



**INDIAN INSTITUTE OF MATERIALS MANAGEMENT**  
**Post Graduate Diploma in Materials Management**  
**Graduate Diploma in Materials Management**  
**PAPER No. 11 (New)**

**June 2016**

**LOGISTICS MANAGEMENT**

**Date** : 17.06.2016  
**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**

**32x1 = 32 marks**

**(compulsory- Attempt all Questions each question carries 1 mark)**

**Q1. State TRUE or FALSE - 1 Mark each**

**(8 Marks)**

1. Actual routines to process data are called modules.
2. Intranet is a private network that operates within a company.
3. Bar codes are a manual identification system.
4. In functional organizations, operations are classified.
5. In one level channel, intermediaries between producer and consumer are absent.
6. Stowability is vehicle space utilization as reflected by product dimensions.
7. Decrease in per unit weight transportation cost with increase in shipment size results in economies of scale.
8. Commodity warehouses handle bulk material.

**Q2. Fill in the Blanks - 1 Mark each**

**(8 Marks)**

1. Materials management involves movement of \_\_\_\_\_ inside a firm.
2. Variance are unexpected events that disturb system \_\_\_\_\_.
3. \_\_\_\_\_ logistics is the process of acquisition of materials.
4. No storage is involved in \_\_\_\_\_ warehouse operations.
5. A freight elevator carries \_\_\_\_\_ rather than passengers.
6. In-transit \_\_\_\_\_ brings economics when plants are geographically separated.
7. In \_\_\_\_\_ system, materials are stored close to their point of use.
8. Bulk movement of coal is done by \_\_\_\_\_ carrier.

**Q3. Expand the following abbreviations (1 mark each)**

**(8 Marks)**

- |        |        |        |        |
|--------|--------|--------|--------|
| 1. FDI | 2. ICD | 3. PPP | 4. TMS |
| 5. SKU | 6. UPC | 7. CTM | 8. 4PL |

**Q4. Match the following in column A with those in column B - 1 Mark each**

**(8 Marks)**

Column A		Column B	
1.	Centralization	A	Refilling activity
2.	Distributor, wholesaler, retailer	B	Bulk material
3.	Reusable package	C	Break Bulk
4.	Gravity principle	D	Three level channel
5.	Overhead material handling	E	Material handling
6.	Commodity warehouse	F	Carousels
7.	Transportation consolidation	G	Increased efficiency
8.	Bins on oval track	H	Gantry cranes

**PART - B**

**Write any three (3) of the following questions – 16 marks each**

**48 Marks**

- Q5.** Explain the concepts, importance and objectives of logistics.
- Q6.** Discuss topologies of supply chain, flows in supply chain and capacity buffers.
- Q7.** Explain the principles and objectives of material handling.
- Q8.** Explain the measures of efficiency and productivity in physical distribution systems.
- Q9.** Explain logistics information system flow and technology for logistics.

**PART – C (Compulsory)**

**20 Marks**

**Q. 10. CASE STUDY**

Parcelforce Worldwide is part of the Royal Mail Group Ltd. Royal Mail Group has three main operating brands:

- The Post Office Ltd provides counter services to the high street customer
- Royal Mail manages the delivery of letters and packets
- Parcelforce Worldwide provides express parcel delivery services for businesses and consumers.

Parcelforce Worldwide has over 30,000 business customers in the UK. It handles 200,000 parcels a day. It has a turnover of £382 million. In 2006-07, revenues grew by 7.3% over the previous year. With its 23 partners across 30 European countries and access to Postal Administrations through the Universal Postal Union. It operates:

- Business to Business (B2B) services, delivering parcels and supplies from companies to other companies
- Business to Consumer (B2C) services, delivering parcels to individuals in their homes around the UK

Parcelforce Worldwide competes in a free or unregulated market. A free market is open to all. Any company can choose to operate in the market and customers can choose any supplier they wish. Suppliers therefore need to provide good value for money to keep customers and win new business.

In 2002, Parcelforce Worldwide was making a loss. In response, those managing the business decided to change the type of service it offered. Instead of unguaranteed parcel deliveries typically taking between two and four days, Parcelforce Worldwide decided to focus on time and day guaranteed, express delivery. This resulted in a reduction of the number of parcels handled (volume) but increased the value of each delivery to Parcelforce Worldwide.

As a result of these changes, Parcelforce Worldwide also increased operational efficiency. The business:

- reduced the number of staff it employed
- closed some of its depots
- opened a new, technologically advanced sorting centre in Coventry

These changes enabled Parcelforce Worldwide to achieve its financial targets. It turned a loss-making business into a profitable one. However, it recognised that more could be done to improve efficiency. The business sought to improve staff attendance rates. It wanted to cut absenteeism staff taking unauthorised or sick leave and reduce the time lost as a result of accidents at work. To do this, Parcelforce Worldwide introduced a more decentralised approach to management. This gives depot managers greater decision-making accountability to improve the effectiveness of the operation in their local area.

Most companies operating in the express parcel delivery market offer similar services. Parcelforce Worldwide remains competitive by differentiating itself in other ways. Parcelforce Worldwide has developed a unique selling proposition (USP) based on high-quality customer service.

This customer-orientated approach is designed to attract and retain key customers. Parcelforce Worldwide works in partnership with customers, such as the UK's examination boards, to develop and deliver services to meet specific needs. During exam season, Parcelforce Worldwide delivers millions of exam papers, scripts and coursework.

## **Questions**

Analyze the above case study and prepare a detailed note of your understanding about the case study and examine how a strategy focused on customer service can contribute to long-term business development.

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