



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Materials Management
Graduate Diploma in Materials Management
PAPER No. 11
LOGISTICS & SUPPLY CHAIN MANAGEMENT

June 2014

Date : 20.06.2014
Time : 10.00 a.m. to 1.00 p.m.

Max. Marks :100
Duration : 3 Hrs.

Instructions:

1. **PART A** is compulsory. Answer all questions. Total marks = 32
 2. From **PART B**, answer any three questions. Each question carries 16 marks . Total marks = 48
 3. **PART C** is **Case Study** and is compulsory. Answer the questions reflecting through understanding of the case. Total marks = 20
 4. Please read instructions on the answer sheet carefully.
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PART A **32 marks**
(compulsory- Attempt all Questions each question carries 1 mark)

Q.1 : Select the Appropriate Alternative & Re-write the Statements **16 Marks**

1. The process of compilation of activities designed to attract customers while simultaneously achieving business objectives is known as

 - a) Marketing Activity
 - b) Supply Chain
 - c) Logistics Management
 - d) Marketing Mix

2. In recent times three things have changed the perspective of logistics namely globalization, focus on supply chain and

 - a) Outsourcing
 - b) Warehousing Systems
 - c) Transportation Modes
 - d) Regulations

3. A company's channel decisions directly affect every.....

 - a) Customer's Choices
 - b) Employee In Channel
 - c) Competitors Action
 - d) Channel Members

4. In recent times three things have changed the perspective of logistics namely globalization, focus on supply chain and
 - e) Outsourcing
 - f) Warehousing Systems
 - g) Transportation Modes
 - h) Regulations

5. The up-stream supply chain is
 - a) Exclusively Inside An Organization
 - b) Delivery Of Services To Customers
 - c) Procurement Of Material From The Supplier
 - d) All Of The Above

6. The type of products requiring more direct marketing channel to avoid delays and too much handling is categorized as
 - a) Products In Their Maturity Stage
 - b) Products In Their Decline Stage
 - c) Lower-Priced Products
 - d) Perishable Products

7. Just-in-time (JIT) concept is practiced in the logistics domain more effectively with the adoption of
 - a) Internet
 - b) Networking
 - c) Information
 - d) Information Technology

8. Reverse logistics system is deployed for
 - a) Meeting Customer Demand
 - b) Increasing Profitability
 - c) Enhancing Core Competency
 - d) Enhancing Competitiveness

9. Smart companies coordinate their logistics strategies and forge strong partnerships with suppliers and customers to improve customer service and reduce channel costs through
- a) Cross-Functional Teams
 - b) Cross-Company Teams
 - c) Partnering
 - d) Cross-Functional, Cross-Company Teams
10. A good material handling system will enhance logistical
- a) Productivity Potential
 - b) Efficiency
 - c) Delivery Reliability
 - d) Speed To Market
11. The change in the means of transport during the journey from ship to road transport is known as
- a) Trans Loading
 - b) Cross Loading
 - c) Both A & B
 - d) None Of The Above
12. Logistical packaging will ensure productivity in the system not only through ease in handling, space utility but also through
- a) Cost Reduction
 - b) Damage Reduction
 - c) Manpower Reduction
 - d) Weight Reduction
13. The ownership of the inventory in the Vendor Managed Inventory System lies with
- a) Supplier
 - b) Logistics Service Provider
 - c) Insurance Firm
 - d) Purchaser

14. Warehouse layout is greatly affected by the decision on
- a) Material Handling System
 - b) Product Demands In The Market
 - c) Storage Capacity Of The Place
 - d) Inventory Throughput
15. The design of storage system for perishable goods should have consideration of.....
- a) Last In & First Out
 - b) First In & First Out
 - c) Gravity Flow
 - d) None Of The Above
16. Today, a growing number of firms now outsource some or all of their logistics to.....
- a) Third-Party Logistics Providers
 - b) Channel Members
 - c) Competitors
 - d) Cross-Functional Teams

Q.2 : State “ True or False “

08 Marks

1. The supply chain will ensure competitiveness, while logistics will ensure cost effectiveness
2. A customer service program also needs to incorporate measures for evaluating performance.
3. In the reverse logistics system the role of the channel member is helping consumers to reuse products
4. Consolidation in transportation Reduces cost of transportation and time for delivery
5. Inventory can have a significant impact on both a company's productivity and its delivery time.
6. Outsourcing of logistics services will ensure better understanding of customer needs
7. Perishable products might require a more direct marketing channel to avoid delays and too much handling.
8. Channel members should be evaluated only on economic factors for distrusting products in market

Q.3 : Match the Columns :

08 Marks

1	Consolidation of Cargo	A	Third Party Logistics Services
2	Inventory Decision	B	Reduction in Inventory Carrying Cost
3	Out-sourcing	C	Electronic Data Interchange (EDI)
4	Vendor Managed Inventory	D	Material Requirement Planning
5	Order Processing Activity	E	Reduction in Overall operating Costs.
6	Performance Measurement	F	Order Fill Rate
7	Automated Material Handling System	G	Reduction in transit Cost & Time
8	Customer Service Level	H	Improvement in Customer Service

PART B

48 marks

(Attempt any three each question carries 16 marks)

- Q.4 a.** Why has Logistics recently been receiving more attention as a strategic function of an Organization? **08**
- b.** What are the different elements of Customer Service? Explain **08**
- Q.5 a.** Describe the different types of Warehouses & state their relative advantages & Disadvantages **08**
- b.** What is the importance of Transportation Activity in Logistics Management? **08**
- Q.6 a.** “ Inventory Control is the key to the profitable running of the business under the competitive business scenario” Explain. **08**
- b.** What are the principles to be observed while designing efficient materials handling system? **08**
- Q.7 a.** What are the Objectives of Logistics Performance Measurement? Describe the components of Internal & External Performance Measurement **08**

b. "Information is the major factor in efficient and effective logistics competitiveness" Explain giving illustrations

08

Q.8 : Write Short Notes (Any Four)

16 Marks

1. Logistics Interface With Marketing
2. Electronic Data Interchange
3. Functions of Packaging.
4. Third Party Logistics
5. Role of "Reverse Logistics" in a Company's supply chain
6. Distribution Resource Planning (DRP)

PART C

Q.9 : CASE STUDY (Compulsory)

20 Marks

Superb Automobiles, a Nasik-based heavy vehicle manufacturing company, designed, developed and produced a deluxe car which it called *Satisfaction*. This vehicle was meant for the elite of the Indian corporate world and other higher income group customers. For an Indian vehicle manufacturing company, *Satisfaction* was a bold venture. Their company's intention was to 'take-on' imported cars which were higher priced.

But, when the first batch of *Satisfaction* hit the road, problems began cropping up. There was a steady flow of complaints regarding the performance and road-worthiness of *Satisfaction*. The service centers that were authorized to undertake the after-sales service on behalf of the company were unable to meet the customers' expectations regarding after-sales service. The problems ranged from availability of spares to expertise in repairing.

The customers had expected *Satisfaction* to be of international standards because of the reputation and image of Superb Automobiles. Very soon, dissatisfied and angry customers started writing to the CEO of Superb Automobiles. The CEO called for a meeting of the different HODs of the company and discussed the matter. The outcome of the meeting was as follows:

a) The R & D department as well as the manufacturing department did not perform adequate user's trials on *Satisfaction*.

b) The workshops appointed for after-sales service had no expertise to repair the faults

c) Stocks of spares/components were inadequate at the workshops

d) The manufacturing department of the company faced serious problems in terms of technological personnel. There were also interface problems between the production department, the marketing department, the after-sales workshops and the stores departments & due to this production schedules were affected

e) Quality control of materials was inadequate on the inbound side

Questions

- 1) Identify the interface problems between the various departments of the company and suggest logistical ways of solving the problems. (4)
- 2) Discuss the importance and implementation of value chain concept (4)
- 3) The company is proposing to have its own service workshops instead of outsourcing the same. Discuss the *pros and cons* of this decision (4)
- 4) Enumerate the various steps you would take to re-instill confidence in the customers and prop up the company's image as a brand of repute and confidence. (4)
- 5) Suggest any effective promotion and confidence-building schemes in this regard (4)
