

Indian Maritime University
(A Central University, Govt. of India)
MBA-International Transportation and Logistics Management
PG22T2403 (Semester IV)
Purchasing and Supply Chain Management
May/June 2018 End Semester Examinations

Time: 3 Hours
Date: 30.05.2018

Max Marks:60
Pass Marks:30

SECTION A

12 X 1=12 Marks

Answer all the questions
All the questions carry equal marks

1. _____ means that customer orders start the work process, which ripples through the supply chain.
 - a. Flow
 - b. Striving for excellence
 - c. Pull
 - d. MRP

2. _____ can be defined as that amount of an organization's total procurement budget that is purchased from unauthorized sources.
 - a. Indirect spend
 - b. Direct spend
 - c. E-commerce
 - d. Maverick spending

3. _____ equals $(\text{Quality} + \text{Technology} + \text{Service} + \text{Cycle Time}) \div \text{Price}$.
 - a. Efficiency
 - b. Value
 - c. Total cost
 - d. Target cost

4. The emphasis of the _____ is on obtaining sufficient revenue to pay for operating cost rather than on profit.
 - a. price volume model
 - b. promotional pricing model
 - c. revenue pricing model
 - d. market skimming model

5. _____ seeks to expand the value or resources available to all participants through collaborative negotiation.
 - a. Win-win negotiation
 - b. Distributive bargaining
 - c. Competitive bargaining
 - d. Lose-lose negotiation

6. In _____, a buyer selects or develops suppliers with multiple or redundant capabilities. If problems occur with a primary source of supply for an item, the secondary supplier, which is the supplier for another purchased item, then assumes ownership of the sourcing process.
- single sourcing
 - cross-sourcing
 - global sourcing
 - strategic sourcing
7. Which of the following **is not** one of the conditions under which negotiation is effective?
- When the purchase requires agreement about a wide range of performance factors.
 - When the buyer requires early supplier involvement.
 - When the specifications or requirements are clear to the seller.
 - When the supplier cannot determine risks and costs.
8. _____ helps ensure that customers receive material when and where they require it.
- Order processing
 - Inbound transportation
 - Production control
 - Scheduling
9. Examples of irregular dealings with suppliers include all of the following *except* _____.
- accepting bribes from suppliers
 - accepting business lunches before a contract is negotiated
 - accepting late bids
 - owning a stake in a supplier's company
10. The _____ supplier evaluation system seeks to quantify the total cost of doing business with a supplier, as the lowest purchase price is not always the lowest total cost for an item or service.
- Six Sigma
 - zero defects
 - cost-based
 - categorical

- 11 _____ expresses a maximum number or level of defects allowable for any particular product, assembly, or service.
- a. Effectiveness
 - b. Efficiency
 - c. TQM
 - d. PPM
- 12 _____ is the process of identifying cost considerations beyond unit price, transport, and tooling.
- a. Total cost of ownership
 - b. Price analysis
 - c. Make-buy analysis
 - d. Portfolio analysis

SECTION B

5 X 4 = 20 Marks

Answer any 5 out of 7 questions
Each answer should not exceed 200 words

- 13 Identify the skills required for effective negotiator in procurement.
- 14 Identify reasons for global sourcing of materials. Mention few advantages and disadvantages.
- 15 What are some of the factors that would influence whether a firm centralizes or decentralizes its supply management organization?
- 16 Compare features in purchasing different resources like consumables MRO and capital assets
- 17 How JIT purchasing approach is different from traditional purchasing system?
- 18 Formulate a frame work for strategic cost management based on number of suppliers and value of the products.
- 19 Explain some of the Market-Driven Pricing Models in supply chain

SECTION C

4 X 7 = 28 Marks

Question No. 20 is compulsory

Answer any 3 out of 5 remaining questions

Each answer should not exceed 500 Words

20. Suppose your organization is attempting to set up a new strategic alliance with a supplier. You are considered the key manager from your organization to manage this alliance.
- What would be your goals for the planning stages of this proposed alliance?
 - What would be your goals for the first few months of the alliance?
 - What would be your long-term goals for the alliance?
21. What is meant by procure to pay process? Explain various stages in the process
22. What is meant by spend analysis? Explain how it influences in category strategy development
23. Why is it important to include policy that outlines the origin and scope of purchasing authority? What might happen if such a policy did not exist?
24. What is the total cost of ownership concept? What are some of the challenges that must be overcome when implementing a total cost measurement system?
25. What is a purchasing performance measurement and evaluation system?
Why would a firm want to measure purchasing performance?
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