



**INDIAN INSTITUTE OF MATERIALS MANAGEMENT
GRADUATE DIPLOMA IN PUBLIC PROCUREMENT**

Dec 2014

Paper No.4

Logistics & E-Procurement

Date: 16.12.2014
Time: 10.00 am to 1.00 pm

Max Marks: 100
Duration: 3 Hours

Instructions:

Part A contains 4 questions, each question carries 10 marks. **Attempt all 4 questions**
Part B contains 7 questions, **attempt any 4 questions**. Each question carries 15 marks.

PART-A

Answer all four Questions. **Each question carries 10 Marks**. Total 40 Marks for this section.

Q1. State True or False: 10 marks

- 1.1 Product Markets are becoming increasing commoditized.
- 1.2 Logistics and the delivery of materials can basically be considered as a flow process.
- 1.3 Enclosed vehicles are used for most goods as they form the outer layer of protection.
- 1.4 Light goods in sufficiently strong packaging can lead to goods stacked on top of each other.
- 1.5 The most important aspect of a contract is to indicate when and where the ownership of goods pass from seller to the buyer.
- 1.6 Internet technology is currently used for logistics optimization.
- 1.7 International trade does thrive on credit.
- 1.8 Imports are necessary in spreading and reducing supply failure risk.
- 1.9 Selling prices are increasingly driven by market demand rather than the cost of production.
- 1.10 Logistics costs often make up 20-30% of the total procurement cost of an item

Q2. Write the full form of the following abbreviations as used in the context of public procurement.

10 marks

| | | | | |
|-----------|-----------|----------|----------|----------|
| 2.1 FMCG | 2.3 DDU | 2.5 DEQ | 2.7 WIPO | 2.9 KPI |
| 2.2 NAFTA | 2.4 RO-RO | 2.6 WTCA | 2.8 TTOD | 2.10 CDC |

Q3. Fill in the blanks. 10 marks

- 3.1 The logistic function provides the between an organization, its customers and suppliers.
- 3.2 The internet Technology is currently used for logistics
- 3.3 Tracking the movement of inbound supplies is to many industries particularly those working on JIT basis.
- 3.4 International contracts are subjected to greater than national contracts.
- 3.5 It is important not to cut in the process of developing supply alliances.
- 3.6 The longer you can use a vehicle, the better investment it will make.
- 3.7 The cost of depreciation will depend on the of the vehicle and the of the depreciation period.
- 3.8 Ship brokers may ship owners or charterers.

3.9 Liner agents are between shippers and liner operators.

3.10 Open vehicles are used more frequently to carry materials.

Q4. Match the following:

10 marks

A

1. Role of Packaging
2. Containers
3. Maritime Transport operations
4. Post pallets with high sides
5. Ex-works
6. Under F-Terms
7. Under D-Terms
8. Under C-Terms
9. Bills of exchange/ & promissory notes
10. Main issue in any procurement transaction

B

- a) the buyer must arrange and pay for carriage.
- b) are undertakings by the buyer to pay at a later date.
- c) offering protection, optimizing volumetric capacity and facilitate handling.
- d) the supplier must deliver the goods at a designated point at the end of journey.
- e) carried on flat topped open vehicles.
- f) is to ensure that your supplier is a reliable partner.
- g) are useful to hold a number of items of different sizes.
- h) conference lines, non-conference lines & route tramping.
- i) places minimum responsibility on the seller and maximum responsibility on the buyer.
- j) the supplier must arrange carriage and in some cases insurance.

PART- B

Attempt any four questions. Each Question carries 15 marks.

Total 60 marks

- Q5.** Explain the correlation between logistics and supply chain. What are logistics costs and what efforts are needed to reduce the same?.
- Q6.** Explain the importance of transport documents in international shipments? Indicate some of the main documents.
- Q7.** What are INCOTERMS, indicate them? What are its transport implications.
- Q8.** Write short notes on any three.
- a) Import risks.
 - b) Documentary letter of credit.
 - c) Payment methods in imports.
 - d) Outsourcing the transport function to a third party service supplier.
 - e) Role of material handling equipment in transportation.
 - f) Fixed and variable costs for operating vehicles.
 - g) Functional stages in logistics system.
- Q9.** What is e-procurement? What steps are needed to prepare an organization to start the same?
- Q10.** Why is pre-shipment inspection of cargo important? Also explain the currency exchange risk.
- Q.11** How will you select the location of a warehouse or House yard ? Elaborate your considerations.
