

IAS Mains Management Papers 1998

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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 naphtha (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 naphtha 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 Nephtha	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.

- a. Make a Linear Programming Model for this problem.
 - b. 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

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

Paper II

Section I

1. Answer the following questions

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- a. Importance of marketing functions varies with the category of goods produced and the character of the market. Do you agree? Justify your answer. Give appropriate examples.
- b. Discuss whether a marketing manager is free to set the price of a product?

2. Answer the following questions

- a. One of the Engineering Companies in India well known for producing quality irrigation pumps and enjoying considerable good-will is planning for export marketing of its products. The management, however, is not fully aware of the merits gains and associated risks. Nor have they any organisational capability. Give your views in the matter and suggest how they should proceed to place their products in the export market.
- b. Is market information just another name for marketing information system? Answer the question with illustrations.

3. Answer the following questions

- a. Sales organisation adequate for an enterprise at one time may fail to cope with the situation. Which may develop at another time Comment on the statement in the context of the Indina situation?
- b. Some organisations prefer independent advertising departments and decentralised sales activities while some others prefer just the opposite. Why? Which will you advocate and when?

Section II

1. Answer the following questions

- a. Is it correct to say that nature of products alone determines the type of concerned manufacturing system Support your answer with reasons.
- b. How does poor production scheduling increase cost of production and chances of increased losses.

2. Answer the following questions

- a. Make or buy decisions are to be taken initially at the project stage and subsequently often during the operational stage of an enterprise. Do you agree? Give reasons for your reasons. Also state how the related decisions are taken giving appropriate illustrations.
- b. Plant design rests on some a-priori top management/promoters decisions. Elaborate specifying the decision and their impact on plant design.

3. Answer the following questions

- a. Why and how is the quality of a manufactured product controlled? What are the difficulties which may have to be faced? Suggest a suitable organisation and procedures for an effective and economical set up for quality control.
- b. Faced by the problem of frequent breakdowns in equipment and a need of replacement, the top management seeks your advice as to how the problem should be tackled. Incidentally the accessories and parts inventory too has been found to be in shambles. Suggest what the management should do to deal with the situation.

Section III

1. Answer the following questions

- a. What is cash budgeting? What is its purpose? Why is it that despite cash budgeting some of the enterprises in India are reportedly facing liquidity crisis? How can the problem of liquidity crisis be overcome?
- b. How is capital expenditure proposal appraised? How should one choose between modernisation, expansion and diversification? How can the related risks be minimised?

2. Answer the following questions

- a. The traditional principles of sound financial planning of a new enterprise seem to yield to new innovative design as is evident from a new petrochemical companys issue of convertible debentures worth several hundred crores. How far do you think this is desirable in the control of Indian economy. You are to discuss only the pros and cons of traditional financial planning vis-a-vis innovative financial planning.

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b. Syndicated placement of new equity/debenture issues is a bane of Indian securities market.

Discuss the issue in the context of the latest developments witnessed by Indian Capital market.

3. Answer the following questions

- a. How is size of working capital determined? Do you think the working capital required by any enterprise is a static amount? Give detailed reasons for your answer.
- b. The management of a company has adopted a policy of sacrificing the present investment opportunities yielding say 20% return per annum with a view to invest, some 8 years later expecting 40 % annual return. Comment on the wisdom of this policy giving both favourable and unfavorable aspects.

Section IV

1. Answer the following questions

- a. Will it be correct to say that Manpower management has ceased to be the exclusive responsibility of the employer? Explain clearly your answer in the context of the India situation.
- b. Something more than administering various tests for recruitment is needed for an effective recruitment policy. Explain.

2. Answer the following questions

- a. On the job training has its merits and limitations. Discuss and suggest how people to be appointed on managerial posts should be trained.
- b. In the absence of a sound reward and punishment system motivation of employees is likely to be a big casualty. Discuss and give your views on the reward and punishment systems in large Indian organizations.

3. Answer the following questions

- a. One can witness different types of managerial styles in Indian enterprises. Each one with a history of success and failure. Discuss the statement with relevant examples.
- b. Workers participation in management in the present context of Indian Trade Unionism and workers education can only be a mixed blessing. Comment.

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