



# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

## Post Graduate Diploma in Logistics Management Paper – 3 (New)

June 2015

### Strategies and organisations in logistics

DATE: 15.06.2015

Max. Marks: 100

TIME: 10.00 a.m. to 1.00 p.m.

Duration: 03 Hrs.

#### Instructions:

- |  |                |
|--|----------------|
| 1. From part "A", Each sub-question carries 01 mark                    | Total Marks 32 |
| 2. From "B", answer any 3 - each question carries 16 Marks             | Total Marks 48 |
| 3. Part "C" is a case study with sub question – 20 Marks. (compulsory) | Total Marks 20 |

### **PART-A**

( 32x 1 = Total: 32 Marks)

#### **Q. 1) Fill in the blanks**

- planning is necessary previously because we cannot forecast the uncertain future
- is an estimate of a future event achieved by systematically combining and casting forward in a predetermined way data about the past.
- require the management to set specific, measurable goals with each employee and then periodically discuss the latter's progress towards these goals.
- is a situation where one part of the organisation optimises its activities to the determinants of the organisation as a whole.
- = No. of units manufactured/time.
- refers to vehicle space utilisation as is reflected by product dimension
- planning is the systematic approach to identify what can go wrong in a situation
- The SCOR model is based on a ----- process and used to measures the performance of an existing supply chain and its related processes.

#### **Q 2) Match the Following**

| COLUMN A                    | COLUMN B   |
|-----------------------------|--|
| a) SWOT                     | 1) Continuous improvement as practised by Japanese firms   |
| b) Supply chain efficiency  | 2) Helps managers to have a quick overview of the firm's strategic situation   |
| c) ROI                      | 3) Helps to understand in detail existing business processes   |
| d) Benchmarking             | 4) More expensive form of decentralisation   |
| e) Inventory turnover ratio | 5) is the cost of making and delivering a products to the customer   |
| f) Kaizen                   | 6) Enables us to infer weather population from which we have drawn more than two samples are having the same mean values                   |
| g) ANOVA                    | 7) Is a measure of how many times during a year the inventory turns around   |
| h) Delegation               | 8) Performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments. |

**Q. 3) State True/false of the following**

- a) 'Time to plan' is as significant issues to be considered, aimed at getting strategies people engaged in planning for the future of the organisation.
- b) A good strategy should allow some flexibility, depending on the way that competition, economy, management, employees and other material factors changed.
- c) Balance score card can be used to appraise higher executives, teams, business units and the corporation itself.
- d) Earnings per share consider the time value of money
- e) The product weight is a function of product quality and volume
- f) In the VMI concept the supplier is made responsible for the product availability and delivery planning
- g) An organisation development program starts with the diagnosis and employs data collecting and data analysing throughout
- h) A third party type of decentralisation is devolution

**Q. 4) Expand the following**

- a) ICD
- b) CFS
- c) APS
- d) CPFR
- e) SDLC
- f) MCT
- g) ISCM
- h) PRM

**Part-B**

**( 3 x 16= Total 48 Marks )**

**Answer any three from following questions.**

**Q. 5) a)** What are the various aspects to be considered in implementation the strategy?

b) What are the various steps involved in the process of reverse logistics ?

**Q. 6) a)** Classify the cost of poor quality

b) What are the advantages and disadvantages of collaborative relationship?

**Q. 7) a)** Explain SCOR model with suitable diagram.

b) Distinguish between formal and informal organisation

**Q. 8) a)** Describe the need of organisation structure for logistics operation

b) Differentiate between centralisation and decentralisation organisations.

**Q. 9) a)** Write short note on error tolerance.

b) What are the components of an optimal logistics organisation?

## **PART-C**

**TOTAL:20 MARKS**

### **Q. 10 . Compulsory**

You have joined as a manager for a financial organisation.

Kindly refer the below details and answer the following questions

1) Determine the net present value for a project that costs \$104,000 and would yield after-tax cash flows of \$16,000 the first year, \$18,000 the second year, \$21,000 the third year, \$23,000 the fourth year, \$27,000 the fifth year, and \$33,000 the sixth year. Your firm's cost of capital is 12.00%.

2) Determine the internal rate of return for a project that costs \$78,000 and would yield after-tax cash flows of \$12,000 the first year, \$14,000 the second year, \$17,000 the third year, \$19,000 the fourth year, \$23,000 the fifth year, and \$29,000 the sixth year..

3) Determine the payback period (in years) for a project that costs \$120,000 and would yield after-tax cash flows of \$20,000 the first year, \$22,000 the second year, \$25,000 the third year, \$27,000 the fourth year, \$31,000 the fifth year, and \$37,000 the sixth year.

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