

IAS Mains Management 1998

Paper I

Section A

1. The India Manufacturing Corporation (IMC) has one plant located on the outskirts of a city. Its production limited to two produces as naptha (X₁) and urea (X₂). The unit contribution for each product has been computed by the firms costing department as Rs. 50 per unit for product naptha and Rs. 60 per unit for product urea. The time requirements for each product and total time available in each department (each product passes through two departments in the plant) are as follows:

Department Hours required Available Hours in a Month	Product Neptha	Product Urea
Month 1	Cost 3, 000	Cost 1, 500
Month 2	Cost 2, 000	Cost 1, 500

In addition the demand for the products restricts the production to a maximum of 400 units of each of these products. The IMC wants to maximise is profit.

- Make a Linear Programming Model for this problem.
 - Solve this problem graphically and state how many units of each product should be produced and how much will be the maximum profit for this company.
2. From the following data obtain the two regression equations

Sales	Sales 91	Sales 97	Sales 108	Sales 121	Sales 67	Sales 124	Sales 51	Sales 73	Sales 111	Sales 57
Purchase	Purchase 71	Purchase 75	Purchase 69	Purchase 97	Purchase 70	Purchase 91	Purchase 39	Purchase 61	Purchase 80	Purchase 47

- Explain briefly the Current monetary and fiscal policies of the Government and their impact on enterprise decisions
- Explain and illustrate with suitable diagrams the pricing decisions under different market structures.
- Define strategy. What factors enter into the formulation of strategy? What steps does a chief executive take for the implementation of strategy?
- Answer the following questions
 - Explain the concept of Management by Objectives. Management philosophy underlies this concept?
 - Discuss Maslows Theory of Need Hierarchy.
- Discuss the Leadership styles as propounded by Rensis Likert and Blake and Mouton.
- What causes conflict in organizations? Discuss the methods of conflict resolution.