

SMIT SIR COMMERCE

GSEB | ENGLISH MEDIUM

ORGANISATION OF COMMERCE AND MANAGEMENT

STANDARD 12

CHAPTER 4

Organizing

Complete Concept Notes | Simple Explanations | Examples | Exam Preparation

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Learn the Concept. Understand the Logic. Write Better Answers.

Chapter at a Glance

Organizing converts planning into a workable structure. It decides what work has to be done, how work will be grouped, who will be responsible, how authority will flow, and how people and departments will be related.

Stage	Topic	What You Learn
1	Organizing	Meaning, definition, concept and characteristics
2	Organizing Process	7 steps from objectives to organization chart
3	Structure of Organization	Linear, functional, formal, informal and matrix structures
4	Decentralization	Concept, meaning, importance and limitations
5	Delegation of Authority	Meaning, importance and its three elements

EXAM IMPORTANT

Very high-value areas: characteristics of organizing, steps in organizing process, organization structures, decentralization, delegation of authority, responsibility-authority-accountability.

Learning Objectives

After studying this chapter, you will be able to:

- define organizing in simple and academic language.
- explain the major characteristics of organizing.
- write the organizing process in the correct sequence.
- explain linear, functional, formal, informal and matrix organization structures.
- identify the logic of authority flow in different structures.
- explain decentralization and its importance and limitations.
- explain delegation of authority and its importance.
- distinguish responsibility, authority and accountability.
- write structured GSEB-style answers with examples and comparison tables.

SMIT SIR'S NOTE

The chapter becomes easy if you remember this flow: Plan -> Divide Work -> Group Work -> Give Authority -> Build Relationships -> Create Structure -> Delegate.

4.1 Organizing - Meaning

Meaning: Organizing means creating a structure through which authority and responsibility can be delegated so that people can work together for common objectives.

In Simple Words: Organizing means arranging people, work, authority and responsibility in the right relationship.

KEY TERM - ORGANIZING

The process of identifying and grouping work, assigning responsibility, delegating authority and establishing relationships so people can work effectively toward common objectives.

Example: A school divides work into teaching, examination, administration and activity departments, appoints responsible persons, gives them authority and defines who reports to whom.

REMEMBER THIS

Planning tells us what to do. Organizing decides who will do it and how the work will be arranged.

4.1.2 Definition of Organizing

The textbook presents organizing as the activity through which two or more people are brought together, work is divided and authority-responsibility relationships are created.

Student-Friendly Meaning: Organizing gives a practical structure to a plan.

EXAM IMPORTANT

A strong definition answer should include: division of work + grouping of activities + authority + responsibility + relationships.

4.1.3 Concept of Organizing

The concept of organizing starts from the problem that management cannot function efficiently without a clear structure.

An organization decides what activities are required, who should perform them, who has authority, who is responsible, and how different jobs and departments are connected.

Simple Example: If a company wants to increase sales, it may need a sales department, defined sales territories, sales officers, reporting relationships and delegated authority.

SMIT SIR'S NOTE

A chart alone is not organization. Organization is the actual relationship of work, authority and responsibility; the chart only represents it.

4.1.4 Characteristics of Organizing

No.	Characteristic	Core Idea
1	Goal-Oriented Activity	Structure is created to achieve objectives.
2	Planning Based	Organizing follows the objectives and plans already decided.
3	Delegation of Authority and Responsibilities	Work and related authority are distributed.
4	Importance to Human Element	People are central to the organizational structure.
5	Flexibility	Structure should permit necessary change.
6	Establishment of Inter-Relationships	Clear relations are created among people and departments.
7	Monitoring and Control	Responsibilities make supervision and control possible.
8	Group Activities	People work together for common objectives.
9	Controlled Administrative Structure	A formal arrangement helps administration remain ordered.

1. Goal-Oriented Activity

Explanation: Organizing exists to achieve business and departmental objectives. Work is grouped and assigned according to the goal.

Example: A sales structure is created because the business wants to increase market reach.

2. Planning Based

Explanation: Organizing begins after planning. The structure is designed according to the plan.

Example: If a firm plans to open branches, it must create branch roles and reporting relationships.

3. Delegation of Authority and Responsibilities

Explanation: No manager can do all work alone. Tasks, responsibility and sufficient authority must be distributed.

Example: A purchase officer receives responsibility to procure materials and authority to approve routine purchases.

4. Importance to Human Element

Explanation: People are the centre of organizational structure. Success depends on suitable relationships among them.

Example: A technically good structure can fail if people do not understand roles or co-operate.

5. Flexibility

Explanation: Organization should be capable of necessary change when business conditions, size or activities change.

Example: A growing company creates new departments when its operations expand.

6. Establishment of Inter-Relationships

Explanation: Organizing clarifies how people and departments are related to one another.

Example: The production manager knows how to co-ordinate with purchase, finance and sales.

7. Monitoring and Control

Explanation: When duties and authority are defined, managers can monitor work and identify responsibility for results.

Example: A department head reviews performance of employees under that department.

8. Group Activities

Explanation: Organizing arranges people to work collectively toward common goals.

Example: A project team combines employees from several functions.

9. Controlled Administrative Structure

Explanation: The organization structure creates an orderly administrative arrangement.

Example: A clear reporting hierarchy avoids uncertainty over who has decision authority.

EXAM IMPORTANT

For characteristics, do not write only headings. Add one clear explanatory sentence after each heading.

4.2 Steps in the Process of Organizing

The chapter explains the organizing process through seven steps:

Step	Stage	What Happens
1	Clarification of Objectives	Objectives and sub-objectives are made clear.
2	List of Functions	All necessary activities are identified.
3	Departmentation of Functions	Similar activities are grouped into departments.
4	Determine Departmental Position and Abilities	Required positions and abilities are identified.
5	Delegation of Power and Responsibilities	Work, responsibility and authority are assigned.
6	Establishment of Inter-Relationship	Relationships among people and departments are defined.
7	Prepare Organization Chart	The structure is shown in a chart for clarity.

1. Clarification of Objectives

Explanation: Before creating the structure, business and departmental objectives should be clear.

Example: A business first decides whether the objective is expansion, cost control or better service.

2. List of Functions

Explanation: All activities necessary to achieve the objectives are identified.

Example: Sales, purchase, finance, production and administration may be listed.

3. Departmentation of Functions

Explanation: Similar activities are grouped together so specialization and control become easier.

Example: Sales activities are grouped under Sales Department; accounting activities under Accounts.

4. Determine Departmental Position and Abilities

Explanation: Management identifies required posts and the skills needed for each position.

Example: The company decides it needs a production manager, supervisors and machine operators.

5. Delegation of Power and Responsibilities

Explanation: Work is assigned and sufficient authority is given to people who are responsible for completing it.

Example: A branch manager gets responsibility for branch operations and authority for routine decisions.

6. Establishment of Inter-Relationship

Explanation: Management defines how superiors, subordinates and departments will communicate and report.

Example: The sales department reports forecasts to production and finance.

7. Prepare Organization Chart

Explanation: The organizational structure is shown visually so positions, departments and reporting relationships are easy to understand.

Example: A chart shows General Manager -> Department Heads -> Officers -> Employees.

REMEMBER THIS

Organizing Process: Objectives -> Functions -> Departments -> Positions -> Authority/Responsibility -> Relationships -> Chart.

4.3 Structure of Organization

The textbook discusses five organization structures:

Structure	Basic Logic
Linear Organization	Authority moves in a straight line from top to bottom.
Functional Organization	Specialists exercise authority according to function.
Formal Organization	Officially designed structure with defined authority and responsibility.
Informal Organization	Naturally developed human relationships outside the formal structure.
Matrix Organization	Combination of functional and project-based structure.

4.3.1 Linear Organization

Meaning: Linear organization is a simple structure in which authority and responsibility move in a direct line from the highest level to the lowest level.

Formation: The organization is usually divided into departments. Each department has a head, and lower levels report upward in a straight chain.

KEY TERM - LINEAR ORGANIZATION

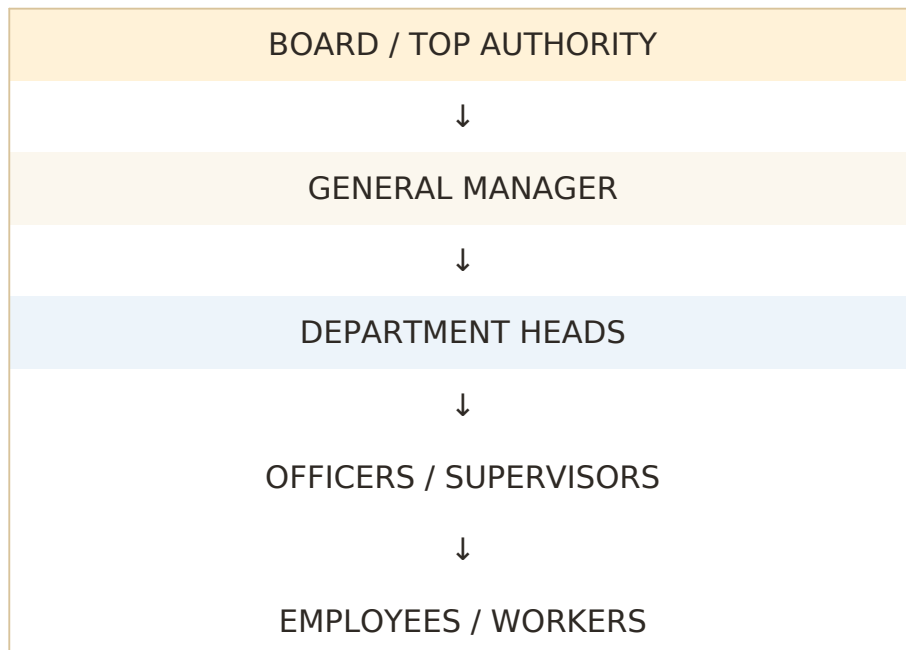
A structure in which authority flows directly from superior to subordinate through a clear vertical chain.

Textbook logic: It is also called an army-type structure because power is concentrated more strongly at higher levels and moves downward.

REMEMBER THIS

Linear organization = one clear vertical chain of command.

Linear Organization - Simple Illustration



SMIT SIR'S NOTE

In linear structure, the key idea is clarity of vertical authority. The source chapter describes power moving from top to bottom.

4.3.2 Functional Organization

Meaning: Functional organization gives greater importance to specialization and functional expertise.

Formation: Work is divided according to functions. Specialists are appointed for particular areas and may guide employees connected with that function.

Example from structure logic: Account Officer, Guidance Officer, Quality Control Officer or Maintenance Engineer may guide employees according to their specialized function.

KEY TERM - FUNCTIONAL ORGANIZATION

A structure in which authority and responsibility are arranged according to specialized functions.

REMEMBER THIS

Functional organization = specialist authority according to work/function.

Functional Organization - Key Features

- Specialization: Experts handle specific functions.
- Function-based work distribution: Duties are grouped according to function rather than only department.
- Expert guidance: Employees may receive direction from functional specialists.
- Movable / flexible structure: It is suitable where specialized knowledge is important.

EXAM IMPORTANT

Easy difference: Linear = authority based on hierarchy. Functional = authority based on specialization/function.

4.3.3 Formal Organization

Meaning: Formal organization is the official structure deliberately created to achieve predetermined goals.

It defines duties, responsibilities, authority and inter-relationships among positions.

KEY TERM - FORMAL ORGANIZATION

An officially designed structure of work, authority, responsibility and reporting relationships.

Example: The officially approved organization chart of a company.

Characteristics of Formal Organization

- **Formal Structure:** It is consciously created to achieve defined objectives.
- **Lacking Flexibility:** Positions and responsibilities are relatively fixed and cannot be changed casually.
- **Delegation of Power:** Authority normally flows from higher level to lower level.
- **Large Size:** Formal structures are especially important in large organizations.
- **Particular Relations:** Relationships are based on official positions and work.
- **Formal Communication:** Communication follows official channels.

REMEMBER THIS

Formal organization is planned, official and position-based.

4.3.4 Informal Organization

Meaning: Informal organization is the network of relationships that develops naturally among people while they work together.

It is not deliberately created in the same way as formal organization.

KEY TERM - INFORMAL ORGANIZATION

A naturally developed network of personal and social relationships among people in an organization.

Example: Employees from different departments become friends and exchange useful information informally.

Characteristics of Informal Organization

- **Informal Structure:** It develops naturally through human relationships.
- **Based on Human Relations:** Feelings, interests, habits and social relations influence it.
- **Ever Changing:** Groups and relationships can change as people change.
- **Universal:** Informal organization exists wherever people interact.
- **Informal Communication:** Information often moves through personal conversation and informal contact.
- **Small Size:** Informal groups are usually smaller and based on close relationships.
- **Lack of Control:** Management cannot completely control informal communication.
- **Complement to Formal Structure:** Informal organization can support and supplement the formal structure.

SMIT SIR'S NOTE

Informal organization is not automatically bad. The source chapter describes it as a complement to formal structure.

Formal vs Informal Organization

Basis	Formal Organization	Informal Organization
Creation	Deliberately created	Develops naturally
Basis	Official position and work	Human relationships and social contact
Communication	Formal channels	Informal channels
Flexibility	Relatively less flexible	More changeable
Control	Management can define and control structure	Management has limited control
Role	Official achievement of objectives	Complements human and social needs

4.3.5 Matrix Organization

Meaning: Matrix organization is a modern structure that combines functional organization with project-based organization.

Employees may remain connected with their functional department while also working under a project manager.

KEY TERM - MATRIX ORGANIZATION

A structure combining functional specialization with project responsibility, creating dual lines of authority.

Example: An engineer belongs to the Engineering Department but is also assigned to Project 2 under a Project Manager.

REMEMBER THIS

Matrix = Function + Project.

Matrix Organization - Simple Design

Project / Function	Production	Purchase	Engineering	R&D
Project 1 Manager	X	X	X	X
Project 2 Manager	X	X	X	X
Project 3 Manager	X	X	X	X

Design Logic: Authority flows in two directions - functional authority and project authority.

EXAM IMPORTANT

Most important Matrix keyword: double flow / dual authority.

4.4 Decentralization

Organizations differ in how decision-making power is distributed. In a centralized structure, most authority remains at the top. In a decentralized structure, decision-making authority is distributed to lower levels according to work needs.

KEY TERM - DECENTRALIZATION

Orderly distribution of decision-making authority from upper levels to lower levels.

Concept: The degree of decentralization depends on the size, nature and needs of the organization.

Meaning: Delegation of power from upper to lower levels in an orderly manner is known as decentralization of power.

REMEMBER THIS

Centralization = power concentrated at top. Decentralization = decision power distributed downward.

Importance of Decentralization

No.	Importance	Core Benefit
1	Quick Decisions	Decision-makers close to the work can act faster.
2	Less Work Load on Top Level	Routine authority is shifted downward.
3	Increase in Motivation	Lower-level employees gain independence and confidence.
4	Increase in Management Abilities	Decision-making develops future managers.
5	Effective Control	Managers at different levels can control their own areas.
6	Harmony is Created	Participation and interaction improve co-ordination.

1. Quick Decisions

Explanation: People who are directly connected with the activity receive authority to decide, so decisions can be taken quickly.

2. Less Work Load on Top Level

Explanation: Policy matters remain with top management while many operating decisions move to middle and lower levels.

3. Increase in Motivation

Explanation: Employees gain confidence and motivation when their decisions are respected and successful.

4. Increase in Management Abilities

Explanation: Middle and lower-level managers learn decision-making and administrative skills.

5. Effective Control

Explanation: Managers with sufficient power can take timely corrective or disciplinary action in their own area.

6. Harmony is Created

Explanation: Participation in decision-making increases discussion, inter-personal contact and co-ordination among levels.

Limitations of Decentralization

The source chapter gives two main situations in which decentralization may not work successfully:

- Very small organization / secrecy requirement: Where the business is very small or business secrets must be maintained with great vigilance, decentralization may not be suitable.
- Weak common policy or poor co-ordination: If common policy is not implemented or co-ordination is not maintained properly, decentralization may fail.

SMIT SIR'S NOTE

The textbook's limitation section is brief. Do not unnecessarily add unrelated disadvantages in a board answer.

4.5 Delegation of Authority

Meaning: When an organization becomes large, upper-level administrators assign some work to helpers or subordinates and give them sufficient power to perform that work. This is delegation of authority.

KEY TERM - DELEGATION OF AUTHORITY

Assignment of work/responsibility to a subordinate together with enough authority to perform it, while accountability for performance is created.

In Simple Words: Delegation means give the work + give the power to do the work + require an answer for the result.

REMEMBER THIS

Delegation does not mean the superior completely gives away final responsibility.

Importance of Delegation of Authority

No.	Importance	Core Benefit
1	Work Efficient Management	Higher-level managers can focus on important work.
2	Development of Employees	Employees learn to decide and gain confidence.
3	Motivation	Authority and responsibility increase confidence and psychological satisfaction.
4	Benefit of Specialization	Different people use their specialized abilities.
5	Co-ordination	Relationships between superiors and subordinates improve.
6	Scope for Expansion	Top managers become free to focus on new ideas and growth.

1. Work Efficient Management

Explanation: Routine work is distributed so senior officers can focus on important policy and objective-related matters.

2. Development of Employees

Explanation: Employees gain decision-making experience, confidence and logical decision ability.

3. Motivation

Explanation: Delegated power gives employees the opportunity to achieve work and build self-confidence.

4. Benefit of Specialization

Explanation: Different kinds of work can be assigned to people with suitable knowledge and ability.

5. Co-ordination

Explanation: Delegation strengthens superior-subordinate relationships and gives lower levels more meaningful participation.

6. Scope for Expansion

Explanation: Upper-level officers become free to think about expansion, new ideas and long-term growth.

EXAM IMPORTANT

Delegation answer keywords: efficiency, development, motivation, specialization, co-ordination, expansion.

4.5.4 Elements of Delegation of Authority

The chapter presents delegation as a three-element structure:

Element	Direction / Nature	Meaning
Entrustment of Responsibility	Flows from superior to subordinate	Duty or task is assigned.
Conferment of Authority	Flows from upper to lower level	Enough power is given to perform the task.
Creation of Accountability	Flows upward through reporting	The person must explain performance and results.

REMEMBER THIS

Delegation tripod = Responsibility + Authority + Accountability. All three are necessary.

4.5.4.1 Entrustment of Responsibility

Meaning: Responsibility is the duty assigned by the superior to the subordinate for a particular work.

Direction: Responsibility is assigned from upper level to lower level.

Example: A sales manager gives a sales officer responsibility for a district sales target.

EXAM IMPORTANT

Responsibility = duty to perform the assigned work.

4.5.4.2 Conferment of Authority

Meaning: Authority means giving enough power to a person so the assigned work can be performed and necessary decisions can be taken.

Direction: Authority is delegated from upper level to lower level.

Example: The sales officer responsible for a territory receives authority to approve routine customer discounts within limits.

EXAM IMPORTANT

Authority should be sufficient for the responsibility assigned.

4.5.4.3 Creation of Accountability

Meaning: Accountability means the person who receives authority must explain and report the result of the assigned work.

Direction: Accountability moves from lower level upward through reporting.

Important Source Logic: Final responsibility for getting the work done cannot simply be passed away by the superior. The superior must still ensure the work is properly completed.

Example: An Accounts Officer may assign account-writing work to an Accountant, but the Accounts Officer must still check the accuracy of the completed work.

EXAM IMPORTANT

Accountability = answerability for performance. It cannot simply be passed onward.

Responsibility vs Authority vs Accountability

Basis	Responsibility	Authority	Accountability
Meaning	Duty to perform assigned work	Power/right to make decisions and give orders	Answerability for results
Flow	Generally downward through assignment	Downward through delegation	Upward through reporting
Key Question	What must I do?	What power do I have?	What result must I explain?
Role in Delegation	Entrusted	Delegated	Created

REMEMBER THIS

Responsibility = Duty. Authority = Power. Accountability = Answerability.

Decentralization vs Delegation of Authority

Basis	Decentralization	Delegation of Authority
Meaning	Systematic distribution of decision-making power across levels	Assignment of responsibility and authority from superior to subordinate
Scope	Wider organizational philosophy / structure	Specific superior-subordinate relationship
Purpose	Distribute decision power across levels	Get assigned work performed effectively
Result	More decisions taken at lower levels	Subordinate receives work and power, with accountability

SMIT SIR'S NOTE

Delegation is a basic process between superior and subordinate. Decentralization is the wider distribution of authority throughout the organization.

Chapter Glossary

Term	Simple Meaning
Organizing	Arranging work, authority, responsibility and relationships.
Departmentation	Grouping similar activities into departments.
Organization Chart	Visual representation of positions and reporting relationships.
Linear Organization	Straight-line authority from top to bottom.
Functional Organization	Structure based on specialized functions and experts.
Formal Organization	Officially designed structure.
Informal Organization	Naturally developed human relationship network.
Matrix Organization	Combination of functional and project structure.
Decentralization	Distribution of decision-making authority to lower levels.
Delegation	Assignment of responsibility and authority to a subordinate.
Responsibility	Duty to perform assigned work.
Authority	Power to decide, order and act within assigned limits.
Accountability	Answerability for performance and results.
Scalar / Vertical Chain	Clear line of authority from higher to lower levels.

Common Mistakes Students Make

COMMON MISTAKE

Wrong idea: Organizing means only making departments.

Correct idea: It also includes roles, authority, responsibility, relationships and reporting.

COMMON MISTAKE

Wrong idea: Linear and functional organization are the same.

Correct idea: Linear follows vertical hierarchy; functional structure gives authority according to specialization.

COMMON MISTAKE

Wrong idea: Informal organization is created by management.

Correct idea: It develops naturally among people.

COMMON MISTAKE

Wrong idea: Matrix organization has only one line of authority.

Correct idea: It combines functional and project authority, creating dual authority.

COMMON MISTAKE

Wrong idea: Decentralization means all authority is given away.

Correct idea: Only suitable decision authority is distributed; top management still retains major powers.

COMMON MISTAKE

Wrong idea: Delegation and decentralization are identical.

Correct idea: Delegation is a specific superior-subordinate process; decentralization is wider organizational distribution of power.

COMMON MISTAKE

Wrong idea: Responsibility and authority are the same.
Correct idea: Responsibility is duty; authority is power.

COMMON MISTAKE

Wrong idea: Accountability flows downward.
Correct idea: Accountability is answerability and moves upward through reporting.

How to Write Major Answers in the Exam

Q1. Explain Characteristics of Organizing

Best structure: Short meaning -> 9 characteristics -> 1-2 lines explanation each.

Q2. Explain Steps in Organizing Process

Best structure: Write all 7 steps in exact order and explain each.

Q3. Explain Structures of Organization

Best structure: Give separate subheadings for Linear, Functional, Formal, Informal and Matrix.

Q4. Explain Importance of Decentralization

Best structure: Meaning -> 6 importance points -> short explanation.

Q5. Explain Delegation of Authority

Best structure: Meaning -> importance -> 3 elements.

Q6. Explain Elements of Delegation

Best structure: Responsibility -> Authority -> Accountability, with direction of flow and one example.

EXAM IMPORTANT

This chapter is structure-heavy. Use diagrams, arrows, comparison tables and sequence headings wherever possible.

Practice Set A - MCQs

1. The structure formed to enable delegation of authority and responsibility is called:

- A. Organizing
- B. Planning
- C. Controlling
- D. Directing

2. The first step in organizing process is:

- A. Clarification of objectives
- B. Delegation
- C. Organization chart
- D. Recruitment

3. Grouping similar activities into departments is:

- A. Departmentation
- B. Decentralization
- C. Accountability
- D. Control

4. Which structure has straight-line authority?

- A. Linear organization
- B. Matrix organization
- C. Informal organization
- D. Functional only

5. Which structure emphasizes specialized functional authority?

- A. Functional organization
- B. Linear organization
- C. Informal organization
- D. Centralized structure

6. Which organization develops naturally through human relations?

- A. Informal organization
- B. Formal organization
- C. Linear organization
- D. Matrix organization

7. Which structure combines project and functional arrangements?

- A. Matrix organization
- B. Linear organization
- C. Informal organization
- D. Centralization

8. Delegation of power from upper to lower level in an orderly manner is:

- A. Decentralization
- B. Centralization
- C. Planning
- D. Staffing

9. Which is an importance of decentralization?

- A. Quick decisions
- B. More top-level workload
- C. Less motivation
- D. No control

10. Delegation mainly includes:

- A. responsibility, authority and accountability
- B. planning, staffing and directing
- C. product, price and promotion
- D. sales, finance and production

11. Responsibility means:

- A. duty assigned
- B. power only
- C. reward only
- D. informal relation

12. Authority means:

- A. power to act and decide
- B. only accountability
- C. only duty
- D. no responsibility

13. Accountability means:

- A. answerability for results
- B. only power
- C. only work division

- D. decentralization

14. Which organization uses formal communication channels?

- A. Formal organization
- B. Informal organization
- C. Only matrix organization
- D. None

15. Which structure has dual authority?

- A. Matrix organization
- B. Linear organization
- C. Informal organization
- D. Centralized organization

Practice Set B - Conceptual MCQs

16. A company clearly defines who reports to whom. Which organizing characteristic is shown?

- A. Establishment of inter-relationships
- B. Rigidity
- C. No authority
- D. Informality

17. A business groups purchase, production and sales activities separately. Which organizing step?

- A. Departmentation of functions
- B. Clarification of objectives
- C. Accountability
- D. Decentralization

18. An engineer belongs to Engineering Department but also reports to Project Manager 2. Which structure?

- A. Matrix
- B. Linear
- C. Formal only
- D. Informal

19. A manager and employee become friends and exchange information outside official channels. Which organization?

- A. Informal
- B. Linear
- C. Formal
- D. Functional

20. Branch managers are allowed to make routine decisions. Which concept?

- A. Decentralization
- B. Centralization
- C. Formal organization
- D. Planning

21. A manager assigns a task but gives no power to decide. Which delegation element is missing?

- A. Authority
- B. Responsibility

- C. Accountability
- D. Informal relation

22. A subordinate must explain performance to the superior. Which element?

- A. Accountability
- B. Authority
- C. Departmentation
- D. Matrix

23. A very small business needs strict secrecy. Which idea may be unsuitable according to the source?

- A. Decentralization
- B. Organizing
- C. Planning
- D. Responsibility

24. One formal structure is supported by employee friendships and informal communication. What relationship exists?

- A. Informal complements formal
- B. Formal eliminates informal
- C. Matrix eliminates both
- D. No organization

25. Senior managers delegate routine work and focus on expansion. Which benefit of delegation?

- A. Scope for expansion
- B. No specialization
- C. More workload
- D. Less co-ordination

MCQ Answer Key

Q	Ans
1	A
2	A
3	A
4	A
5	A
6	A
7	A
8	A
9	A
10	A
11	A
12	A
13	A
14	A
15	A
16	A
17	A
18	A
19	A
20	A
21	A
22	A
23	A
24	A
25	A

SMIT SIR'S NOTE

Revise MCQs by identifying whether the question tests organizing process, structure, decentralization, or delegation.

Exam Question Bank - One Sentence

- What is organizing?
- What is delegation of authority?
- What is informal organization?
- What is matrix organization?
- What is responsibility?
- What is accountability?

Exam Question Bank - Short Answers

- Why is organizing considered the basis of a business enterprise?
- Explain why distribution of authority and responsibility is a basis of organization.
- Explain why formal and informal organizations are complementary.
- Why is power decentralized?
- State any four characteristics of formal organization.
- State any four characteristics of informal organization.
- Explain the meaning of matrix organization.
- Explain the difference between responsibility and accountability.

Exam Question Bank - Brief / Detailed Answers

Brief-answer questions:

- Explain the characteristics of informal organization.
- Describe functional organization with its formation.
- Write a note on matrix organization.
- Explain the elements of delegation of authority.
- Explain importance of decentralization.
- Explain limitations of decentralization.

Detailed-answer questions:

- Explain types of organization.
- Explain steps in the process of organization.
- Explain characteristics of organizing.
- Describe importance of decentralization.
- Explain importance of delegation of authority.

Application / Case-Based Practice

Case 1

A business first identifies its objectives, then lists activities, groups similar work and prepares a chart. Which process is being followed?

Answer: Organizing process.

Case 2

Authority moves from Board to General Manager to Department Head to Supervisor. Which structure?

Answer: Linear organization.

Case 3

Employees receive specialist guidance from quality, accounts and maintenance experts. Which structure?

Answer: Functional organization.

Case 4

Friend groups develop naturally across departments. Which structure?

Answer: Informal organization.

Case 5

A project engineer reports to both Engineering Department and a Project Manager. Which structure?

Answer: Matrix organization.

Case 6

A branch manager receives decision authority for routine branch operations. Which concept?

Answer: Decentralization.

Case 7

A sales manager gives a territory target and power to approve discounts. Which delegation elements are present?

Answer: Responsibility and authority.

Case 8

The sales officer later reports performance to the sales manager. Which element?

Answer: Accountability.

5-Minute Chapter Revision

Organizing: Arrange work, people, authority, responsibility and relationships.

Characteristics: Goal-oriented, planning-based, delegation, human element, flexibility, relationships, control, group activity, controlled structure.

Process: Objectives -> Functions -> Departments -> Positions -> Power/Responsibility -> Relationships -> Chart.

Structures: Linear, Functional, Formal, Informal, Matrix.

Linear: Straight authority chain.

Functional: Authority according to specialization.

Formal: Officially designed.

Informal: Naturally developed human relations.

Matrix: Functional + project structure; dual authority.

Decentralization: Decision authority distributed downward.

Delegation: Responsibility + Authority + Accountability.

EXAM IMPORTANT

Ultra-short memory line: Structure the work, distribute authority, clarify relationships, and make people answerable.

One-Page Master Revision Sheet

Topic	Must Remember
Organizing	Work + authority + responsibility + relationships
Process	Objectives -> Functions -> Departmentation -> Positions -> Delegation -> Relations -> Chart
Linear	Straight line authority
Functional	Specialist authority
Formal	Officially designed structure
Informal	Natural human relationships
Matrix	Function + project; dual authority
Decentralization	Decision-making power distributed downward
Decentralization Importance	Quick decisions, less top workload, motivation, management ability, control, harmony
Decentralization Limitation	Small/secretcy cases; poor common policy or co-ordination
Delegation	Work + power + accountability
Responsibility	Duty
Authority	Power
Accountability	Answerability

Have You Mastered This Chapter?

- ☐ I can define organizing clearly.
- ☐ I can explain all characteristics of organizing.
- ☐ I can write all 7 organizing steps in order.
- ☐ I can identify all 5 organization structures.
- ☐ I can explain formal vs informal organization.
- ☐ I can explain decentralization with importance and limitations.
- ☐ I can explain delegation and its 3 elements.
- ☐ I can distinguish responsibility, authority and accountability.
- ☐ I can solve MCQs and case questions without guessing.

CHAPTER 4 COMPLETE

Organizing

SMIT SIR'S FINAL MESSAGE

A good plan can fail if work, authority and responsibility are not arranged properly. Organizing gives the plan a structure; decentralization distributes decision power; and delegation makes individual responsibility, authority and accountability clear.

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