



**INDIAN INSTITUTE OF MATERIALS MANAGEMENT**  
**Post Graduate Diploma in Supply Chain Management &L**  
**Paper 17**  
**WAREHOUSING MANAGEMENT**

**March 2020**

Date: 06.03.2020  
 Time: 10.00 a.m to 1.00 p,m

Max. Marks 100  
 Duration 3 hours

**Instructions**

1. Part A is compulsory. Each sub question carries one mark.
2. In Part B answer any 3 questions. Each question carries 20 marks
3. Part C is a case study with sub questions and it is compulsory.

Total marks-20  
 Total marks-60  
 Total marks-20

**PART A** (compulsory)

(20x1= 20 marks)

(Attempt all questions each question carries 1 mark)

**Q1. State TRUE or FALSE for the following Sentence. (5 Marks)**

1. A contract warehouse allows normal business expansion and contraction in a cost-efficient manner.
2. Preferably, highly hazardous materials should be high in inventory.
3. In the presence of proper warehousing, the whole supply chain will be hampered.
4. The requirement of bandages, dressings and plasters in the warehouse first aid kit depends on the number of employees and nature of work.
5. Centralised inventory control supports no stock out condition.

**Q2. Fill in the Blanks (5 Marks)**

1. The operation and design of a warehouse depend on the \_\_\_\_\_ mix.
2. Selection of a \_\_\_\_\_ site is a difficult process in which various intangible and tangible aspects are required to be taken care of.
3. The supply chain management is based on the need and aspiration of the \_\_\_\_\_.
4. The word 'logistics' originated from the \_\_\_\_\_ language, which alluded to the words such as 'logos', which refer to counting or reasons, 'logistike' referring to the art of calculation.
5. There are two types of costing systems that are applicable to warehousing, i.e., \_\_\_\_\_ costing and activity-based costing.(ABC costing)

**Q3. Expand the following abbreviations (ANY FIVE) (5 Marks)**

1. CPFR    2. SCM    3. FIFO    4. BOM
5. ZPS    6. AS/RS    7. ROI    8. EAS

**Q4.Match the following in column A with those in column (5 Marks)**

Sr.No	A	Sr.No	B
a.	First aid courses	1.	Is the one that takes into view future uncertainties and that aims to make the operations more flexible
b.	Outsourcing	2.	Deals with the services and supply of spare parts required after the product is sold, in order to support customer service
c.	Poor Planning	3.	Many organisations SCM fails owing to inadequate prognosis and inept planning process.
d.	Effective planning	4.	The act of working with a third-party vendor or supplier for providing a service or function that is not part of the core competence of the organisation
e.	After-sales logistics	5.	Instructions to perform specific procedures that are applicable in the warehouse environment including treating wounds, burns and injuries sustained by falling from a height.

**PART – B**

(60 Marks)

Write any three (3) of the following questions - 20 marks each

- Q.5 . What are the differences between Traditional and ABC cost systems? Explain in detail. [20 marks]
- Q.6 a. Explain any five factors to be considered while selecting a convenient warehouse location? [ 10 marks]  
b. Describe various types of warehouses? [ 10 marks ]
- Q. 7 . Describe the impact of supply chain on Warehousing and retail Stores?[20 marks ]
- Q. 8 What are various types of storage equipment? Explain in detail? [20 marks]
- Q. 9 a. Describe Warehouse Employee occupational safety and health ? [10 marks ]  
b. Explain the process of risk assessment in warehousing . [ 10 marks ]

**Part – C(compulsory)**

(20 Marks)

Q.10 Read the following case carefully and answer the questions.

Reduction of retrieving lead Time and Strengthening location accuracy.

Expert Pharma Exports is an organisation that manufacture Pharmaceutical Products in Bangalore and does business with USA and Europe Markets. Every day this organisation has to despatch minimum of 7 to 8 containers and its stores team was witnessing minimum of 5 hours to 6 hours to retrieve the finished products against the packing list and further it was witnessing additional 3 hours to stuff the products into the container and in total it was taking 8 hours to complete one container loading process. This was hampering the process and resulting to 50% deviation against its planned schedule. The Head Warehouse wanted to scrutinize and to set-right the process which enable the team to complete the activities within 3 hours to pack the products into the container. Head warehouse formed a team of four employees to analyse the reasons as to why the stuffing process were delayed and the schedule were not adhered. The team started to analyse from the warehouse to where the products were stored. The team found that, none of the Products were stored in batch wise and none of the product were received batch wise from shop floor. Moreover there were some damages to the shippers during retrieving the products against packing list, handling the receipt of pallets from shop floor and while processing the despatch activities. There was lack of awareness for some of the team members in stores to support the location accuracy in ERP and to store the Products batch wise in warehouse. One batch of Product were scattered in different location and the location details were not updated in ERP. There was month to month variation on Electricity cost due to frequent operation of warehouse doors. Some of the team members were submitting the allegation on management that there is short of place to accommodate all incoming products and the shop floor was not supporting to release the products batch wise.

When the Head of the Warehouse learns about all the problems, he was in a state of shock and decided to bring about a required change. The first move to receive the products batch wise from shop floor and to provide the required space at shop floor to organise the product batch wise at their end. Discussed with stores team members to store the products batch wise and to update the location details in ERP and instructed them to capture the location details in Packing list and to complete all the activities pertaining to one container within 3 hours. Employees were trained on how to handle the products and forklifts were allotted to manage the movement of products from shop floor and to load the products into the container. To reduce the electricity cost, instructed the team members to close the doors of the warehouse when there is no movement of materials. Instructed to adhere perpetual inventory and to prepare monthly cycle counting schedule and to monitor the location accuracy through ERP 100%. Trained Fork lift operators to handle the fork lift without any damages to the products. Finished Products were regularly monitored for any possible damages.

In the following way, the Warehouse Head was able to bring about the desired result. The stuffing of one container completed within 3 hours which inclusive of retrieving the products against packing list. The perpetual inventory are brought in-line with the schedule and the loss or damage of finished products was largely reduced and there was some reduction in electricity charges and apart from the above all activities the halting charges of the vehicle was also covered up.

**Questions :**

- 1) What was done by the warehouse manager to identify the problems?
- 2) What were various issues of stuffing the shipments into the container
- 3) What was the role of employees for not storing the products batch wise
- 4) Why did the variation on power cost month to month and how it got reduced?
- 5) What measures were taken to load the product into the container within 3 hours and to avoid the damages to the products while transferring from shop floor?

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