



**INDIAN INSTITUTE OF MATERIALS MANAGEMENT**  
**Post Graduate Diploma in Materials Management**  
**PAPER – 18 C**  
**OPERATIONS STRATEGY.**

**Dec 2017**

**DATE:** 16.12.2017  
**TIME:** 2.00 p.m to 5.00 p.m.

**Max. Marks: 100**  
**Duration: 03 Hrs.**

**Instructions:**

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|---|----------------|
| 1. The question paper is in two parts.                                    |                |
| 2. Part A is compulsory. Each question carries one mark                   | Total 32marks  |
| 3. In part B answer 3 questions out of 6. Each question carries 15 marks. | Total 48 marks |
| 4. Part C is a case study which is compulsory                             | Total 20 marks |

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**PART A**

**32 marks**

**Compulsory -Each question carries 1 mark**

**Q.1. State true or false.**

**Marks: 8**

- 1.1 Key areas of business operations are: Location, Equipment, Labour and Process
- 1.2 Jobbing does not produce high variety and low volume products.
- 1.3 Corporate strategy is concerned with overall purpose and scope of the business to meet shareholders' expectations.
- 1.4 Load distance model does not capture costs to identify attractive candidate locations on the basis of quantitative factors.
- 1.5 A brand is the image or the perception which a consumer has in his mind about a particular product or a service.
- 1.6 Product mix does not include total number of product lines that a company offers to its customers.
- 1.7 Segmentation splits the entire market into smaller groups that share similar traits.
- 1.8 Channel structure refers to the way a manufacturer delivers a product.

**Q.2 Fill in the blanks.**

**Marks: 08**

2.1 Three types of end users are \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_.

2.2 \_\_\_\_\_ implies lack of physical evidence.

2.3 The idea that services are available at specific times is \_\_\_\_\_.

2.4 In \_\_\_\_\_ strategy a firm attempts to reduce its economical costs below its competitors to gain a competitive advantage.

2.5 The \_\_\_\_\_ is a type of information system that facilitates communication within the firm.

2.6 Careful monitoring of an organization' internal and external environments for better operational control are known as \_\_\_\_\_.

2.7 The major change in positioning a brand or a product is called as \_\_\_\_\_.

2.8 \_\_\_\_\_ compares the output of an in-control process to the specification limits by using capability indices.

**Q.3 Expand the following.**

**Marks: 08**

3.1 SCM

3.2 CPM

3.3 CRM

3.4 MO

3.5 CAD

3.6 FMS

3.7 FMP

3.8 JIT

**Q.4 Match the following.**

**Marks: 08**

**Column A**

**Column B**

1	A strategy	a	is a cognitive process that results in selection of a course of action
2	Decision making	b	identifies an appropriate market niche for a product
3	Spiral analysis	c	tailoring of the campaign according to individual's needs
4	Positioning	d	is rationalization, elaboration and extension of what works
5	Quality control	e	is the technology of enclosing the product for distribution
6	Customization	f	arranges departments to minimize cost of material handling
7	Packaging	g	Provides useful content through marketing channels to customers
8	Content marketing	h	ensures adherence to the quality standards by manufactured product

**PART B**

**Marks 48**

**(Attempt any 3 Questions, each question carry 16 marks )**

**Q.5** Explain in detail different stages in new product development process with suitable examples.

How does a corporation realize an operation strategy option using Porter's Productivity Frontier concept?

**Q.6.** Explain the importance of technology lifecycle and factors that affect facility location selection in a production industry.

**Q.7.** Discuss the operations strategy as a part of business strategy. Explain how the sales are determined and the reasons to increase the market share with an example.

**Q.8.** What do you understand by product strategy, pricing strategy, distribution strategy and promotion strategy? Explain demographical, economic and attractive differentiation of packaging for domestic urban areas with examples.

**Q.9.** Explain product-process matrix, entrance-exit strategies and major growth types.

**PART C – Case Study - compulsory (Marks 20)**

**Q. 10 . Answer the questions given below the case.**

A new phenomenon called 'Apparel on Demand' is slowly making its presence felt. It is an extension of JIT linking retailers and manufacturers for a just-in-time responsiveness. NAAR Clothing Inc., promoted by a young management graduate has recently ventured into the business of making reasonably priced custom jeans for women. It has partnered with many stores selling women garments. In the stores, women are electronically measured and information like colour, fabric, style, etc., are recorded. The information reaches the NAAR manufacturing facility at Ahmedabad almost immediately through a state-of-the-art information system. NaAR guarantees delivery of the custom jeans within 10 days. With the growing acceptance of jeans among the women in India, especially in the urban areas, the market for women's jeans is growing at a fast pace. NAAR with its unique business model hopes to garner a significant share of this market. The promoter of NAAR along with her top executives is confident that their concept of JIT jeans would work.

On the basis of above case, answer following questions:

- (a) Do you think NAAR's strategy would work? Why or why not? What is the importance of retailers in its business strategy?
- (b) Will customers wait for 10 days to have the jeans delivered? What can NaAR do to compete on customer service if delivery takes this much time?

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