



# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

## Post Graduate Diploma in Logistics Management

Paper – 2

June 2012

### Logistics Fundamentals And Processes.

DATE: 10.6.2012

Max. Marks: 100

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

Duration: 03 Hrs.

#### Instructions:

1. From part "A", Each sub-question carries 01 marks Total Marks 32
2. From "B", answer any 3 out of 5 questions each question carries 16 Marks Total Marks 48
3. Part "C" is a case study with sub question – 20 Marks. (compulsory) Total Marks 20 marks
4. Please read the instruction on the answer sheet.

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### Part-A

#### Q1. Fill in the blanks: (8 marks)

1. The objective of minimum inventory involves -----and -----.
2. Life cycle support is also called ----- logistics support.
3. ----- is defined as a process of providing significant value added benefits to the supply chain in a cost effective way.
4. ----- is a new logistics technique used in retail and trucking industries.
5. ----- may be defined as usable but idle resource.
6. Management of ----- is passed on vendors.
7. ----- cost based mainly on customer service.

#### Q2. Say true or false: (8 marks)

1. Logistical service is a balance of service priority and cost.
2. Operational performance does not involves delivery speed and consistency.
3. Service reliability involves the quality attributes of logistics.
4. Within the warehouse material handling is not an important activity.
5. The operational management of logistics is concerned with movement and storage of materials and finished products.
6. Customer's feedback provides the company a comparative analysis of service level and value added services offered by its competitors.
7. Quick response manufacturing is not a companywide strategy to cut lead-times in all phases of manufacturing and office operations.
8. VMI is basically evolved to facilitate the operations at retail stores.

#### Q3. Expand the following: (8 marks)

VMI	AGVS	APS	ATS
APS	RFID	CSR	ABP

**Q4.Link and connect the following correctly (8marks)**

**A**

- a Logistical competency is achieved by
- b Availability means
- c Operational performance involves
  
- d TQM
- e Performance cycle structure
- f logistical competency
- g service reliability involves
  
- h consistency is a reflection of

**B**

- i. the dependability of transportation
- ii. quality attributes of logistics
- iii. to provide competitively superior customer service at the lowest possible total cost
  
- iv to complete order to delivery operations
- v. total quality management
- vi. warehousing and transportation
- vii. having inventory to consistently meet customer material
  
- viii delivery speed and consistency

**Part-B**

**Answer any 3 from the following: (16 \* 3=48)**

1. Describe the concept of value added inventory flow: How are the costs of logistics related to the value added flow?
2. Define basic service, zero defect or perfect order service and value added service. Provide two examples of each.
3. Compare and contrast speed and flexibility as operational performance activities. In some situations, is one activity more critical than the other? Why or why not?
4. Describe how consistency and speed affect transportation and cost and service.
5. Describe the fundamental similarities and differences between procurement, manufacturing support, and physical distribution performance cycles as they relate to logistical control.

## **Part-C**

### **Case study:20 marks.**

The management of yummy noodles company was contemplating on introducing 200 grams pack of savory noodles into the Indian market at Rs 10 per pack. This was only for one month which was construed to be as a test marketing period. During this period, the company wanted to have a blitz strategy of flooding the market with their product. In the subsequent month, the management of yummy noodles company had planned to raise the price of the pack to Rs 15.while the weight of the pack was to be fixed at 250 grams. a free gift in the form of a plastic bowl with a spoon was also planned. two months before the launch of the actual production, the marketing department of the company brought out advertisement regarding the savory noodles. The advertisements were displayed on bill boards, tv, radio ,print media. Schools and colleges were also targeted to rope in students and children to buy the product. Production of the noodles was planned to be started along with the marketing program. The forecast of the number of expected packets that could be sold for the first month was around 75,000 and 1,25,000 for the second month. The production was required to be started earlier to meet the target of the projected demand as well as to account for the changeover in the pack size in the second month.

You are appointed as a logistics consultant by the company. You are required to guide the company regarding the following:

Q1. The company is very keen that its product must be well received in the market. What coordination is required between the production, marketing and other departments of the company?

(Note: you are required to spell out the various departments(namely warehousing, production, quality control, packaging etc)that are expected to be required in the company.

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