



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Logistics Management
Paper – 2
Logistics Fundamentals And Processes.

Dec 2014

DATE: 14.12.2014
TIME: 10.00 a.m. to 1.00 p.m.

Max. Marks: 100
Duration: 03 Hrs.

Instructions:

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| 1. From part "A", Each sub-question carries 01 mark | Total Marks 32 |
| 2. From "B", answer any 3 - each question carries 16 Marks | Total Marks 48 |
| 3. Part "C" is a case study with sub question – 20 Marks. (compulsory) | Total Marks 20 |
| 4. Please read the instruction on the answer sheet. | |

PART-A

(32x 1 = Total: 32 Marks)

Q1. State True or False:

8 marks

- 1.1 Effective logistics network requires a co-operative relationship between suppliers and customers.
- 1.2 The area of physical distribution is not concerned with the movement of finished products to customers.
- 1.3 One of the most significant logistical costs is transportation.
- 1.4 Most important logistics drivers of change were wide spread adoption of TQM.
- 1.5 Logistical service is a balance of service priority and costs.
- 1.6 Operational performance does not involve delivery speed and consistency.
- 1.7 VMI is basically evolved to facilitate the operations at retail stores.
- 1.8 The operational management of logistics is not concerned with movement and storage of materials and finished goods.

Q2. Fill in the blanks:

8 marks

- 2.1 Inventory may be defined as usable but resource.
- 2.2 Cross-docking is a logistic used in retail and trucking service.
- 2.3 Customer service is defined as a process of providing significant added benefits to the supply in a cost effective way.
- 2.4 The ideal location for just-in-time inventory warehouse would beto the production facilities so that material handling is
- 2.5 Logistics involved the of information, transportation, inventory, warehousing, material handling and packaging.
- 2.6 Rapid response is concerned with a firms to satisfy customer service requirement in a timely manner.
- 2.7 Life cycle is also called cradle to grave logistics support.
- 2.8 Customer feedback provides the company comparative analysis of service level and value added services offered by its competitors.

Q3. Match the following from Column A and Column B correctly. 8 marks

Column A

Column B

1. Transportation by Rail	a) is to seek continuous quality improvement.
2. Customer service and costs	b) identifies specific location within a logistical system that have requirements
3. Logistics objective	c) to determine the number and location of facilities required
4. Logistical System	d) depends on network structure and the desired level of customer service.
5. Network design requirement	e) to utilize transportation that minimizes total system cost.
6. Inventory requirement	f) impacted by transportation.
7. Turn Velocity	g) economical for bulk and long overhauls.
8. Information flow	h) involves the rate of inventory usage over time.

Q4. Expand the following. 8 marks

4.1 RFID	4.3 VMI	4.5 JIT	4.7 AGVS
4.2 TQM	4.4 FIFO	4.6 MRPII	4.8 CSR

PART- B

Total (3x16 = 48) Marks

Answer any three from the following questions

- Q5. Define logistics, and explain its objectives and functions of logistics.
- Q6. What is third party logistics? What are the factors that influence the transport economics?
- Q7. Define customer service. What is customer focused marketing, explain?
- Q8. Write short notes on any four of the following:
 - a) Just-in-time Inventory.
 - b) Selective inventory control.
 - c) Reverse logistics.
 - d) Logistics costs.
 - e) Disadvantages of automated stacking systems.
 - f) Cross docking.
 - g) Demurrage and Wharf age charges.
- Q9. What are the principles of logistics information system, Explain in detail?

Part – C CASE STUDY

Compulsory

(Total: 20 Marks).

M/s ABC, a Limited Company in Taloja, Navi Mumbai manufacturing a number of sub assemblies and components for the group assembly unit located nearby. The assembly unit manufactures knocked down furniture items with a major portion in Modular Kitchens. The Company has been in business for more than 5 years and in a short span of time has achieved the distinction of being a quality supplier. At present their business is concentrated within the State of Maharashtra. They have drawn up ambitious plans to triple the business in next five years. The company does face competition from other firms who supply cheaper products, and much faster thus able to meet the requirements of customers who do not want to wait beyond five to seven days. Most of these customers given a choice would prefer to have quality products.

Some of these customers are even prepared to pay higher prices and go for standard designs provided the items are available off the shelf.

You have been appointed as a head of the procurement cum logistics team, with clear focus on early delivery, and even off-the-shelf delivery for standard designs, besides continuing manufacturing quality products and have market leadership.

After the process gets stabilized in the next five years or so, they would like to go for expansion in a bigger way and open outlets in all major cities in other States. The company is open to employing the best of talent, and are prepared to supplement the infrastructure. The company is also open to outsourcing certain critical activities that turn out to be bottlenecks.

Outline the five major steps that would be necessary in the context of Logistical Management so as to maintain the leadership and meet their present expansion plans and also prepare for major expansion say after 4-5 years. The steps could be:

- 1.Action plan to sustain delivery of quality products.
- 2.Action plan to ensure assess the requirement of standard design products, and plan for off the shelf deliveries.
- 3.Ensuring distribution and delivery of customized products in 5-7 days or even earlier.
- 4.Draw out expansion plans to triple the business in next 5 years.
- 5.Draw out recruitment plan for the same, and also action for strengthening of infrastructure, besides long term expansion after 4-5 years.

Detail out your action plan. Assume any data that is considered necessary

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