



INDIAN INSTITUTE OF MATERIALS MANAGEMENT  
Post Graduate Diploma in Logistics Management

June 2012

Paper – 4

DISTRIBUTION MANAGEMENT

Date: 12.06.2012  
Time: 10.00 am to 1.00 pm

Max. Marks: 100  
Duration: 3 Hours

**Instructions:**

1. The question paper is in three parts A, B & C.
  2. Part A is compulsory. Each question carries one mark. Total : 32 Marks
  3. In Part B, answer 3 questions out of 5. Each question carries 16 marks. Total : 48 Marks
  4. Part C is a case study with sub questions and it is compulsory. It carries 20 marks.
  5. Use of calculator is allowed wherever necessary.
  6. Graph sheets can be used wherever necessary.
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**PART-A**

**Total: 1x 32 = 32 Marks**

**Q1. Indicate whether following statements are 'True' or 'False':**

- 1.1 Cold storage is used in storage of perishables.
- 1.2 MRP II means Material Requirement Planning.
- 1.3 Air freight is the fastest and costliest means of delivery.
- 1.4 Rail Transport as compared to road transport is economical for transportation of small cargo over short overhauls.
- 1.5 Bullwhip effect occurs in SCM on account of accurate information data.
- 1.6 In case of qualified RR with respect to packaging, the claim for material damaged in transit is lodged on the Railway.
- 1.7 Distribution channel does include telemarketing.
- 1.8 EOQ is the quantity to be ordered when the total ordering cost is minimum.

**Q2. Write the full form of the following abbreviations.**

2.1 SCR	2.3 IATA	2.5 LASH	2.7 TOFC
2.2 OCR	2.4 RO-RO	2.6 MICR	2.8 TEU

**Q3. Match the following.**

A	B
1. MRP II	a) Material Resource Planning
2. FOR Destination	b) ideal means of transporting large quantities of liquids and gases
3. MRP I	c) ideal for transport of bulk over long hauls.
4. Transport by Pipeline	d) of general goods traffic by point to point by fast parcel Trains
5. Transport by Rail	e) collaborative strategy between customer and supplier.
6. QTS involves movement	f) outsourcing of the activities.
7. Third Party Logistics	g) delivery of the goods up to the consignees end.
8. Supply Chain Management	h) Manufacturing Resource Planning.

**Q4. Fill in the blanks.**

- 4.1. Providing ..... is the primary goal of logistics.
- 4.2 International transportation is ..... than domestic transportation.
- 4.3 Packaging influences the ..... of the logistics system.
- 4.4 LIFO means ..... materials from the recently acquired materials, leaving those acquired at an earlier time period.
- 4.5 Warehousing has three basic functions – materials, storage and .....
- 4.6 Order cycle is the time that ..... between the customer's order placement and the receipt of the product.
- 4.7 Barcodes enable quick, and ..... identification, besides speeding up operations.
- 4.8 The third stage of a product life cycle is .....

**PART- B**

**Total (3x16 = 48) Marks**

**Answer any three from the following questions**

- Q5. a) What is DRP?. Explain its relevance to manufacturing?  
b) What are distribution channels? Elaborate factors that influence its choice?
- Q6. a) What are the factors that influence warehouse policies? is letter of Credit? Name the various  
b) What is efficient consumer choice? Explain
- Q7. a) Road transport is quite common for small loads, and also short hauls, Explain.  
b) Explain important terms and conditions of Road Transport. How are road transport claims

settled.

- Q8. Write short notes on any four of the following.
- a) Unitization.
  - b) Constraints of DRP.
  - c) Bull Whip Effect.
  - d) Stockless Purchasing.
  - e) Stock out costs.
  - f) Railway freight structure
  - g) Pipe line movement
- Q9. a) What are the functions of marketing intermediaries?  
b) What are the merits and demerits of containerization?

**Part C – Case Study Compulsory (Total : 20 Marks).**

- Q 10.** Mr Srinivas Rao has taken the distributors role of supply of Solar products of M/s Pragati Enterprises located in the State of Himachal Pradesh. His proposed territory includes all the States in South India. The Company is well represented in the North, East, West and Central India. The Company wishes to push its Solar Products in the southern states where the power position is seen as deteriorating. The power position is worse in the interiors/villages and even smaller cities. Mr Srinivas Rao is looking for Dynamic Personnel/Managers to achieve his objective. He desires that the incumbent to be recruited will require advising him in detail about:
- a) The criteria affecting the decision on the warehouse location.
  - b) Indicate the important factors affecting the size of the warehouse.
  - c) Describe attributes for a good warehouse layout.
  - d) Elaborate the cost factors which are associated with warehousing.
  - e) What would be the best mode of transport that could be used to reach the potential users?

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