



Collegedunia Handwritten Notes

Quick-Revision Notes for Class 12 Business Studies

Chapter 4: Planning

1. Planning – One-Line Definition

Memorise This

Planning is the management function of deciding in advance *what* to do, *how* to do it, *when* to do it and *who* is to do it. It is the **primary** function – every other function rests on the plan.

2. Seven Features of Planning

1. Focuses on **objectives**.
2. Is the **primary** function of management.
3. Is **pervasive** (all levels, all departments).
4. Is **continuous** (rolling cycle).
5. Is **futuristic** (looks ahead, not behind).
6. Involves **decision-making**.
7. Is a **mental exercise** (logical work, not guesswork).

Aid: O-P-P-C-F-D-M

Objective, **P**rimary, **P**ervasive, **C**ontinuous, **F**uturistic, **D**ecision, **M**ental.

3. Six Points of Importance

1. Provides **direction**.
2. Reduces risk of **uncertainty**.

3. Reduces **overlapping** and wasteful activities.
4. Promotes **innovative ideas**.
5. Facilitates **decision-making**.
6. Establishes standards for **controlling**.

4. Six Limitations of Planning

1. Leads to **rigidity**.
2. May not work in a **dynamic environment**.
3. Reduces **creativity** at lower levels.
4. Involves **huge cost**.
5. Is **time-consuming**.
6. Does not **guarantee success**.

5. The Planning Process – Seven Steps

S-D-I-E-S-I-F

1. **Set** objectives → 2. **Develop** premises → 3. **Identify** alternatives → 4. **Evaluate** alternatives → 5. **Select** alternative → 6. **Implement** plan → 7. **Follow up**.

Case-study verb → step map:

1. *Set / decide goal* ⇒ Step 1.
2. *Assume / forecast* ⇒ Step 2.
3. *List options / outline* ⇒ Step 3.
4. *Weigh / compare* ⇒ Step 4.
5. *Choose / adopt* ⇒ Step 5.
6. *Put into action* ⇒ Step 6.
7. *Monitor / review* ⇒ Step 7.

6. Eight Types of Plans

1. **Objective.** Desired future position with deadline.
2. **Strategy.** Broad competitive direction; 3 dimensions (objective, course of action, resources).
3. **Policy.** General guideline; allows discretion.
4. **Procedure.** Sequence of steps for a routine task.
5. **Method.** Best way of doing a specific operation.

6. **Rule.** Specific fixed instruction; zero discretion.
7. **Programme.** Detailed statement of a one-off project.
8. **Budget.** Numerical statement of expected results; also a control device.

Standing vs Single-Use

Standing (used repeatedly): objective, strategy, policy, procedure, rule, method.

Single-use (one occasion): programme, budget.

7. Policy vs Procedure vs Rule

Basis	Policy	Procedure	Rule
Nature	Broad guideline	Sequence of steps	Fixed instruction
Discretion	High	Low	None
Example	"Hire only graduates"	Recruitment procedure	"No smoking"

8. Quick Recap

8-Point Cheat Sheet

1. Planning = the what, how, when, who of future action.
2. Features mnemonic = O-P-P-C-F-D-M.
3. Importance = 6 points; Limitations = 6 points.
4. Process = S-D-I-E-S-I-F (7 steps).
5. Plan types = 8 (objective, strategy, policy, procedure, method, rule, programme, budget).
6. Standing = 6 types; Single-use = 2 (programme, budget).
7. Strategy = 3 dimensions (objective, course of action, resources).
8. Case verb cheatsheet from Section 5 maps the question to the step.

CBSE Pop-Quiz Anchors

Rule = "must" or "only". **Procedure** = "sequence of steps". **Policy** = "general guideline". **Strategy** = response to a competitor. **Budget** = expressed in numbers.

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