



INDIAN INSTITUTE OF MATERIALS MANAGEMENT  
Post Graduate Diploma in Logistics Management  
Paper – 4

June 2013

**DISTRIBUTION MANAGEMENT**

Date: 11.06.2013

Max. Marks: 100

Time: 10.00 am to 1.00 pm

Duration: 3 Hours

**Instructions:**

1. The question paper is in three parts A, B & C.
  2. Part A is compulsory. Each sub 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: 32 Marks**

**Q. 1. Expand the following**

1. 3PL
2. DRP
3. TEU
4. WWW
5. DIWA
6. DDS
7. VMI
8. MCS

**Q.2. Fill in the blanks**

1. Logistics value addition refers to the values, which are added by the movement of the products from point of inception to the point of -----
2. ----- logistics deals with the management of various functions related to the movement of finished goods from the last point of production to the point of consumption.
3. Higher the transit time, ----- the freight cost.
4. A container generally measures 8 X 8.5 ft by 20 X ----- ft

5. ----- distribution strategy is mostly used when the product is inexpensive and frequently purchased.
6. ----- is used primarily for the shipment of liquid and gas.
7. ----- transport is defined as the carriage of goods by at least two different modes of transport.
8. Transship is an intermodal transportation system which is the combination of coordination efforts of ----- and waterways.

**Q. 3. Match the following**

| <b>Part A</b>                  | <b>Part B</b>   |
|--------------------------------|---|
| 1. Direct distribution systems | A) Transportation through ship  |
| 2. C&F Agent                   | B) Firms reach & delivers goods and services to consumer without using marketing intermediaries |
| 3. Seaways                     | C) maintenance, repair and operating supplies   |
| 4. MRO Items                   | D) Receive, store and dispatch the goods on the instructions from their principals.             |
| 5. Fishy back                  | E) Adoption of more than one channel structure by firms to reach their consumers                |
| 6. Multiple Channel System     | F) Reduction of bypass of a few third parties the company has to trade with                     |
| 7. Partial Disintermediation   | G) Element of transportation refers to freight charge of various modes of transport             |
| 8. Tariff and transport mode   | H) Type of intermodal transportation  |

**Q. 4. Find True or False of the following**

1. Logistics management deals with the movement of finished goods from the last point of production to the point of consumption.
2. Being the last link in the distribution channel, wholesalers sell directly to the final consumers.
3. In Selective Distribution strategy, the intermediaries are selected from among those who will most likely contribute to sales volume and profit goals.
4. Containerisation contributes significantly in the achievement of logistical objectives of cost reduction
5. Piggyback intermodal transportation system is achieved by coordination of road and water modes of transport.
6. Transportation refers to the movement of goods from one location to another.

7. The major advantage of transportation through railway is to efficiently transport large quantities of goods over long distances.
8. Personal selling is one of the original and oldest forms of DSS

**PART- B**

Total (3x16 = 48) Marks

**Answer any three from the following questions**

- Q. 5:** a) What is Distribution? Explain the strategic importance of distribution.  
b) Explain the role of marketing intermediaries in physical product industries.
- Q. 6:** a) Write short note on third party logistics  
b) Explain multi-model transport system
- Q. 7:** a) Explain the types of distribution systems in details.  
b) Which are the various factors affecting the choice of distribution channels?
- Q. 8:** a) Explain distribution requirement planning in detail.  
b) What are the benefits and constraints of distribution requirement planning?
- Q. 9:** a) Discuss the various modes of transport in detail.  
b) What are the elements of transportation cost?

**Part C****(Total : 20 Marks).**

**Q. 10.** A product based company has a current transportation schedule which is being questioned by the top management as to whether or not it is optimal. The firm has three factories and five warehouses.

The necessary data in terms of unit transportation costs (in Rs), factory capacities, and warehouse requirements are given below. Find an optimal schedule.

| Warehouse                   | Factories  |            |             | Warehouse Requirements |
|-----------------------------|------------|------------|-------------|------------------------|
|                             | A          | B          | C           |                        |
| 1                           | 50         | 40         | 80          | 400                    |
| 2                           | 80         | 70         | 40          | 400                    |
| 3                           | 60         | 70         | 60          | 500                    |
| 4                           | 60         | 60         | 60          | 400                    |
| 5                           | 30         | 50         | 40          | 800                    |
| <b>Factory Availability</b> | <b>800</b> | <b>600</b> | <b>1100</b> | <b>2500</b>            |

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