VPM's
DR VN BRIMS, Thane
Programme: MMS (2018-20) (Operations)
Third Semester Examination October 2019

Subject	Supply Chain Management		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	25.10.2019

Q1) 20 Marks (Compulsory), Attempt Any FOUR from the Remaining SIX Questions

This is with reference to a well-known Pharmaceutical (drug/medicine) company making a broad range of products. The company makes prescription drugs that is be sold via chemists/pharmacies, additionally they also make tonics and pain killers for which there is a good demand in market. Some of these items are sold in supermarkets (such as headache tablets, tonics, diet supplements). Obviously, supermarkets offer significantly greater sales potential. Traditionally, they have been sold only in chemists. However, as the overall market has become more health conscious, the major supermarket chains have approached the pharmaceutical firm, as they now want to also sell this product.

The chemist's channel is not happy with this news. Obviously, the supermarket chains are in a position to under-cut them on price, which would mean that they would lose this profitable product line, as well as a number of their customers who only visit a chemist to buy this product. Therefore, the chemist's channel has indicated to the firm that they want to keep their exclusive arrangement in place; otherwise they will be less willing to distribute the firm's range of other products (that is, medicines). The company does not wish to part with their traditional channels for fear of loosing their prescription drug market. However, company wishes to increase its sales volume and revenue that chemist are unable to hold larger stocks of tonics and pain killers.

    A. What are the ways in which the company can resolve the differences among the supermarkets and traditional drug stores?

    B. What would be suggestions for pricing and other support activities so as to ensure that customers are not lost due to above problem?

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

    a) Consider the situation that you are a regular air traveler and you participate in buying process while in flight. Analyze the way in which the order cycle is completed

    b) An item such as cosmetic Jewelry is offered in above auction. Suggest suitable network to fulfill air traveler's order requirement

    c) Food item are served on payment basis to passengers. Design a suitable supply chain for the following menu: Sandwiches with cold or hot drinks

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

a) A company wishes to procure a CNC machine for enhancing their production. The machine is to be installed at their factory in Baroda. You are the purchase manager interested to procure the above equipment. Outline the steps and explain the importance of the purchase process.

b) The supplier of the machine has informed about the readiness for the dispatch. What information would you need in order to successfully receive the equipment. Specify the nature of documents.

c) The equipment is capital item, Analyze the various risks involved.

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

A biscuit manufacturer sells in urban market a popular brand of biscuits consumed by children and youth. The company has set up a distribution network consisting of wholesalers and retailers. They also provide to industrial catering contractors. The company is taking a

performance review of its distribution network. In your answer create a comparison metrics of performance.

a) What parameters would be suitable for evaluating wholesaler performance?
b) What parameters would be suitable for evaluating Retailer performance?
c) What parameters would be suitable for evaluating Industrial caterer performance?

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

a) Table provides the distribution cost per unit:

	Plant 1	Plant 2	Market C1	Market C2	Market C3
Warehouse 1	0	5	4	5	6
Warehouse 2	5	2	3	1	3

   Situational Constraint: Plant p2 has an annual capacity of 60,000 units
   Markets C1, C2, C3 has the demand 50,000, 100,000 and 50,000 respectively
   Two plants have same production costs.
   Minimize the distribution cost and decide the flow of products from plant through warehouses to market areas C1,C2, C3

b) Walmart is sourcing clothing material from three countries-Bangladesh, Indonesia and Vietnam. The clothing is procured on similar orders from suppliers in these countries. How would containerization help Walmart to reduce the cost of shipping to USA.

c) A product has yearly demand of 10000 quantities, Number of working days per year are 250. Lead time to get the inventory from the supplier is 5 days. Calculate re-order point quantity.

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

a) A retail company wants to make volume sale of its products from Mumbai city. It has chosen to use its warehouses in suburb of thane. The company also has smaller retail outlets in the city. The company has developed its portal to book orders and thereby increases the volume of sale. A customer has a choice of convenience and low cost. What warehouse processes would be most suitable to the company in order to affect efficient delivery to the customers.

b) A company has number of warehouses in India. As a strategic decision it has decided to use few of the warehouses as distribution centers. What changes would be required to covert warehouses to distribution centers.

c) If a company wants to apply the idea of risk pooling, what needs to be done to minimize the cost of inventory.

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

a) What are the cost implications of below inco-terms, Ex-Works, CIF, FOB, Door Delivery.

b) What are the situations in supply chain that result in reverse logistics?

c) In the case of Mumbai Dabbawalas, Design the operational performance metrics.