

INDIAN INSTITUTE OF MATERIALS MANAGEMENT

DEC-2009

Post Graduate Diploma in Logistics Management

PAPER-4 DISTRIBUTION MANAGEMENT

Date : 15-12.2009
Time : 10.00 am TO 1.00 pm

Max. marks - 100
Duration – 03 hrs

INSTRUCTION

1. From part 'A' answer four questions (compulsory). Each sub-question carries 01 mark
Total Marks - 32
 2. From part 'B' answer three questions out of 05 questions
Each question carries 16 marks
Total Marks – 48
 3. Part 'C' is a case study (compulsory)
Total Marks - 20
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PART – A

Q.A. 1 These are objective type questions choose most appropriate answer from among the choices viz. a,b,c and d.

- 1.1 Cold stores are used in storage of
a) Chemicals
b) Perishables
c) Metals
d) Explosives
- 1.2 Total distribution cost envisages
a) Freight
b) Warehousing
c) Inventory carrying cost
d) All the above
- 1.3 Packing cost is determined by
a) Affordable cost
b) Percentage cost
c) Based on Function
d) All the above
- 1.4 MRP II means
a) Material requirement planning
b) Man-Power Resources Planning
c) Manufacturing Resource Planning
d) None of the above
- 1.5 DRP is applicable to
a) Manufacturing companies
b) Manufacturing companies and trading companies
c) Trading companies
d) None of the above
- 1.6 Which of the following is NOT a normal classification of Inventory?
a) Finished Goods
b) Packing Materials
c) E.O.Q.
d) M.R.O. Supplies
- 1.7 Air freight is the _____ means of delivery
a) Fastest
b) Costliest
c) Effective
d) Fastest and Costliest
- 1.8 Rail transport is economical when compared to road transport for transportation of
a) Bulky over long distance
b) Fragile goods over long distance
c) Bulky over short distance
d) smaller volume of goods over most distance

Q.A.2 State whether the following statements are true or false

- 2.1 The channel strategy is short term
- 2.2 Cross docking is new transaction issue before corporate enterprises
- 2.3 There are two ways of delivering goods and services-directly or indirectly
- 2.4 Most appropriate strategy for marketing ballpoint refills is exclusive distribution
- 2.5 The last function of order processing is order delivery
- 2.6 Bullwhip effects occurs in SCM on account of accurate information data
- 2.7 Standard pallets that are used whose sizes are 32x40 and 48x40 inches
- 2.8 Efficient consumer response was first introduced by David Huchins

Q.A.3 Fill in the blanks :

- 3.1 Warehousing supports _____ and _____ by allowing an item to be produced and held for consumption.
- 3.2 Packing is valuable both as form of _____ and _____ from logistics perspective.
- 3.3 CLM means _____.
- 3.4 Physical distribution describes broad range of activities concerned with efficient movement of products from _____ to _____.
- 3.5 In contractual VMS the members are linked to channel leader by _____.
- 3.6 ABC, VED, FSN are strategic _____.
- 3.7 ROS means _____.
- 3.8 CSMC means _____.

Q.A.4 A Match Column 'A' with column 'B' :

A	B
1. Efficient consumer Response	a) Track buying passers
2. System output includes	b) Starts with near to accurate demand for costing
3. Supply chain management	c) Strategic location with adequate transport
4. VMI benefits	d) Creating and delivery of superior value to customers
5. Buffer storage warehouses	e) Encompasses logistics management activities
6. Efficient logistic management	f) Responsiveness or speed order handling and fulfillment
7. Leveraging Relation-ship(LR) System	g) Encompasses multiple technologies and managerial innovations
8. Logistic Management is	h) Demand smoothing

PART – B

Answer any 03 questions out of 05 given questions:

5. a) What do you understand by the term distribution management the use of technology in its wake has brought opportunities and threats to distribution management? Discuss.
b) Define the term efficient consumer response and Explain basic tenets of ECR.
6. a) What are the functions of marketing intermediaries?
b) State the Merits and Demerits of Containerization?
7. a) Explain in detail the terms Quick response, continuous replenishment and vendor managed inventories.
8. What are the factors that influence Warehouse policies? Warehousing – an instrument of economic development – discuss.
9. Write short notes on any four of the following.
 - a) Order Processing
 - b) Right Value
 - c) Post – Transport elements
 - d) Constraints of DRP
 - e) Stock out cost
 - f) Bull Whip effect
 - g) Data Base Management
 - h) Impediments to an effective customer service strategy

PART – C : Cast Study

Q.10 The Case Study has 05 sub-question with 04 marks each

Snigdha Cosmetics Ltd. A leading manufacturer of Face Creams, Fairness Creams, Shampoos, Toilet Soaps, etc., located at Mumbai has an annual turnover of Rs. 5 Crores. Presently the company is concentrating its marketing activities in the state of Maharashtra. The company has recently added extra manufacturing capacity and it proposes to triple its production. In order to meet enhanced sales to a tune of 15 Crores, the Company proposes to have a wider market network. In order to penetrate into new markets the chief executive of the company Dr. Vagvala asked his Distribution Manager, Marketing Manager, Sales Manager and Product Manager, each one of them to give a write up how they propose to enter into the new markets by selecting appropriate distribution channels. The four managers after detailed study have suggested four different channels of distribution as detailed below.

These are :

- (a) Exclusive distribution suggested by Marketing Manager
- (b) General distribution suggested by Distribution Manager
- (c) Bulk Indenter e.g. canteen, stores, factories, supermarkets, clubs etc., by Product Manager.
- (d) Appointment of carrying and forwarding agent suggested by sales manager.
Dr. Vagvala, the Chief Executive, is in a dilemma to choose the best alternative among the above suggested channels of distribution.
- (e) Discuss the pros and cons of each suggestion and recommend a channel or combination of channels you feel is most appropriate and justify your choice.