

VPM's
DR VN BRIMS, Thane
Programme: MMS (2016-18) (Operations)
Third Semester Examination October 2017

Subject	Materials Management		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	24.10.2017

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

Sakshi garments Ltd. Was established in 1975 at Chennai .it is a 100% export oriented unit having a similar unit at Dehradun. The company manufactures readymade garments and the garments unit employed 500 workers. The garment unit consists of measurement, cutting, stitching , finishing and packaging sections. Most of the processes have been automated in recent years. The garment unit is headed by vice president A.K. Ghosh aged 45 years, an engineer by training who has been with the company since its establishment. He has risen fast to this position by virtue of his capability and hard work. His concern is to maintain the productivity standards of the company while keeping morale of the workers high. In December 1996 the company saw a decline in the profitability .which was reviewed by Mr. Ghosh . he found that overtime cost had increased due to less productivity of workers which have not been noticed by supervisors. So management had entered into an agreement with the recognized union for fixing performance standards & deduction of wages if any shortfall.it was mainly from stitching section only around 60-65% performance. So management team decided to take corrective action. In Feb1997 team decided to deduct proportionate wages for work not done as per std. performance.stitching section workers agitated against the deduction of wages.as a trial 2 workers have been sent on comparatively complex machine who achieved 107 % of the set performance norms within 45 days. Thus seeing the two junior workers as a role models, other workers also begun to show improvement in their performance around 96% of set norms. Mr. Ghosh was feeling at ease on may 1997, assuming that the strategy has worked.

Questions:

1. Why had performance declined in the company?
2. Who was responsible for the problem?
3. Had you been in Ghosh's position, how would have you handled the situation?
4. Has the problem been resolved in the case? Comment

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain the execution process for letter of credit with diagram.
- b) What are the factors that influence material planning? Explain in Detail.
- c) In context of capital equipment distinguish between leasing & hire purchase.

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What types of stores comes under special store category? Explain with an example.
- b) "Materials management plays important role in optimization of overall profitability of any firm". Elaborate.
- c) What are the modes of disposal? Explain with an example.

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Speaker Kits, Inc., packages high-fidelity components for mail order. Components for the top-of-the-line speaker kit, “Awesome” (A), include 2Bs & 3Cs. Each B consists of 2Ds & 2Es. Each of the Cs has 2 Fs & 2 Es. Each F includes 2 Ds & 1 G. It is an *awesome* sound system. Determine the number of units of each item required to satisfy demand for a new order of 50 Awesome speaker kits. Provided 100 Fs are there in stock.
- b) Differentiate between independent and dependent demand inventory. Dependent demand inventory items do not need to be forecast. Why not? Explain with the help of examples?
- c) Write a short note on intermodal transportation.

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Write a short note on backdoor selling.
- b) Explain with an example LIFO & FIFO method for costing of the issues to production.
- c) Explain the different types of containerization with their advantages.

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Discuss the interface of materials management with other function in a manufacturing organization such as
 - Marketing
 - Finance
 - Supply Chain
- a) Explain signification of ‘Standardization’ of Materials. What are the advantages and disadvantages of Standardization?
- b) Explain 10C’s for Supplier Selection.

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Write a short note on
 - i. Objectives of Materials Management
 - ii. Disposal of Scrap
- b) What kind of issues may arise if material planning is not done properly?
- c) What is the scope of materials management? Define the various roles of materials management in the context of internal and external interfaces to a materials management system.