

ABSTRACT

The main objective of the study is the development of a policy analysis tool useful for short term planning in the coal industry. An empirical approach to the development of cost functions for both open-cast and underground mining systems for the different subsidiaries has been detailed. A network of relationships for effecting cost control in terms of cost structures, cost proportions and factor productivities has been given.

Quantitative models for demand estimation and production scheduling have also been developed. The demand model analyses the current forecasting methodology, identifies the best forecasts by calculation of forecast errors and arrives at forecasts of areawise demand. The production scheduling model uses the programming approach to plan output levels subject to system constraints. The results of the model show improvements over the actuals for the period under study.