



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

**June 2014**

Date: **17.06.2014**  
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 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**

**1 x 32= Total: 32 marks**

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

- 1.1 Transport by rail is not suitable for bulk over long hauls.
- 1.2 Physical distribution of finished goods deals with inbound logistics.
- 1.3 Amazon.com is the largest and best known on line book store.
- 1.4 Logistics management fits under the distribution variable of marketing mix.
- 1.5 A company cannot eliminate intermediary and thereby the functions they perform as well.
- 1.6 Major augmented benefits delivered to consumers are routed through channel members.
- 1.7 Striking a balance between demand and supply is one of the functions of inventory.
- 1.8 Price forecast is based on information gathered and analysis about demand and stocks.

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

- |          |          |          |         |
|----------|----------|----------|---------|
| 2.1 LASH | 2.3 MICR | 2.5 LDPE | 2.7 SKU |
| 2.2 TEU  | 2.4 FIFO | 2.6 BCS  | 2.8 DSN |

**Q3. Match the following.**

**Column A**

**Column B**

1) Bulk accumulating function	a) Material Requirement Planning
2) MRP II	b) Piggy back of railways and roadways
3) MRP I	c) fits under the distribution variable of marketing mix
4) Roll on – Roll off	d) bi directional in the distribution channel
5) Logistics Management	e) more risky and costly
6) Information Flow	f) a competitive edge that cannot be easily copied by competitors
7) International Transport	g) Manufacturing Resource Planning
8) Sustainable competitive advantage	h) Assemblers

**Q4. Fill in the blanks.**

- 4.1 Intermediaries form a vital .... between the firm and the final user of goods and services.
- 4.2 Third Party Logistics implies ..... of activities.
- 4.3 SCM implies a ..... strategy between customer and supplier.
- 4.4 Transport by pipelines is an ..... way of transporting large quantities of liquids and gases.
- 4.5 Providing customer satisfaction is the primary..... of logistics.
- 4.6 The third stage of product life cycle is .....
- 4.7 Barcodes enable quick and ..... identification, besides speeding up operations.
- 4.8 Packing influences the ..... of logistics system.

**PART- B**

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

**Answer any three from the following questions**

- Q5. Explain the characteristics of partnering channel relationships. Also explain the stages of partnering relationships.
- Q6. There is a major shift in the success factors in the new environment from the earlier one (old market scenario). Explain the important ones.
- Q7. What is Distribution system? Explain the direct and indirect distribution systems
- Q8. Write short notes on any four of the following.
  - a) Order processing.
  - b) Bullwhip effect.
  - c) Cross docking.
  - d) Stockless purchasing.
  - e) Railway freight structures.
  - f) Logistics system trade off
  - g) Unitization
- Q9. Explain the role of warehouse in the company's supply strategy. What are private and public Warehouses?.

## **Part C – Case Study**

**(Total : 20 Marks).**

### **Q.10. SPECIALITY CHEMICALS LTD**

**Speciality Chemicals Limited** is a medium sized unit well established in the supply of quality chemicals required for the automobile detailing centres, spread in cities, and even small towns. The company has a manufacturing unit in Northern part of the country, and wants to service the western part considered a lucrative sector. The customer requirement is more in retail packs, but larger packs may also be required in small quantities.

The projected sales from western region are approximately Rs 50 cr annually with an annual growth of about 25% or more. The business model is based on firm orders and a very small percentage could be counter sales.

The company proposes to supply in bulk and have a centralised arrangement for breaking bulk, packaging and labelling. The company is asking consultancy from you in the following areas: Please examine the case and answer the questions given below

**Each proper answer will get 5 marks.**

1. Type of ware house required, and whether to own or hire,
2. Location of the ware house to have cost effective transportation.
3. Arrangements to deliver to the customers.
4. Risk perception considering the business model of supply through firm orders.
5. Counter sales of small quantity

Note: You may assume any data as may be required.

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