

## AMIETE – ET/CS/IT (OLD SCHEME)

Code: AE16/AC17/AT20  
Time: 3 Hours

Subject: INDUSTRIAL MANAGEMENT

**JUNE 2011**

Max. Marks: 100

NOTE: There are 9 Questions in all.

- Question 1 is compulsory and carries 20 marks. Answer to Q.1 must be written in the space provided for it in the answer book supplied and nowhere else.
- The answer sheet for the Q.1 will be collected by the invigilator after 45 Minutes of the commencement of the examination.
- Out of the remaining EIGHT Questions answer any FIVE Questions. Each question carries 16 marks.
- Any required data not explicitly given, may be suitably assumed and stated.

**Q.1 Choose the correct or the best alternative in the following: (2×10)**

- a. Planning function of management is performed by:
- (A) Top-level management                      (B) Middle-level management  
(C) Lower-level management                  (D) All levels of management
- b. In -----organizational structure, the subordinate receives orders from several specialists, managers working above them.
- (A) Centralized organization                  (B) Line and staff organization  
(C) Functional organization                  (D) Decentralized organization
- c. -----tests give an idea of mental quickness or quickness of perception and general knowledge of an applicant.
- (A) Performance                                  (B) Aptitude  
(C) Personality                                    (D) All of above
- d. A worker who has worked for -----days or more during a calendar year shall be permitted leave with wages for a specified number of days during the subsequent calendar year, under the Factories Act, 1948.
- (A) 240    (B) 250  
(C) 280    (D) 260
- e. Under Industrial Disputes Act, 1947, Average pay means the average of wages payable to workman:
- (A) In case of monthly paid workman, in the 3 calendar months.  
(B) In case of weekly paid workman, in the 6 completed weeks.  
(C) In case of daily paid workman, in the 30 full working days.  
(D) All of above.

- f. Inventory procurement costs-----as the ordered quantity increases.
- (A) Increase (B) Decrease  
(C) Remain constant (D) All of above
- g. Fixed costs-----.
- (A) vary in response to changes in volume of production or sales.  
(B) remain fixed irrespective of volume of production or sales.  
(C) are variable in nature  
(D) remain fixed per unit of production or sales.
- h. Break-even analysis is useful as a background information device for reviewing---
- (A) overall costs (B) profit levels  
(C) make or buy decisions (D) all of above
- i. ----- attempts to determine the number of years in which the investment is expected to pay for itself.
- (A) Return on investment method  
(B) Return on total capital employed method  
(C) Pay-back method  
(D) Present –value return on investment method
- j. -----ratios show how rapidly assets are being converted (turned over) into sales.
- (A) Quick  
(B) Liquidity  
(C) Leverage  
(D) Activity

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**Answer any FIVE Questions out of EIGHT Questions.  
Each question carries 16 marks.**

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- Q.2** a. What are the differences between Taylor's scientific theory and Fayol's administrative theory? (8)
- b. Briefly explain Henri Fayol's principles of management. (8)
- Q.3** a. What is line organization? Explain the characteristics and importance of organization. (8)
- b. How Decentralization differs from delegation? (8)
- Q.4** a. What is organizational change? What are the response and resistance of organizational change? (8)
- b. How motivation is important to an individual and to a business? (8)

- Q.5** a. What are the functions performed by Employment section of a company? (8)  
 b. What are the different sources of hiring new employees? (8)
- Q.6** a. What are the various methods that can be employed for settling the industrial disputes? (8)  
 b. What are conditions for the success of worker's participation in management? (8)
- Q.7** a. State the conditions on the basis of which simple EOQ model can be used. (8)  
 b. Define productivity. What are the factors affecting productivity. (8)
- Q.8** a. Describe the different phases of decision-making process. (8)  
 b. What are the different methods that can be employed for comparing alternative investments and to ascertain the profitability of each project? (8)
- Q.9** a. Briefly explain various financial ratios. (8)

- b. A retail dealer in garments is currently selling 24,000 pieces of shirts annually. He supplies the following details for the year ended December 31, 2009:

Rs.

Selling price per unit	40
Variable cost per unit	25
Fixed cost:	
Staff salaries for the year	1,20,000
General office costs for the year	80,000
Advertising costs for the year	40,000

As a cost accountant of the firm you are required to answer the following each part independently:

- (i) Calculate the break-even point and margin of safety in sales revenue and number of shirts sold.
- (ii) Assume that 20,000 shirts were sold in a year. Find out the net profit of the firm.
- (iii) If it is decided to introduce selling commission of Rs. 3 per shirt, how many shirts would be required to be sold in a year to earn a net income of Rs. 15,000.
- (iv) Assuming that for the year 2008, an additional staff salary of Rs. 33,000 is anticipated, and price of a shirt is likely to be increased by 15%, what would be the break-even point in number of shirts and sales revenue? (8)