

**INDIAN INSTITUTE OF MATERIALS MANAGEMENT
POST GRADUATE DIPLOMA IN MATERIALS MANAGEMENT
GRADUATE DIPLOMA IN MATERIALS MANAGEMENT**

**Paper-11 (New)
LOGISTICS & SUPPLY CHAIN MANAGEMENT**

Date: 11.12.2007
Time: 10.00AM to 1.00PM

Max. Marks: 100
Duration 3 hours

Instructions:

1. From Part-A, answer all questions (compulsory), each sub question carries 1 mark.
Total Marks: 32
 2. From Part-B, answer any 3 questions out of 5 questions. Each question carries 16 marks.
Total Marks: 48
 3. Part-C is a case study with sub-questions (compulsory). Read the case study carefully and answer the questions.
Total Marks:20
 4. Please read the instructions on the answer sheet carefully.
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PART -A

Total Marks: 32

Q.1. State whether True or False:

- a) Transportation is not a major cost element in Logistics.
- b) One of the major objectives of the logistics system is excellent customer service. .
- c) Increased accuracy reduces uncertainty in decisions.
- d) "Information is not major factor in logistics competitiveness".
- e) Logistics is sometimes referred to as the other half of marketing.
- f) Primary task of Inventory Control is to determine stock limits.
- g) Inventory Control blames supply and demand.
- h) Storage is not a critical element in the logistics operations.

Q.2. Fill in the blanks:

1. The Logistics concept is based on the _____ approach.
2. Order processing is an important _____ in logistics _____.
3. Inland Water Transportation (IWT) is an _____ transportation mode
4. For VMI to be successful ,three things are essential, i.e. the right partner, Right set of products, and _____.
5. Irregular truck bed affects the _____ of packages on uneven contours.
6. Packages alone cannot be a _____ for _____ thefts and pilferage. .
7. The logistics strategy formulation is not the _____, which can be _____ in isolation.
8. Productivity is an important _____ measure of the efficiency of the _____.

Q.3. Match Column-A and Column-B:

(i) Logistics is also referred to	a) all about reliability .
(ii) Stock availability is not	b) in courier services and air and sea cargo .
(iii) Defective products carrying harm to human life	c) as physical distributors.
(iv) Track and trace system is commonly used	d) an important measure of customer service .
(v) Logistics adds value	e) are called back to the factory.
(vi) Logistics quality is	f) by having a Purchase Order/ agreement In place .
(vii) One saves much time in negotiating and pricing	g) when inventory is correctly positioned to facilitate sales.
(viii) Inventory levels can be reduced by	h) elimination of low turnover / obsolete items .

Q.4. Write short notes (on any four)

- a) Reverse Logistics
- b) Private Warehouses
- c) Third Party service provider
- d) Conveyors in Materials handling
- e) E—Tracking
- f) Definition of Customer Service. .

Part-B

Total Marks: 48

(Answer any THREE questions)

- Q.5.** Discuss the various Customer Service attributes of the logistical system..
- Q.6.** Discuss the site selection criteria for warehouse locations.
- Q.7.** Describe the role of logistics in the success of the supply chain of a firm
- Q.8.** Explain the benefits of logistics outsourcing .
- Q.9.** Explain the role of intermediaries in Global Logistics

PART-C

Total Marks: 20

(Case study compulsory)

Q.10. M/s. Laxmi Manufacturing Co. produces special kinds of Televisions and its parts., where a part cost one rupee per unit. Annual requirement is 2,50,000 numbers. Lead time is 6 weeks. Demand is 4810 with a standard Variation of 400 per week. The Co. wishes to maintain a service level of 95 % ($k= 1.64$), Normal lead time is 6 weeks and maximum lead time that occurred in the past was 10 weeks and the cumulative probability of its occurrence, i.e. 7, 8, 9, and 10 weeks was 0.25. The ordering cost is Rs. 60/- and the Inventory carrying cost works out as 30 % _____

Based on these, calculate---

- (i) the EOQ,
- (ii) safety stock for the fixed order quantity (Q) system,
- (iii) Revised EOQ, if inventory carrying cost would get revised to 25 %.
- (iv) plot the normal graph (not to scale) for EOQ .
