



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

Dec 2018

**OPERATIONS STRATEGY.**

DATE: 30.12.2018  
TIME: 2.00 p.m to 5.00 p.m.

Max. Marks: 100  
Duration: 03 Hrs.

**Instructions:**

- |   |                |
|---|----------------|
| 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 5. Each question carries 16 marks. | Total 48 marks |
| 4. Part C is a case study which is compulsory                             | Total 20 marks |

**PART A**

**32 marks**

Q. 1. Choose the correct answer from the multiple choices.

i) Which of the following is not a component of SCM?

- |           |            |
|-----------|------------|
| a) Plan   | b) Source  |
| c) Market | d) Deliver |

ii) All are production process except

- |                    |                 |
|--------------------|-----------------|
| a) Job shop        | b) Batch        |
| c) Continuous flow | d) Reverse flow |

iii) Which of the following is not associated with technology lifecycle?

- |                           |                         |
|---------------------------|-------------------------|
| a) Technology development | b) Applications Launch  |
| c) Applications Growth    | d) Applications decline |

iv) Which of the following is not a generic strategy?

- |                    |                          |
|--------------------|--------------------------|
| a) Cost leadership | b) Technology leadership |
| c) Differentiation | d) Focus strategies      |

v) All are service quality dimension except

- |                |                   |
|----------------|-------------------|
| a) Empathy     | b) Durability     |
| c) Reliability | d) Responsiveness |

vi) Which of the following does not promote zero defects?

- |  |                       |
|--|-----------------------|
| a) Pro-active approach                   | b) Bottom up approach |
| c) Design system to support zero defects | d) Recognize          |

vii) All are pricing strategies except

- |                     |                       |
|---------------------|-----------------------|
| a) Brand name       | b) Cheap products     |
| c) Simple packaging | d) Reusable packaging |

viii) All of the following are characteristics of a service except

- |                  |                   |
|------------------|-------------------|
| a) Intangibility | b) Inseparability |
| c) Homogeneity   | d) Perishability  |

**Q.2. Fill in the blanks. (Please do not reproduce the statement)**

- a) \_\_\_\_\_ strategy is concerned with the overall purpose and scope of business to meet stakeholder expectations.
- b) The objective of \_\_\_\_\_ model is to select a location that minimizes the total weighted loads moving into and out of a facility.
- c) \_\_\_\_\_ formulation is a process by which a firm determines how it will compete in its industry.
- d) Awareness of interdependencies and necessity of cooperation are the key factors to develop \_\_\_\_\_ relationships.
- e) \_\_\_\_\_ is a process by which a company distinguishes itself from its competitors and their offerings.
- f) The process of splitting the entire market into smaller groups with similar traits is called \_\_\_\_\_.
- g) Vertical \_\_\_\_\_ occurs when the scope of the production process is broadened.
- h) The \_\_\_\_\_ network is a distribution network through which producer puts his products in the market and passes it to the actual users.

**Q.3. Please state True or False. (Please do not reproduce the statement)**

- a) Operational strategy focuses on issues of resources, processes, people, etc.
- b) Macro level facility planning is related to building layout.
- c) Quick response can create a competitive advantage.
- d) Relationships have traditionally been considered as tangible.
- e) Standardization refers to a firm's ability to produce a customized product at an economically viable unit cost.
- f) A good packaging promotes impulse buying.
- g) Customized marketing is generally practiced by companies whose products are very expensive or unique.
- h) Agents are independent firms whose purpose is to bring buyers and sellers together for an exchange.

**Q.4. Match A and B**

**A**

- 1) Spiral analysis
- 2) Brand
- 3) Standardization
- 4) Differentiation
- 5) Declining stage
- 6) Primary service
- 7) Competence
- 8) Make to stock

**B**

- a) Knowledge and skills
- b) Matured products
- c) Repositioning
- d) Spatial convenience
- e) Common use
- f) Reputation
- g) Arrangement of departments
- h) Image

## PART B

Marks 48

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

- Q.5. a) Explain product development process.  
b) Explain the four levels of facility planning.
- Q.6 a) How operations strategy promotes competitiveness?  
b) Explain the concept of supplier relationship management.
- Q.7 a) Explain flexible manufacturing systems.  
b) Explain the gap model for service quality.
- Q.8. Differentiate between any four  
a) Corporate strategy and business unit strategy  
b) Customization and standardization  
c) Strategic surveillance and environmental scanning  
d) Engineer to order and make to order  
e) Primary and secondary services
- Q.9. Write short notes on any four  
a) Technology lifecycle  
b) Factor rating analysis  
c) Dimensions of service quality  
d) E commerce  
e) Taguchi's contribution to quality

PART C – Case Study - compulsory Marks 20

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

Amazon.com has thrived by delivering many of its web orders free of delivering charges. Now it's delivering some of them faster –even the same day.

For the past several months, teams of couriers have used luggage carts to deliver books, CDs and invoices that are ordered online just that morning to offices and residences in Manhattan. The move matches a service by rival Barnes & Noble Inc., which has offered same-day delivery for sometime in New York. But Amazon hasn't promoted the service, and some customers have been surprised when their goods arrive so fast.

Such same-day shipping leaves little room for error. It wasn't a viable business or Kozmo, Urbanfetch Inc., and other dot-com companies that tried to ship online orders, from ice cream to videos, within hours. Amazon was the largest investor in Kozmo, sinking \$60 million into the web courier before it went belly-op.

That explains why Amazon is testing the new service on a modest basis. The current test is only in Manhattan, and it isn't informing customers whether they'll receive their items the same day. For now at least,

Amazon is changing the same for same-day service as for standard delivery. The deliveries are handled by Choice Logistics Inc. a New York based service.

Shipping has long been a deal breaker for hesitant online shoppers. Customers generally don't like paying for delivery and they are impatient for orders to arrive. Amazon in past years has concentrated on the first hurdle, doing away with shipping fees on certain orders to encourage people to buy more. But its newer emphasis on fast shipping reflects a belief that there's still a sizable audience willing to pay for more immediate gratification.

When the company won't say whether it plans to expand same-day shipping outside of New York city. Amazon has been speeding delivery elsewhere. Late last year, it quietly introduced a shipping option for US customers called "guaranteed accelerated delivery." In which it promises to deliver an order the next business day if it is placed in the morning. Although Amazon has long offered overnight delivery, it often wouldn't pack orders for a day, so customers would get their overnight-delivery goodies two days after buying them.

Many items on Amazon now display a ticking clock that counts the time left for an order to make it to a customer by the next day. The software is sophisticated enough to figure in the customer's location and where within Amazon's network of warehouses the product is stored. A customer in Hawaii, for instance, may have less time left to get a next day order for an item warehoused on the East Coast than for those stored in Nevada.

**Questions:**

- a) What are the problems faced by Amazon like online companies?
- b) Why same day delivery is a distant dream for online companies?
- c) In your opinion delivery charges for online shopping justified? Why?

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