

# Final Test Semester 3 Paper 13 INDIAN INSTITUTE OF MATERIALS MANAGEMENT Purchase Management [PGDMM , PGDSCM & L (2 years)]

Instructions:

1. Answer all 50 questions. Each question carries 2 marks Total : 100 Marks
2. Duration 1 Hour.

**\*Required**

1. Email \*

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2. Name \*

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3. Roll Number \*

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4. There are \_\_\_\_ important goals for the purchasing department of an organisation : 2 points

*Mark only one oval.*

3R's

5 R's

7 R's

9 R's

5. Of the following, one of them is NOT the objective of Purchase Management : 2 points

*Mark only one oval.*

- Ensure irregular supply
- Reducing the Cost
- Fulfil business requirements
- Increase the Quality

6. Procurement involves the following except this one : 2 points

*Mark only one oval.*

- Identify needs and requirements
- Evaluating the source
- Evaluating the quotes from supplier
- Perform profit margin analysis

7. One of the following is the function of purchase department : 2 points

*Mark only one oval.*

- Preparation of Goods Receipt Note
- Visual Inspection of items received
- Deliver the goods to the Production floor
- Identify the requirements and purchase indents

8. Managing various processes effectively impacts the organization \_\_\_\_\_ and the marketing strategies 2 points

*Mark only one oval.*

- Profitability
- Procedures
- Performance
- Purchasing

9. Purchasing Management has a \_\_\_\_\_ scope and purchasing provides the basis for supplying the materials. 2 points

*Mark only one oval.*

- Narrow
- Broad
- Integrated
- Thin

10. Advantages of centralized purchasing are all, except one, please identify the odd one : 2 points

*Mark only one oval.*

- Higher transport cost
- Helps purchasing in bulk quantities
- Lesser overhead cost
- Decreased Inventory

11. Advantages of Decentralized purchasing are the following, except this one : 2 points

*Mark only one oval.*

- Ease of purchasing materials locally
- Purchasing of right quality and quantity
- Replacement of defective material takes less time
- Lack of co-ordination and co-operation

12. Materials Management is a process that involves \_\_\_\_\_ flow and control of materials through an organisation. 2 points

*Mark only one oval.*

- Conceptualized
- Complex
- Systematic
- Classified

13. One of the following is NOT a main objectives of Materials Management. 2 points

*Mark only one oval.*

- Make or buy decisions
- Affective Material Planning
- Facilitate product desing & development
- Maintain quality control

14. ASTM stands for : 2 points

*Mark only one oval.*

- American School for Testing Materials
- Australian School of Time Measurement
- Australian Society for Testing Materials
- American Society for Testing Materials

15. The following are the principles of classification and coding, except one, identify the odd one out: 2 points

*Mark only one oval.*

- Comprehensive
- Mutually inclusive
- Consistent
- Easy to adapt

16. The Brisch / British system of coding consists of \_\_\_\_\_ digits which are applied in three phases. 2 points

*Mark only one oval.*

- 10
- 8
- 7
- 5

17. This system consists of ten-digit numerical code.

2 points

*Mark only one oval.*

- Kodak
- Indian Railways
- DGS&D
- British System

18. This department works with the materials management department for creating innovative methods for materials procurement.

2 points

*Mark only one oval.*

- Production
- Quality Control
- Finance
- Engineering

19. This risks helps identify the risks that can come up or things that can go wrong while performing an organizational activity.

2 points

*Mark only one oval.*

- Risk Analysis
- Risk Assessment
- Risk Mitigation
- Risk Environment

20. This process of determines the metrics that are needed for measuring and comparing the size, shape, value and performance of the materials.

2 points

*Mark only one oval.*

- Classification
- Standardization
- Codification
- Communication

21. The purpose of MRP is to track the \_\_\_\_\_ schedules so that the organizational goals are met. 2 points

*Mark only one oval.*

- Planning
- Delivery
- Production
- Distribution

22. The concept of MRP was first developed in 1964 in response to \_\_\_\_\_ 2 points

*Mark only one oval.*

- Ford Program
- Toyota Manufacturing Program
- GE Inventory Schedules
- Harley Davidson Program

23. The levels of inventory are divided into \_\_\_\_\_ categories. 2 points

*Mark only one oval.*

- Five
- Four
- Three
- Two

24. The full form of MPS is : 2 points

*Mark only one oval.*

- Master Production Schedule
- Maintenance Production Schedule
- Master Production Site
- Master Plan Schedule

25. The following are the pre-requisites of JIT implementation, except one of these : 2 points

*Mark only one oval.*

- Prevent defects with the production system
- Eliminate unnecessary waste
- Identify and respond to customer needs
- Manage efficiently offline datas

26. The main objective of JIT implementation is to \_\_\_\_\_ the number of inventory stocks. 2 points

*Mark only one oval.*

- Maximise
- Fluctuating
- Minimise
- Status Quo

27. Which of the function is not a part of Purchasing: 2 points

*Mark only one oval.*

- To select the source of supply
- To receive indents from other departments
- To set the quality standards of the components
- To place the order

28. This refers to the waste that poses a potential threat to public well being. 2 points

*Mark only one oval.*

- Non-hazardous
- Hazardous
- Bio-medical
- eWaste

29. Control of scrap cannot be classified into one of the following categories, identify the same (P/51) 2 points

*Mark only one oval.*

- Legitimate
- Administrative
- Executive
- Defective

30. Full form of EPA is : 2 points

*Mark only one oval.*

- Expert Panel of Architecture
- Environmental Protection Agency
- Export Promotion Agency
- Environment Pollution Agent

31. Full Form of SDC is : 2 points

*Mark only one oval.*

- Standard Development Committee
- Surplus Disposal Committee
- Scrap Disposal Committee
- Standing Disposal Committee

32. Full Form of ISF is : 2 points

*Mark only one oval.*

- Independent Status File
- Inventory Scrap File
- Inventory Status File
- Inventory Surplus File



33. Strategic Sourcing requires \_\_\_\_\_ to implement and support the sourcing strategy. 2 points

*Mark only one oval.*

- Commitment
- Tools
- ERP System
- Standardization

34. This step is NOT part of sourcing strategies. 2 points

*Mark only one oval.*

- Negotiate with Suppliers
- External Need Analysis
- Evaluate Supplier Marketplace
- Collect Supplier Information

35. Disadvantages of Outsourcing is : 2 points

*Mark only one oval.*

- Offers lower wages and is cost effective
- Available 24/7 effectively
- High Management Costs
- Availability of specialized labour

36. Advantage of Insourcing is : 2 points

*Mark only one oval.*

- Lower Management Costs
- Expensive compared to outsourcing
- Not easy to find the right skill at short notice
- Lower level certifications

37. The following is NOT a variant of e-auction. (P/69)

2 points

*Mark only one oval.*

- Reverse Auction
- eProcurement
- Sealed Bid e-auction
- Forward e-auction

38. Full form of SRM is :

2 points

*Mark only one oval.*

- Structural Road Map
- Supplier Relationship Management
- Strategic Review Management
- Supplier Road Map

39. Disadvantages of SRM is :

2 points

*Mark only one oval.*

- Increase efficiency
- Innovation
- Consolidates supply team
- More Impetus on conflicts

40. Advantages of e-auction is :

2 points

*Mark only one oval.*

- Fair method of awarding contracts to L1 vendor
- Low bidding leads to low quality
- Fair method of awarding contracts to H1 vendor
- May lead to Cartel Formation

41. This method of approach is NOT commonly used for determining prices. 2 points

*Mark only one oval.*

- Cost-Plus Pricing
- buy-in Pricing
- Fluctuated Pricing
- Rule-of-Thumb Pricing

42. This is an approach used by supply chain management for procurement of goods and services 2 points

*Mark only one oval.*

- Global Sourcing
- Single Sourcing
- Multi-Sourcing
- Strategic Sourcing

43. One of the following options does NOT serve the purpose of quality management systems 2 points

*Mark only one oval.*

- Improve Processes
- Reduce Waste
- Increased production Cost
- Helps impart training

44. Law of Sale of Goods Act was framed in the year \_\_\_\_\_. 2 points

*Mark only one oval.*

- 1930
- 1924
- 1932
- 1956

45. The process to check whether the product meets the pre-defined performance specifications or not is termed as \_\_\_\_\_ inspections. 2 points

*Mark only one oval.*

- Production Line
- Calibration
- Audit
- Operator Line

46. Inspection is NOT done for the following reasons : 2 points

*Mark only one oval.*

- Analyse between better products and inferior products
- To analyse process capability
- To ascertain if the process is constant
- To ascertain if there is process change

47. This type of sampling plan is not efficient in terms of the average number of samples needed. 2 points

*Mark only one oval.*

- Double Sampling Plan
- Multiple Sampling Plan
- Sequential Sampling Plan
- Single Sampling Plan

48. Under this lot sampling technique only limited number of products from the lots are sent for inspection. 2 points

*Mark only one oval.*

- Single Sampling Plan
- Double Sampling Plan
- Skip Lot Sampling Plan
- Sequential Sampling Plan

49. This is a decision making device, which helps in reasoning. 2 points

*Mark only one oval.*

- Sensor
- Processor
- Memory
- Actuator

50. Full Form of TCP is : 2 points

*Mark only one oval.*

- Total Cost of Purchase
- Total Consumption Plan
- Total Cost of Production
- Time Check for Purchase

51. This pricing is based on the price that competitors charge for the product. 2 points

*Mark only one oval.*

- Target Return Pricing
- Value Pricing
- Going Rate Pricing
- Auction-type Pricing

52. In this phase, the item that needs to be studied is identified and chosen 2 points

*Mark only one oval.*

- Information Phase
- Innovation Phase
- Evaluation Phase
- Orientation Phase

53. The \_\_\_\_\_ document contains information about material arrival date, details of shipping organization, tracking number, a copy of PO number and invoice.

2 points

*Mark only one oval.*

- Delivery Challan
- Goods Receipt Note
- Inspection Note
- Payment Voucher

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