

**VPM's**  
**DR VN BRIMS, Thane**  
**Programme: PGDM (2019-20)**  
**PGDM Trimester V Examination December 2019**

<b>Subject</b>	<b>Distribution and Supply Chain Management</b>		
<b>Roll No.</b>		<b>Marks</b>	<b>60 Marks</b>
<b>Total No. of Questions</b>	<b>7</b>	<b>Duration</b>	<b>3 Hours</b>
<b>Total No. of printed pages</b>	<b>2</b>	<b>Date</b>	<b>06.01.2020</b>

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

**Q1) 20 Marks (Compulsory)**

**Source: The Economic Times, 12<sup>th</sup> December 2019**

**India needs to demonstrate willingness to become part of global supply chain: US**

India needs to demonstrate its willingness to be a part of the global supply chain by taking steps towards resolving larger market access issues, a top US diplomat has said, expressing hope that a bilateral trade deal being negotiated can be a "stepping stone" to more ambitious trade liberalisation. Speaking at a programme to commemorate the 60th anniversary of President Eisenhower's Historic Visit to India, Acting Assistant Secretary of State for South and Central Asia, Alice G Wells, said during the programme organised jointly by the South Asia Center of the Atlantic Council and The Asia Group.

"The talks are in a better place. They take much longer than we would like. The deal will be modest but hopefully a stepping stone to more ambitious trade liberalisation," Wells said during the programme organised jointly by the South Asia Center of the Atlantic Council and The Asia Group. She said India needs to demonstrate to the international community its willingness to become a part of the global supply chain. "But this is something we really see India needing to demonstrate, not just to the United States, but to the international community, its willingness to become a part of that global supply chain. This could, we hope, also be a first step towards resolving larger market access issues, including in sectors affected by India's data localisation and e-commerce policies," Wells said. "Our goal remains to continue expanding trade and investment in a way that's fair, balanced and reciprocal," she added. Noting that the bilateral trade between India-US grew to USD 142 billion, Wells said that the two countries are doing well and increasing the amount of trade, with the deficit decreasing largely due to strategic investments by India in energy imports. She said there is an intense interaction between US Trade Representatives and India. In September, US President Donald Trump said that America will soon have a trade deal with India to boost economic ties between the two nations. India is demanding exemption from high duties imposed by the US on certain steel and aluminium products, resumption of export benefits to certain domestic products under their Generalised System of Preferences (GSP), greater market access for its products from sectors, including agriculture, automobile, auto components and engineering. The US, on the other hand, wants greater market access for its farm and manufacturing products, dairy items and medical devices, and cut on import duties on some information and communications technology (ICT) products. "I think there's a high expectation based on the conversations between President Trump and Prime Minister (Narendra) Modi that a deal will be finished and that will serve as a stepping stone for what need to be broader conversations," she said. "We spend a lot of time talking to private sector who are very focused on emerging legislation in India on data localisation, privacy, e-commerce. These are issues that we're all grappling with," she said. Wells said in general, the US is concerned about the growing data protectionism that is seen worldwide. The two countries have demonstrated phenomenally what they can accomplish when there is free flows of data. "We estimate about eight per cent of India's GDP can be attributed to IT companies that rely on this free flow of data that we should be able to propel forward a data relationship that sets a high standard for the free flow," Wells said. Asserting that nobody can doubt that under the Trump administration "trade is strategic", Wells said having a fair and reciprocal trade is the "foremost issue" for President Trump. "When I speak to major companies and they talk about how they assess, everyone's excited about India and wants to be in India and part of what's going to happen in India. But it shouldn't just be for producing for the domestic market," she said. "If India wants to be an exporter, if India wants to use trade to drive job production and to address some of the economic challenges it's currently facing, it needs to be competitive in its exports, which many companies say right now, it's not because of the tariff barriers," Wells said. "So, this is not just a US-India trade issue. It goes to the very ambitions of what India wants to achieve and what we want to achieve with India," Wells said.

- a) "The US wants greater market access for its farm and manufacturing products, dairy items and medical devices." Express your thoughts with respect to benefits and demerits of the same.

- b) Analyze the importance of information in efficient supply chain with context to the case above.

**Q.2 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?

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

- a) "A" is a manufacturing company of Mineral water. They want to position themselves as competitor of "Bisleri". The company is in the process of designing the distribution channel. Design the distribution channel for them.  
b) A distributor maintains certain stock of finished goods in store. The details for which are given below:  
Weekly demand for the product: 200  
Unit cost of Raw Material: INR 300  
Ordering cost INR 460  
Carrying cost percentage: 20% per annum. Calculate EOQ.  
c) ABC is the manufacturing firm for electrical equipments. They want to calculate the total cost associated with the inventory to evaluate the supply chain performance. Apply the principles of inventory management and create the list of different costs associated with the inventory.

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

- a) Create a format of purchase order for industrial equipment.  
b) What is bullwhip effect? Evaluate the solutions to reduce bullwhip.  
c) Design warehouse processes which would be most suitable to the company in order to effect efficient delivery to the customers.

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

- a) How 4PL is different than 3 PL? Explain with suitable example  
b) Consider a scenario where a retailer has decided to provide a high level of variety while carrying low level of inventory but has selected suppliers based on their low price and not their responsiveness. Analyze the situation. What will happen? Which is that SCM concept applicable in this scenario?  
c) Identify common risks associate with supply chain.

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

- a) We go to a Big-Bazaar store to purchase an item, say a detergent. Draw a basic supply chain for this.  
b) What is Stock out situation? Explain the same with suitable example.  
c) Evaluate the future role of IT in supply chain.

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

There is several design options for distribution networks such as drop shipping, In-transit merge networks, distributor storage with career delivery, last mile delivery, distributor storage with customer pick up etc. Which option will you use under following scenario? Why?

- a) High variety, high value items with low and unpredictable demand.  
b) Order coming from different locations, so the customer receives the order by single delivery.  
c) Inventory is not held by the manufacturers, but is held by distributor/retailer in intermediate warehouses. Package carriers are used to transport items from the retailer to the customer. Higher inventory capacity is needed than the manufacturer, since demand uncertainty is aggregated at a lower level!