



Diploma in Retail Management

Paper 4

Purchasing Management

Date: 16. 06-2015
Time : 10.00 to 1.00 p.m.

Max. Marks 100
Duration 3 hours

Instructions

Part A – All Questions compulsory. Each question carry 8 marks

Part B – Answer any 3 Questions. Each question carry 16 marks

Part C – Compulsory Question (Question carry 20 marks)

Part A

All Questions compulsory. Each question carry 8 marks

Q.1. Match the column (a) & (b) and write the right answer in blank

Table with 2 columns: A and B. Row 1: DDP, Delivered Duty Paid. Row 2: Excise duty is payable on, Deming Cycle. Row 3: PDCA is called as, Before the goods move out of factory. Row 4: There is no sales tax for, Goods & service tax. Row 5: Landed cost, Is applicable for inter state sale. Row 6: GST is, Attract service tax. Row 7: CST, Stock transfer. Row 8: Services, Includes price plus all the levies, freight, insurance etc.

Q. 2. Fill in the blanks

- 1. Enterprise requiring as asset is known as -----
2. RFID is a short form of -----
3. Owner of an asset given on lease is -----
4. SKU in retail means -----
5. Purchase order becomes a valid contract when it is _____ & _____ by purchaser and supplier.
6. The first document used in purchase cycle is purchase _____
7. As and when need arises, buy from the market at the ruling market in is called -----
8. Lead time and delivery time is _____ same

Q. 3. Confirm True or False

1. CBDT stands for Central Board of Direct Taxes -----
2. ABC, XYZ, VED are selective control of inventory -----
3. Bill of lading may be negotiable or non-negotiable -----
4. Perpetual Inventory taking necessitates closing down of receipt & issue. -----
5. ISO full form is International Standard Organization. -----
6. Among supplier relationship in case of critical items, we have distant relationship. -----
7. The smaller the safety stock, the greater the risk of running out of stock -----
8. There are six Incoterms -----

Q.4 Give Full Form of Following Abbreviations

1. JIT -----
2. MILK RUN -----
3. INCOTERMS -----
4. DECREMENTAL VALUE -----
5. MRP -----
6. LANDED COST -----
7. EOQ -----
8. WIP -----

Part B

Answer any 3 Questions. Each question carry 16 marks

- Q. 5**
1. Describe importance of purchasing to organization in increasing its profits 8 marks
 2. What are the objectives and scope of purchasing dept. in an organization 4 marks
 3. Explain various reasons for purchase order amendment 4 marks

- Q. 6.**
1. What are the legal aspects of purchasing and explain its importance 8 marks
 2. Illustrate various responsibilities of purchase dept. 4 marks
 3. Describe material classification & codification and its use in purchase function. 4 marks

- Q.7**
1. What is MRP. How the same is used in planning materials for purchase. 8 marks
 2. How the various types of materials are planned for purchase. 4 marks
 3. Explain the good qualities required in leading negotiation to success. 4 marks

- Q.8.**
1. Draw a typical flow chart for Purchase Dept. 4 marks
 2. Explain key activities in purchase process 8 marks
 3. What are Guarantee and Warranty? 4 marks

Q. 9 Write short notes on: (any two) 8 marks each

1. Delivery terms
2. Delivery schedule
3. VAT
4. Performance Guarantees

Part C

Compulsory

20 marks

Q.10. Prepare a purchase order by using all applicable terms and conditions that you have learnt for M/s ABC Engg, Mumbai for their purchase of 1000 mtrs of GI pipe, from supplier M/s TATA Steel, Mumbai at an agreed rate of Rs.350/- per mtr. You may assume , suitable other terms like discount, VAT, delivery terms, schedule of delivery, payment etc.
