



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

Post Graduate Diploma in Logistics Management Paper – 2

June 2013

Logistics Fundamentals And Processes.

DATE: 09.06.2013

Max. Marks: 100

TIME: 10.00 a.m. to 1.00 p.m.

Duration: 03 Hrs.

Instructions:

1. From part "A", Each sub-question carries 01 mark
2. From "B", answer any 3 - each question carries 16 Marks
3. Part "C" is a case study with sub question – 20 Marks. (compulsory)
4. Please read the instruction on the answer sheet.

Total Marks 32
Total Marks 48
Total Marks 20

PART-A

Total: 32 Marks

I: Multiple choice questions:

Marks (8)

Q1. Which of the following statements is true?

- Transportation and logistics are same.
- Supply chain is a subset of logistics.
- Logistics and supply chain are same.
- Physical distribution and logistics are the same.
- Logistics is a subset of supply chain.

Q2. Which form of marketing communications is most likely to be used by wholesalers?

- print advertising
- in-kind promotions
- sales promotions
- personal selling
- broadcast advertising

Q3. _____ includes all of the activities involved in selling goods or services to those who buy for resale or business use.

- Retailing
- Wholesaling
- Bartering

- Purchasing
- Distributing

Q4. Josie is choosing the mix of products and determining how many product lines she will carry in her teacher supply store. Josie is making the _____ decision.

- target market
- market segmentation
- product-assortment
- store atmosphere
- service level

Q5. Which of the following best describes the retailers that carry more shopping goods, and where customers need more information and assistance?

- self-service
- self-selection
- limited service
- full service
- automated service

Q6. Convenience goods, such as snack foods, are sold through _____ retailing.

- the wheel-of-
- self-selection
- limited-service
- full-service
- self-service

Q7. A concept in retailing that helps explain the emergence of new retailers is called the _____ hypothesis.

- retail life cycle
- wheel-of-retailing
- service-assortment
- product life cycle
- retail profitability

Q8. Which of the following is not one of the four levels of retail service mentioned in the text?

- staffed service
- self-service
- self-selection
- limited service
- full service

II. Expand the following:

Marks :(8)

- FAST -
- ABI –
- DDSN -
- BOM –
- CBP -
- EVA –
- COTS -
- BCP –

III: Fill in the blanks:

Marks (8)

1. -----concerns movement of a finished product to customers.
2. -----Concentrates on managing work –in –process as it flows between stages of manufacturing.
3. -----is concerned with purchasing and arranging in bound movement of materials, parts and/or finished inventory from suppliers to manufacturing or assembly plants,warehouses,or retail stores.
4. Logistical information involves two major types of flows: -----and -----
5. -----is the backbone of overall information system architecture among value chain participants.
6. -----are the interfaces between planning /coordination and operations that detail the timing and composition of where inventory will be positioned.
7. -----refers to the transmission of requirements information between value chain members involved in finished product distribution.

IV: State true or false:

Marks :(8)

1. The longer the forecast horizon, the more accurate the forecast is.
2. Aggregate forecasts are more accurate.
3. Long-term forecasts are usually more accurate than short-term forecasts.
4. Simple exponential method is employed when the demand has no observable trend or seasonality.
5. Rapid response is concerned with a firm's ability to satisfy customer service requirements in a timely manner.
6. Variance is any unexpected event that disrupts system performance.
7. The objective of minimum inventory involves asset commitment and relative turn velocity.
8. Transportation and shipping information directs the movement of inventory.

PART- B

Total (3x16 = 48) Marks

(Any three from the following)

- Q5. Describe the fundamental similarities and differences between procurement, manufacturing support and physical distribution performance cycles as they relate to logistical control.
- Q6. Define basic service, Zero defect or perfect order service, and value added service. Provide two examples of each.
- Q7. Compare and contrast a performance cycle node and a link. Give an example of each.
- Q8. How do the five categories of value added services differ? How are these five categories similar?

Part – C CASE STUDY

Compulsory

(Total: 20 Marks).

Q. 9 The **XYZ** chemical company must ship 9,500 gallons of pesticides from its plant in Cincinnati, Ohio, to a customer in Columbia, Missouri; XYZ has a contract in place with Henderson Bulk Trucking Company as well as with the Central states Railroad. Both carriers are available for the move. Henderson will charge \$600 per tank truck and Central States rate is \$1000 per tank car. Henderson tanks can hold a maximum quantity of 7000 gallons. XYZ has a fleet of 23,500 gallon tank cars available in Cincinnati.

Questions:

- Given the above information, evaluate the cost of each alternative.
- What other qualitative factors should be considered in this decision?