisational goals.
10. **Objectives** are the desired future position that the management would like to reach. Objectives are very basic to the organisation and they are defined as ends which the management seeks to achieve by its operations. Therefore, an objective simply stated is what you would like to achieve, i.e., the end result of activities.
11. **Objectives** are a plan of increasing sales by 10% or earning a reasonable rate of return on investment, earn a 20% profit from business. They represent the end point of planning.
12. They are usually set top management of the organization and focus on broad, general issues. They define the future state of affairs which the organization strives to realise. **Objectives**
13. **Objectives** Need to be expressed in specific terms i.e., they should be measurable in quantitative terms, in the form of a written statement of desired results to be achieved within a given time period.
14. A **Strategy** provides the broad contours of an organisation's business. It will also refer to future decisions defining the organisations direction and scope in the long run. Thus, we can say a strategy is a comprehensive plan for accomplishing an organization objective.
15. **Strategy** this comprehensive plan will include three dimensions, (i) determining long term objectives, (ii) adopting a particular course of action, and (iii) allocating resources necessary to achieve the objective.

16. A company's marketing **Strategy** has to address certain questions i.e., who are the customers? What is the demand for the product? Which channel of distribution to use? What is the pricing policy? And how do we advertise the product. These and many more issues need to be resolved while formulating a marketing **Strategy** for any organisation.
17. **Policies** are general statements that guide thinking or channelize energies towards a particular direction. **Policies** provide a basis for interpreting strategy which is usually stated in general terms. They are guides to managerial action and decisions in the implementation of strategy.
18. The company may have a recruitment **Policies**, pricing **Policies** within which objectives are set and decisions are made. If there is an established **Policies**, it becomes easier to resolve problems or issues.
19. As such, a **Policy** is the general response to a particular problem or situation. There are **Policies** for all levels and departments in the organization ranging from major to minor **Policies**
20. **Policies** define the broad parameters within which a manager may function. The manager may use his/her discretion to interpret and apply a policy.
21. **Procedures** are routine steps on how to carry out activities. They detail the exact manner in which any work is to be performed. They are specified in a chronological order.
22. **Procedures** are specified steps to be followed in particular circumstances to enforce a policy and to attain pre-determined objectives. They are generally meant for insiders to follow.
23. **Policies** and procedures are interlinked with each other.
24. **Procedures** are steps to be carried out within a broad policy framework.
25. **Methods** provide the prescribed ways or manner in which a task has to be performed considering the objective.
26. **Methods** deals with a task comprising one step of a procedure performed. It may vary from task to task. Selection of proper **Methods** saves time, money and effort and increases efficiency.
27. **Rules** are specific statements that inform what is to be done. They do not allow for any flexibility or discretion.
28. **Rules** reflect a managerial decision that a certain action must or must not be taken. They are usually the simplest type of plans because there is no compromise or change unless a policy decision is taken.
29. **Programmes** are detailed statements about a project which outlines the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action.
30. **Programmes** will include the entire gamut of activities as well as the organisation's policy and how it will contribute to the overall business plan. The minutest details are worked out i.e., procedures, rules, budgets, within the broad policy framework.
31. A **budget** is a statement of expected results expressed in numerical terms. It is a plan which quantifies future facts and figures.
32. For example, a sales **budget** may forecast the sales of different products in each area for a particular month. It may also be prepared to show the number of workers required in the factory at peak production times.