

TRUE/FALSE

1. As part of the planning process, future contingencies must be considered.
ANS: T PTS: 1 REF: 36 OBJ: 02-01
2. The first step in the planning process involves organizing and leading.
ANS: F PTS: 1 REF: 37 OBJ: 02-02
3. As a supervisor, Mark is developing the first step in the planning process for his department. Mark is probably working on the objectives he wants to achieve within his group.
ANS: T PTS: 1 REF: 37 OBJ: 02-02
4. Since planning is primarily an intellectual activity, it involves the use of one's human relations skills.
ANS: F PTS: 1 REF: 37-38 OBJ: 02-02
5. Of the various managerial functions, planning is probably most closely related to controlling.
ANS: T PTS: 1 REF: 37-38 OBJ: 02-02
6. Because planning and organizing are so closely related, these two functions are called the "Siamese twins" of management.
ANS: F PTS: 1 REF: 38 OBJ: 02-02
7. Planning involves selecting past courses of action.
ANS: F PTS: 1 REF: 38 OBJ: 02-02
8. Many of the short-term crises that managers face could be eased by proper planning.
ANS: T PTS: 1 REF: 39 OBJ: 02-02
9. Many managers neglect planning to focus on present work problems.
ANS: T PTS: 1 REF: 39 OBJ: 02-02
10. Contingency planning means doing what you have to as problems arise.
ANS: F PTS: 1 REF: 39 OBJ: 02-02
11. Scenario planning has a short-term focus and is typically associated with planning at the supervisory level.
ANS: F PTS: 1 REF: 41 OBJ: 02-02
12. Top-level managers plan for a longer time frame than supervisory-level managers do.

ANS: T PTS: 1 REF: 42 OBJ: 02-03

13. The mission of the organization defines the fundamental purpose the organization attempts to serve.

ANS: T PTS: 1 REF: 42 OBJ: 02-03

14. The activity planned for by top managers is narrower in scope than that planned for at the supervisory level.

ANS: F PTS: 1 REF: 42 OBJ: 02-03

15. Supervisors are involved with short-term planning that usually spans a timeframe of one day to six months.

ANS: T PTS: 1 REF: 42 OBJ: 02-03

16. Objectives stimulate motivation.

ANS: T PTS: 1 REF: 44 OBJ: 02-03

17. Objectives are first needed at lower levels of management.

ANS: F PTS: 1 REF: 44 OBJ: 02-04

18. In a hierarchy of objectives, middle and supervisory managers establish goals that reflect the goals of the higher management levels.

ANS: T PTS: 1 REF: 44 OBJ: 02-04

19. Unified planning means that all departments should help decide what the plans of the overall organization should be.

ANS: F PTS: 1 REF: 44 OBJ: 02-04

20. Objectives cannot be measured.

ANS: F PTS: 1 REF: 46 OBJ: 02-05

21. Objectives should be as vague as possible.

ANS: F PTS: 1 REF: 46 OBJ: 02-05

22. Objectives that are set too low do not provide a challenge.

ANS: T PTS: 1 REF: 46 OBJ: 02-05

23. In order to preserve managerial authority, supervisors should not involve subordinates in setting objectives.

ANS: F PTS: 1 REF: 46 OBJ: 02-05

24. Once objectives have been set, it is necessary for supervisors to follow-up by having progress discussions with employees.

- ANS: T PTS: 1 REF: 46 OBJ: 02-05
25. Standing plans are also known as repeat use plans.
- ANS: T PTS: 1 REF: 47 OBJ: 02-06
26. A policy is a guide to decision making.
- ANS: T PTS: 1 REF: 47 OBJ: 02-06
27. Supervisors normally do not establish policies, even within their own departments.
- ANS: F PTS: 1 REF: 47 OBJ: 02-06
28. Policies established by upper-level managers should be put in writing.
- ANS: T PTS: 1 REF: 48 OBJ: 02-06
29. A rule is stronger than a policy.
- ANS: T PTS: 1 REF: 48 OBJ: 02-06
30. A program is a single use plan.
- ANS: T PTS: 1 REF: 49 OBJ: 02-06
31. Single-use plans are developed to accomplish a particular purpose and are then discarded.
- ANS: T PTS: 1 REF: 49 OBJ: 02-06
32. A budget is considered to be a type of standing plan.
- ANS: F PTS: 1 REF: 50 OBJ: 02-06
33. A Gantt chart is a scheduling technique that shows how various activities involved in the job depend on each other.
- ANS: F PTS: 1 REF: 50 OBJ: 02-06
34. The critical path is the series of scheduled activities that require the shortest period of time.
- ANS: F PTS: 1 REF: 51 OBJ: 02-07

MULTIPLE CHOICE

1. ____ involves selecting future courses of action for the organization and deciding how to achieve the desired result.
- a. Organizing.
 - b. Planning.
 - c. Staffing.
 - d. Controlling.

ANS: B PTS: 1 REF: 36 OBJ: 02-01

2. Setting objectives or goals is the ____ step in planning.
- a. First.
 - b. Second.
 - c. Third.
 - d. Fourth.

ANS: A PTS: 1 REF: 37 OBJ: 02-02

3. Planning is most closely related to:
- a. Assessing.
 - b. Monitoring.
 - c. Staffing.
 - d. Controlling.

ANS: D PTS: 1 REF: 37-38 OBJ: 02-02

4. The "Siamese twins" of management are:
- a. Organizing and staffing.
 - b. Planning and controlling.
 - c. Directing and staffing.
 - d. Planning and organizing.

ANS: B PTS: 1 REF: 38 OBJ: 02-02

5. Contingency planning means:
- a. Allotting more time for the solving of problems.
 - b. Thinking in advance about possible problems and having anticipated solutions.
 - c. Solving problems after they happen with the best possible solution.
 - d.** None of the above.

ANS: B PTS: 1 REF: 39 OBJ: 02-02

6. Anticipating alternative future situations and developing courses of action for each alternative is ____ planning.
- a. Scenario.
 - b. Operational.
 - c. Activity.
 - d. Institutional.

ANS: A PTS: 1 REF: 41 OBJ: 02-02

7. The organization's ____ define(s) the fundamental purpose the organization attempts to serve.
- a. Mission.
 - b. Policy.
 - c. Rules.
 - d. Supervisors.

ANS: A PTS: 1 REF: 42 OBJ: 02-03

8. The type of planning that is usually done by top management and is for a period of five years or more into the future, is known as:
- a. Operational planning.
 - b. Short-term planning.
 - c. Strategic planning.

d. Intermediate planning.

ANS: C PTS: 1 REF: 42 OBJ: 02-03

9. Operational planning:

- a. Gets in the way of strategic planning.
- b. Facilitates the achievement of strategic planning.
- c. Is planning for more than five years into the future.
- d. None of the above.**

ANS: B PTS: 1 REF: 42 OBJ: 02-03

10. Which of the following managers plan for the shortest time frame?

- a. Chief executive officers.
- b. Top managers.
- c. Middle managers.
- d. Supervisory managers.

ANS: D PTS: 1 REF: 42 OBJ: 02-03

11. Planning how to increase efficiency in production is usually done by:

- a. Top managers.
- b. Middle managers.
- c. Supervisory managers.
- d. Nonmanagers.

ANS: C PTS: 1 REF: 42 OBJ: 02-03

12. Short- and intermediate-range plans of one month to one year are usually made by:

- a. Top managers.
- b. Middle managers.
- c. Supervisory managers.
- d. Nonmanagers.

ANS: B PTS: 1 REF: 42 OBJ: 02-03

13. ____ are what you want to accomplish-the focus toward which plans are aimed.

- a. Procedures.
- b. Objectives.
- c. Rules.
- d. Strategies.

ANS: B PTS: 1 REF: 42 OBJ: 02-03

14. All of the following are true about objectives, *EXCEPT*:

- a. They serve as a stimulus for motivation.
- b. They serve as a stimulus for effort.
- c. They are used interchangeably with the word goals.
- d. They are first needed at the bottom level of management.

ANS: D PTS: 1 REF: 43-44 OBJ: 02-03

15. A(n) ____ is created when each level of management develops objectives reflecting those of the organizational level above.

- a. Hierarchy of management.
- b. Objective procedure.

- c. Hierarchy of objectives.
- d. Management by objectives.

ANS: C PTS: 1 REF: 44 OBJ: 02-04

16. Unified planning:
- a. Ensures that plans at all organizational levels are in harmony.
 - b. Means all employees contribute when establishing strategies.
 - c. Prevents coordination among departments.
 - d. All of the above.

ANS: A PTS: 1 REF: 44 OBJ: 02-04

17. Objectives should:
- a. Be specific.
 - b. Be measurable.
 - c. Be challenging.
 - d. All of the above.

ANS: D PTS: 1 REF: 46 OBJ: 02-05

18. A ____ is an example of a standing plan.
- a. Budget.
 - b. Policy.
 - c. Schedule.
 - d. Program.

ANS: B PTS: 1 REF: 47 OBJ: 02-06

19. A(n) ____ is a guide to decision making-a way to provide consistency among decision makers.
- a. Objective.
 - b. Policy.
 - c. Procedure.
 - d. Project.

ANS: B PTS: 1 REF: 47 OBJ: 02-06

20. Employees who violate an organizational mandate which states that “there is to be no smoking,” are going against an organizational:
- a. Rule.
 - b. Procedure.
 - c. Policy.
 - d. Objective.

ANS: A PTS: 1 REF: 48 OBJ: 02-06

21. ____ are inflexible and must be obeyed.
- a. Policies
 - b. Strategies
 - c. Rules
 - d. Projects

ANS: C PTS: 1 REF: 48 OBJ: 02-06

22. A ____ outlines the steps to be performed when a particular course of action is taken.
- a. Strategy

- b. Procedure
- c. Budget
- d. Schedule

ANS: B PTS: 1 REF: 49 OBJ: 02-06

23. Which of the following types of plans is often discarded after use?
- a. A standing plan.
 - b. A policy.
 - c. A procedure.
 - d. A single-use plan.

ANS: D PTS: 1 REF: 49 OBJ: 02-06

24. A ____ is a distinct smaller part of a program.
- a. Budget.
 - b. Project.
 - c. Schedule.
 - d. Plan.

ANS: B PTS: 1 REF: 49 OBJ: 02-06

25. A budget is which of the following?
- a. A standing plan.
 - b. A policy.
 - c. A single-use plan.
 - d. A repeat-use plan.

ANS: C PTS: 1 REF: 50 OBJ: 02-06

26. Identifies work stages on a vertical axis and schedule completion dates horizontally.
- a. PERT chart.
 - b. Gantt Chart.
 - c. Pie chart.
 - d. Bar chart.

ANS: B PTS: 1 REF: 50 OBJ: 02-06

27. Used on highly complex, one-time projects.
- a. PERT chart.
 - b. Gantt chart.
 - c. pie chart.
 - d. bar graph.

ANS: A PTS: 1 REF: 51 OBJ: 02-07

28. The longest route of scheduled activities is called the:
- a. Time log.
 - b. Critical matrix.
 - c. Critical path.
 - d. Gantt chart.

ANS: C PTS: 1 REF: 51 OBJ: 02-07

ESSAY

1. What are the three steps in the planning process?

ANS:

The steps in the planning are (1) setting an objective, or goal-what one hopes to achieve, (2) identifying and assessing present and future conditions affecting the objective, and (3) developing a systematic approach by which to achieve the objective.

PTS: 1 REF: 31 OBJ: 02-02

2. Which of the managerial functions is planning most related to, and why?

ANS:

Planning is the most closely related to the controlling function as the controlling function involves setting performance goals or norms, which is similar to the planning function.

PTS: 1 REF: 37-38 OBJ: 02-02

3. Why do managers neglect planning?

ANS:

Managers feel that planning wastes time, manpower, and money. Also thinking is often harder than doing.

PTS: 1 REF: 38 OBJ: 02-02

4. What is contingency planning, and why is it important?

ANS:

Contingency planning means thinking in advance of problems or changes that may occur so that one is prepared to deal with them smoothly if they do arise. Proper anticipation of a crisis may prevent it from happening.

PTS: 1 REF: 39 OBJ: 02-02

5. Explain how planning differs at top, middle, and supervisory management levels.

ANS:

Managers at all levels must plan. *Top managers* usually plan strategically, making long-term and intermediate- range plans, for one to five years or more. *Middle managers* make intermediate or short-range plans of one month to one year. *Supervisors* plan for the short range of one day, one week, or one to six months.

PTS: 1 REF: 42-43 OBJ: 02-03

6. What is the importance of setting objectives?

ANS:

Objectives answer the question, "What do I want to accomplish?" They serve as a stimulus for motivation and effort; they give people something to strive for.

PTS: 1 REF: 43-44 OBJ: 02-03

7. How do organizational objectives permit unified planning?

ANS:

Unified planning creates harmony between organization levels and is important because many supervisors are extremely dependent on other departments.

PTS: 1 REF: 44-45 OBJ: 02-04

8. Discuss important guidelines in setting performance objectives.

ANS:

Guidelines include selecting key performance areas for objectives, being specific when setting objectives, setting challenging objectives, keeping objective areas in balance, involving subordinates in setting objectives, and following up after objectives have been set.

PTS: 1 REF: 46 OBJ: 02-05

9. Describe the difference/s between standing plans and single-use plans, and give an example of each type of plan.

ANS:

Standing plans or repeat-use plans are those that are used repeatedly over time, while single-use plans are developed with a specific purpose in mind and are then discarded once the course of action has been achieved. Single-use plans are not used on a repetitive basis.

Examples of standing plans include: policies, procedures and rules, while examples of single-use plans include programs, projects, budgets and schedules.

PTS: 1 REF: 47-50 OBJ: 02-06

10. Discuss two techniques used for scheduling.

ANS:

The *Gantt chart* identifies work stages or activities on a vertical axis and scheduled completion dates horizontally. *Program Evaluation and Review Technique (PERT)* shows relationships among a network of activities and events to determine the completion time of a project.

PTS: 1 REF: 50-52 OBJ: 02-06 | 02-07