

Learning Sessions

20 True / False | Basics of Management & Planning CAIIB ABFM: Complete 2026 Guide with Q

IIBF - Revision - Basics of Management & Planning CAIIB ABFM: Complete 2026 Guide with Q

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20 True or False

Decide, then check the answer and reason below each statement.

Question 1

Management is the process of achieving organisational goals effectively and efficiently.

TRUE

This is the standard definition of management used in CAIIB ABFM.

Question 2

The five functions of management are Planning, Organising, Selling, Directing and Controlling.

FALSE

The correct fifth function is Staffing, not Selling.

Question 3

Controlling is considered the first and primary function of management.

FALSE

Planning is the primary function because every other function flows from it.

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Question 4

Henri Fayol is associated with the classical functional approach to management.

TRUE

Fayol outlined management principles still referenced in modern management theory.

Question 5

Standing plans are used only once for a specific purpose like a branch launch budget.

FALSE

Standing plans, such as policies and rules, are used repeatedly, not once.

Question 6

A KYC policy applied to every account is an example of a standing plan.

TRUE

Policies used repeatedly across situations are classified as standing plans.

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Question 7

Strategic planning focuses on short-term departmental resource allocation.

FALSE

Strategic planning defines long-term objectives at the corporate level, not short-term allocation.

Question 8

Death by Plan refers to excessive planning that prevents actual execution.

TRUE

Teams that plan endlessly without executing suffer from this pitfall.

Question 9

In MBO, objectives are set unilaterally by the manager without employee input.

FALSE

MBO objectives are set mutually by manager and employee, not unilaterally.

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Question 10

PESTEL analysis covers Political, Economic, Social, Technological, Environmental and Legal factors.

TRUE

PESTEL is a standard framework for scanning the external macro-environment.

Question 11

Maslow's Hierarchy of Needs progresses from physiological needs to self-actualisation.

TRUE

This is the standard order of Maslow's five-level needs ladder.

Question 12

Herzberg's Two-Factor Theory claims hygiene factors alone create genuine job satisfaction.

FALSE

Hygiene factors only prevent dissatisfaction; motivators create genuine satisfaction.

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Question 13

Employee-oriented leaders primarily stress empathy, communication and motivation.

TRUE

This contrasts with task-oriented leaders who stress efficiency and goal completion.

Question 14

The corporate level of strategy focuses only on narrow departmental implementation.

FALSE

Corporate level defines overall scope and direction; functional level handles departmental implementation.

Question 15

Efficiency means doing the right things, while effectiveness means doing things right.

FALSE

It is the reverse: efficiency is doing things right, effectiveness is doing the right things.

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Question 16

A learning organisation resists change and avoids innovation to maintain stability.

FALSE

A learning organisation continuously evolves and adapts to change and innovation.

Question 17

Contingency planning prepares an organisation for unexpected crises like system outages.

TRUE

Contingency plans specifically address unforeseen disruptive events.

Question 18

Organising involves structuring resources, roles and tasks, and delegating authority.

TRUE

Organising is one of the five core functions covering structure and delegation.

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Question 19

The cost-to-income ratio is described as a reflection of organisational effectiveness rather than efficiency.

FALSE

The article describes the cost-to-income ratio as a reflection of efficiency.

Question 20

Directing covers leadership, motivation and communication with employees.

TRUE

Directing is the management function focused on guiding and motivating staff.

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