

## IAS Mains Management Papers 1995

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#### Paper I

1. Make a comparative study of the contributions of Herzberg, McGregor and Maclelland in the field of management. Under Indian conditions which of these have more relevance?
2. Answer the following questions

- a. Quantity sold  $Q$  of a particular product is expressed as a function of the price charged  $P$  as  $Q = 10,000 - 100P$ . The cost of producing  $Q$  units  $C$  is given by  $C = 30,000 + 50Q$ . What price should be charged to maximize net revenue?
- b. Suppose in above question a tax of Rs. 2 per unit is imposed on the manufacturer. What should be the price to maximize the profit?
- c. Suppose variable cost to manufacture a product increases by Rs. 2 per unit. What implications will it have for the manufacturer when.
  - i. the product is price elastic in its demand:
  - ii. the product is almost inelastic?

How would the government policy be guided for levying excise and other taxes if the intention is to prevent manufactures from passing on the tax burden entirely to the consumers?

3. A manufacturer produces five products, P1, P2, P3, P4, and P5. The requirements of raw materials per ton for each of the products are as indicated below:

Raw Product materials	P1	P2	P3	P4	P5
Availability (tons/day)	G 48% CH 18%	CSS 0.75 0.25	Tons/Day 0.34 0.66	Tons/Day 0.10 0.90 0	Tons/Day 1.0 0.0 1.0 1.0 2.5
Contribution (Rs. Per ton)	Rs. Per ton 400	Rs. Per ton 252	Rs. Per ton 180	Rs. Per ton 150	Rs. Per ton 125

Note: Contribution is computed as price per unit of the product minus variable cost per unit of the product. The marketing constraint for product P1 is such that not more than 10 tons can be sold per day and that of P2 is such that not more than 15 tons can be sold per day.

a. If  $X_1$ ,  $X_2$ ,  $X_3$ ,  $X_4$  and  $X_5$  respectively represent the tons to products P1, P2, P3, P4 and P5 to be produced per day test whether the following solutions are feasible:

i.  $X_1 = 8.4$ ,  $X_2 = 0$ ,  $X_3 = 12.0$ ,  $X_4 = 0$ ,  $X_5 = 2.5$

ii.  $X_1 = 5.0$ ,  $X_2 = 11.0$ ,  $X_3 = 0$ ,  $X_4 = 19$ ,  $X_5 = 5.0$

iii.  $X_1 = 10$ ,  $X_2 = 12.0$ ,  $X_3 = 4.2$ ,  $X_4 = 4.0$ ,  $X_5 = 5.0$

iv.  $X_1 = 6$ ,  $X_2 = 9$ ,  $X_3 = 13.0$ ,  $X_4 = 1.0$ ,  $X_5 = 2.5$

b. Test whether any of the above solutions would maximize total contribution.

c. The manufacturer is considering the possibility of expanding sales of products P1 and P2 by increasing promotional expenditure. Which of the following alternatives should be adopted?

i. Do not promote P1 or P2

ii. Promote P1 but not P2

iii. Promote P2 but not P1

iv. Promote P1 and P2 both

4. In recent times, one framework for studying an industry has gained popularity. According to this, one assesses the competitive force operating on the industry. In addition one studies government policies also. You are asked to study Indian textile industry. Write how you would assess each of these forces. Please specify the nature of data you would collect and from the collected data how you would assess the strength of each of these forces. How would the government policies directly affect these forces? These forces are:

a. Rivalry among existing firms in the industry

b. Bargaining power of the buyers in relation to the industry.

c. Bargaining power of the suppliers to the industry

d. Threat of substitutes

e. Threats of new entries to the industry

5. What are the major forecasting methods? Give a brief description of these methods. How would you forecast the demand for television in the year 2000? What factors would

influence the choice of a forecasting method?

6. Authority can be delegated but not the accountability. Comment and discuss the essentials of an effective delegation of authority.
7. Generally four categories of employees are found in an organization. These are:
  - a. those who are willing to work and are also competent
  - b. those who are not willing to work but are competent
  - c. those who are willing to work but are not competent
  - d. those who are not willing to work and are also not competent

As supervisor, how would you deal with each of the above mentioned categories of employees? Use your knowledge of theories of work motivation and leadership in deciding on a plan of action. Also give rationale for your proposed action.

8. The concept of management by objectives is said to be as old as human civilization. Do you agree? During recent year several new dimensions have been added to this new concept. Throw light on these new dimensions and show how Indian managers can be benefited by this philosophy.

## Paper II

### Section I

1. Answer the following questions
  - a. Define the term marketing Does it mean something different in the context of Indian economy particularly after the process of liberalisation has commenced?
  - b. How does rural marketing differ from urban marketing? Illustrate your answer taking at least three products
2. Answer the following questions
  - a. How are market segmentation targeting and positioning interrelated? Illustrate how these three concepts can be used to develop a market strategy for a product of your choice?
  - b. Describe three innovative methods which marketers can use to reach their target markets in an economical way.
3. Answer the following questions
  - a. Do you think there is any place for export incentives now in India in the context of liberalization of economy and membership of WTO? Highlight the advantages or

limitations, if any, arising therefrom.

- b. Marketing research has traditionally been associated with manufacturers of consumer goods.

Today we are experiencing an increasing number of organizations both profit making and non profit using marketing research. Why do you think this trend exists? Give some examples.

## Section II

1. Answer the following questions

- a. In what ways can the location decision have an impact on the productive system?
- b. What is the goal of the line balancing? What happens if a line is unbalanced?

2. Answer the following questions

- a. Compare and contrast three different methods of aggregate planning; graphical, linear programming and a heuristic approach.
- b. What are the main decision areas of job shop scheduling?

3. Answer the following questions

- a. What is meant by ABC classification? How might on organisations inventory be analysed using the ABC classification?
- b. What is the relationship between inventory control and the determination of economic order quantities?

## Section III

1. Answer the following questions

- a. A higher rate of return on capital employed implies that the firm is managed efficiently Is this true in every situation? Why or why not?
- b. Under what circumstances do the net present value and internal rate of return methods differ?

What method would you prefer and why?

2. Answer the following questions

- a. It makes sense for companies that pay no taxes to lease from companies that do. Explain.

- b. The certainty equivalent approach is theoretically superior to the risk adjusted discount rate. Do you agree? Give reasons.

3. Answer the following questions

- a. Break-even analysis is a great stuff but lacks practical realism. Discuss.
- b. How can the appropriate level of working cash balance be determined? How does uncertainty affect this problem?

## Section IV

1. Answer the following questions

- a. Discuss the significance of human resources in modern industry. Why has the management of human resources become a challenging job?
- b. If you were to interview a candidate for employment what preparations would you make and with what type of information would you first acquaint yourself.

2. Answer the following questions

- a. Analyze the significance of job satisfaction, status pay and authority pay as motivational factors, What type of mix you would recommend in your organisation?
- b. State the requirements of a good industrial relations programme in the context of Indian environment?

3. Answer the following questions

- a. What do you understand by the term multiplicity of trade unions? What are the problems that emerge from this phenomenon? Suggest measures to take care of interunion rivalry.
- b. Describe the machinery provided under the industrial Disputes Act. 1947, for the prevention and settlement of industrial disputes. Do not think that the machinery has worked satisfactory.

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