Paper – 4

DISTRIBUTION MANAGEMENT

Date: **11.12.2012**   Max. Marks: **100**
Time: **10.00 am to 1.00 pm**   Duration: **3 Hours**

Instructions:

1. The question paper is in three parts A, B & C.
2. Part A is compulsory. Each sub question carries one mark.   Total : 32 Marks
3. In Part B, answer 3 questions out of 5. Each question carries 16 marks.   Total : 48 Marks
4. Part C is a case study with sub questions and it is compulsory. It carries 20 marks.
5. Use of calculator is allowed wherever necessary.
6. Graph sheets can be used wherever necessary.

PART-A   **Total: 32 Marks**

Q1.   Indicate whether following statements are 'True' or 'False':

1.1   The first stage of a product life cycle is maturity.

1.2   Providing customer service is the primary goal of logistics.

1.3   Air freight is not the fastest and costliest means of delivery.

1.4   Logistics management deals with the movement of finished goods from the first point of production.

1.5   A company can eliminate intermediary and thereby can eliminate the functions they perform as well.

1.6   In case of clear RR, the claim for material damaged in transit can be lodged on the Railway.

1.7   Amazon .com is the largest and best known grocery store.

1.8   EOQ is the quantity to be ordered when the total ordering cost is maximum.

Q2.   Write the full form of the following abbreviations.

| 2.1 POP | 2.3 DDS | 2.5 HDPE | 2.7 ECR |
| 2.2 ICT | 2.4 DIWA | 2.6 CDL | 2.8 LCL |

Q3.   Match the following.

1. Liberalization, Privatization & Globilization	a) is to have a greater marketing coverage & penetration
2. Physical distribution of finished goods	b) have further increased the scope of the transportation industry where as the world market is shrinking into a global village.
3. Roll on-Roll off	c) striking a balance between demand & supply
4. Major purpose of using a distribution system	d) depends on information and is based on constant monitoring of supply
5. Functions of inventory	e) the efficiency of logistic system.
6. Pull System	f) deals with out –bound logistics.
7. Packaging influences	g) piggy-back of Railways and Roadways.
8. Price forecast is based on Management	h) information gathered & analysis about demand and supply.

Q4.   Fill in the blanks.

4.1   Logistics Management…..under the distribution variable of marketing mix.

4.2   Logistics Management deals with the movement of finished goods from the …. point of production.

4.3   Information flow is bi-directional in the ………… channel.

4.4   Tariff of airways is the highest followed by …….. Railways and Pipeline.

4.5   Distribution channel …. include telemarketing.

4.6   EOQ is the quantity to be ordered when the ordering cost is …….. .

4.7   MRP II means Manufacturing ……… Planning.

4.8   International transportation is more ….. and …… than domestic transportation.

Answer any <u>three</u> from the following questions

Q5.   What is Transportation Logistics? - Explain. Also discuss the advantages of warehousing in the

        same.

Q6.   What are the important terms and conditions of Rail Transport? How are the claims relating to
        damaged /missing goods in Rail transport settled.

Q7.   Describe in brief the types of intermediaries in channel management. Also explain how the
        channel partners are selected

Q8.   Write short notes on <u>any four</u> of the following.
        a) Functions of marketing intermediaries.
        b) Breaking bulk.
        c) Modes of transport.
        d) Conflict resolution strategies.
        e) Containerization.
        f) Importance of inventory control
        g) Stock out costs

Q9.   Explain the concepts of marketing in distribution management? Also explain the significance of
        market planning and competitive advantage.
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TRUCK MANUFACTURING COMPANY

Truck Manufacturing Co (TMC) is a medium sized specialised Light commercial truck body manufacturer located in South India. TMC has an annual turnover of more than Rs 500 cr. These trucks are well received in the market. TC has about 30 vendors located within a radius of 200 kms. The remaining vendors (5 more) are spread across the country. The following features are applicable for TMC.

(a) Manufactures 20% in (Rs) of its final product, components and sub-assemblies to stock.

(b) Builds most final assemblies of major items to order. The competitive strength of TMC lies in its ability to produce high quality final products with engineering modifications to the customer's specification. TMC has software by which design changes are incorporated into production plan.

(c) Has approximately 500 shop employees, 15 departments, and 10 distributors where final mounting of truck bodies on chassis has sometimes been performed.

(d) Annually sells 25-50% of its product to the export market (in Nepal, Bhutan & Sri Lanka etc)

(e) Experiences problems with delayed delivery from chassis manufacturer when truck bodies are mounted on the chassis at the plant. Often the delivery time is the contentious issue.

(f) Has wandering bottlenecks in the plant and in engineering as the mix of orders and order processing shifts. Sometimes customers (especially institutional) also keep changing their requirements. These are difficult to handle at the last minute.

Concerns:
- Information,
- Distribution
- Performance Measurement

Questions: Each <u>proper</u> answer will get 5 marks.
1. Highlight on the complexity of managing SCM function for TMC
2. Suggest architecture for the Management Information system. Your architecture must include the information flow, material flow and money flow between various entities
3. Prepare a list of databases required and also specify fields required under each database.
4. List at least 6 important performance indicators to evaluate the effectiveness of SCM at TMC **.**