



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
PGDSCM & L– Two Years Course

COMPUTER MARKED ASSIGNMENT (CMA) For **Jan-June 2020 semester.**

Semester 4
PAPER – 22

ADVANCED SUPPLY CHAIN MANAGEMENT AND LOGISTICS

Instructions:

1. Answer all 50 questions (compulsory). Each question carries 2 marks **Total : 100 Marks**
 2. Read instructions given on the OMR answer sheet and answer the questions.
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1. _____ analysis relates to what processes, activities, and decisions actually create costs in your supply chain.
A. Cost driver
B. Value proposition
C. Cost reduction
D. Target costing
2. In the 1980s, Toyota and Honda out competed American carmakers because they relied on suppliers for approximately _____ percent of a car's value.
A. 30
B. 45
C. 60
D. 80
3. The _____ has made it possible for other companies to eliminate intermediaries and sell directly to the end consumer.
A. SCM
B. Internet
C. competition
D. global sourcing
4. Value stream mapping is an application of process mapping, developed to apply _____ principles to process improvement.
A. management
B. lean
C. supply chain
D. cycle time
5. _____ is a tool to chart how individual processes are currently being conducted and to help lay out new improved processes.
A. Process mapping
B. Pareto charting
C. Supply chain design
D. Design chain mapping
6. Identify from the following list a major strategic risk associated with outsourcing.
A. Outsourcing landed cost is usually higher than insourcing cost.
B. The supplier is purchased by a competitor.
C. The business loses sight of market trends.
D. The cost of supplied material is passed on to the customer.

7. _____ is the design of seamless value-added processes across organization boundaries to meet the real needs of the end customer.
- Operations
 - Supply chain management
 - Process engineering
 - Value charting
8. All of the following are used to calculate the Cost of Goods sold EXCEPT:
- direct material
 - direct labor
 - contribution margin
 - overhead
9. _____ considers how your organization competes and is an essential element of corporate strategy.
- Value proposition analysis
 - Leadership
 - A consultant
 - A competitor
10. "3PL" involves using a supplier to provide _____ services.
- marketing
 - design
 - logistics**
 - contract manufacturing
11. The collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies, is called
- innovative constraint.
 - second-tier competency.
 - corporate skill.
 - core competency.
12. Integration of business economics and strategic planning has given rise to a new area of study called _____.
- Micro Economics
 - Macro Economics
 - Corporate Economics
 - Managerial Economics
13. Supply chain mapping means the study of ____.
- logistics network
 - activities sequence
 - value and non-value-added activities
 - all the above
14. A good material-handling system will enhance the ____ in logistics.
- productivity potential
 - efficiency
 - delivery reliability
 - speed to market
15. Components of the logistics mix are warehousing, transportation, packaging, and inventory controls and ____.
- material handling
 - information flow
 - strategic logistics
 - reverse logistics

16. What are the Sap S/4hana Simple Logistics scope and business benefits?
- A. Sales and Distribution
 - B. Production Planning Area
 - C. SAP Material Management
 - D. All of the above
17. What are the activities performed at an operational level in logistics'?
- A. Various activities at operational level includes
 - B. Goods Receipt and Checking
 - C. Bulk Storage
 - D. All of these
18. What are the main supply chain challenges companies faces today?
- A. Ignoring the continued growth of e-commerce as a channel in the industrial sector
 - B. No attention to the potential risk like volatile transportation costs
 - C. Over expectation that supply chain management technologies will fix everything
 - D. All of the above
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20. Which of the following is NOT important when planning a bulk-packaging system:
- A. Life-cycle assessment (LCA)
 - B. Manufacturing cost of the containers
 - C. Marketing considerations
 - D. Atmospheric and physical protection
21. Packaging has an impact on the cost and service characteristics on which of the following logistics system component(s)?
- A. Transportation
 - B. Inventory management
 - C. Warehousing
 - D. All of the above
22. Which of the following statements is INCORRECT?
- A. Proper packaging of products results in higher logistics system costs.
 - B. Suitable packaging and packaging materials have a positive effect on the efficiency of transport.
 - C. Packaging can supply information to customers.
 - D. A large percentage of goods shipped by sea is containerized.
23. The main logistics functions of packaging are to ...
- A. Apportion, inform, contain, protect, unitize and transport.
 - B. Apportion, market, preserve, protect, unitize and transport.
 - C. Protect, preserve, inform, sell, transport and partition.
 - D. All of the above.

24. Containerization contributes to greater efficiency and effectiveness in the supply chain mainly during

 A. Local transportation.
 B. Materials handling.
 C. International transportation.
 D. Storage.
25. Which of the following is NOT an ISO standard container length?
 A. 20 ft
 B. 40 ft
 C. 45 ft
 D. 53 ft
26. Apportionment refers to the packaging function of ...
 A. Bundling products together for easier handling.
 B. Preserving small units of perishable food products.
 C. Isolating products from external forces.
 D. Maximizing volume utilization during transport.
27. POP packaging is a form of ...
 A. Marketing-driven packaging.
 B. Distribution packaging.
 C. Protective packaging.
 D. Warehouse packaging.
28. ____ refers to the raw materials, component parts, and supplies bought from outside organizations to support a company's operations.
 A. Inbound logistics
 B. Procurement
 C. Materials management
 D. Supply management
29. Procurement and ____ are viewed as synonymous terms.
 A. materials management
 B. supply management
 C. purchasing
 D. inbound logistics
30. Which of the following is not a potential procurement objective?
 A. supporting organizational goals and objectives
 B. managing the supply base
 C. developing strong relationships with other functional groups
 D. supporting operational requirements
31. ____ Materials refer to stock that exceeds the reasonable requirements of an organization.
 A. Waste
 B. Obsolete
 C. Scrap
 D. Excess
32. A major challenge is _____ of total cost of the return flow processes.
 A. the estimation
 B. the management
 C. the control
 D. the tracking

33. Which of the following are likely to feature within an output-specification?
1. Product functions
 2. Technical inputs
 3. Performance requirements
 4. Conformance standards
- A. 1 and 2 only
 - B. 2 and 3 only
 - C. 1 and 3 only
 - D. 2 and 4 only
34. A procurement manager has negotiated a firm fixed price throughout the contract duration of two years. Was this the right thing to do?
- A. No, because even with these contracts the pricing can change
 - B. No, because this is an unfair term and therefore is not legally binding
 - C. Yes, because this has provided certainty and so is an aid to budgeting
 - D. Yes, because this type of pricing will always be better than a spot price
35. Ace Group is seeking to encourage one of its key suppliers to improve its contract delivery performance. Ace Group wants to encourage the supplier to identify cost savings and ways to enhance quality. Which of the following would help?
- A. Gainshare
 - B. Indexation
 - C. Liquidated damages
 - D. Service credits
36. When is the best time for the buyer's express terms to be provided to the supplier in a competitive bidding process with negotiation?
- A. At the contract kick off meeting
 - B. When the negotiation is nearing completion
 - C. With the contract award notification
 - D. As part of the invitation to tender
37. A major public body maintains a large and diverse property estate comprising more than 100 buildings in multiple locations around the country. To maintain this property estate, which of the following is likely to be the most effective arrangement between the organization and suppliers?
- A. Framework agreements
 - B. One off purchases
 - C. Spot transactions
 - D. Purchase orders
38. A large manufacturing group is going through a period of investment under which a number of its facilities will close on a short-term basis for re-fit and upgrade works to be undertaken. The CPO is concerned about the impact on the organization's ability to meet customer orders should any of the work carried out by suppliers overrun. In respect of this particular concern, the CPO should consider using which of the following contractual terms with these suppliers?
- A. Insurance
 - B. Force majeure
 - C. Liquidated damages
 - D. Jurisdiction
39. Which of the following will typically be included with the invitation to tender (ITT)? Select the ONE that is most suitable.
- A. Specification
 - B. Purchase order
 - C. Terms and conditions
 - D. Requisition

40. Under general legal principles of contract formation, which of the following will always automatically result in the termination of an offer?
- Acceptance
 - Negotiation
 - Variation
 - Non-disclosure
41. Which one of the following statements is true?
- Forecast demand of 1000gm pack detergent powder is more accurate than the aggregate forecast demand of detergent powder in a planning period.
 - Forecast demand of 5 kg pack rice is more accurate than the aggregate forecast demand of rice in a planning period.
 - Aggregate forecast demand of notebooks (small laptop) produced by HP is more accurate than the forecast demand of Elite book in a planning period.
 - Forecast demand of Honda City is more accurate than the aggregate forecast demand of Sedan cars produced by Honda in a planning period.
42. Which one of the following is NOT TRUE about ABC analysis?
- 'A' category items accounts for items of very high consumption value with approx. 70% of total number items.
 - 'B' category items accounts for items of very moderate consumption value with approx. 20% of total number items.
 - 'A' category items accounts for items of very high consumption value with approx. 10% of total number items.
 - 'C' category items accounts for items of very low consumption value with approx. 70% of total number items.
43. Which of the following is NOT true about VMI?
- There exists possibility of sale of substitute products of the competing manufacturers by the retailers.
 - Manufacturer tends to ignore the impact of substitution while making replenishment decisions.
 - Supplier owns the inventory as long as the goods are lying in the shelves of retailer.
 - Retailer owns the inventory as long as the goods are lying in its shelves.
44. Which of the following lot-sizing techniques results in the lowest holding costs?
- Lot-for-lot ordering
 - Lot size ordering
 - EOQ
 - Quantity discount model
45. The MPS calls for 110 units of Product A. There are currently 60 of Product A on hand. Each A requires 4 of Part B. There are 20 units of B available. The net requirements for B are
- 20
 - 120
 - 180
 - 240
46. A bill of material (BOM) lists the
- Times needed to perform all phases of production
 - Production schedules for all products
 - Components, ingredients, and materials required to produce an item

D. Operations required to produce an item

47. When safety stock is deemed absolutely necessary, the usual policy is to build it into which category of the MRP logic?

- A. Projected On Hand
- B. Gross Requirements
- C. Scheduled Receipts
- D. Net Requirements

48. The price of labor and fuel incurred for each trip independent of the quantity transported is included in

- A. Vehicle-related cost.
- B. Fixed operating cost.
- C. Trip-related cost.
- D. Quantity-related cost.

49. The most serious challenge to collaborative planning is?

- A. common mode of communication
- B. standard protocols for exchanging data
- C. motivation to share confidential information
- D. applications for forecasting and planning

50. Which of the following creates "consumer demand"?

- A. dependent demand
- B. independent demand
- C. direct demand
- D. indirect demand
