

VPM's  
DR VN BRIMS, Thane  
Programme: MMS (2013-15)  
Third Semester Examination October/November 2014

MMS-III Subject <i>Operations</i>	Advanced Supply Chain Management (ASCM 03)		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	3	Date	07/11/2014

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

Q1) 20 Marks (Compulsory)

Q1. Select the right answer and give two lines explanation for your selection:

- i. Which of the following factor influence supply chain?
  - a. Weather forecast
  - b. Government
  - c. Economic policies
  - d. Social traditions
- ii. The statement "Poor demand forecast can create problems in supply chain" is
  - a. True
  - b. False
  - c. Depends
  - d. None of the three answers
- iii. Better supply chain management results into
  - a. Increased profits
  - b. increasing delays
  - c. Proper inventory controls
  - d. superb customer service
- iv. Service industry doesn't need supply chain management. True or False ?
  - a. True
  - b. False
  - c. May be
  - d. None of the three answers
- v. Government decides to increase interest rates
  - a. EOQ will increase
  - b. EOQ will remain same
  - c. EOQ will decrease
  - d. Thinking about EOQ is waste of time
- vi. Inventory costs are likely to be higher in the initial phases of a manufacturing process because
  - a. Product lead times are shorter initially, so more inventory is required
  - b. Inspection costs accrue as materials or unfinished products are delivered
  - c. "Chasing" costs add to inventory cost
  - d. Setup costs are highest at the beginning of a manufacturing run
- vii. Lean Manufacturing is originally driven from
  - a. TOM
  - b. TPM
  - c. TPA
  - d. TPS
- viii. ERP has played following roles in SCM
  - a. Systems can show current status of operations.

- b. Suppliers can communicate with customers in real time.
  - c. Transactional processes can be automated.
  - d. Security enhancements can segregate enterprise business processes
- ix. In designing the supply chain strategy, what is one of the most important considerations?
- a. customer needs
  - b. management capabilities
  - c. availability of suppliers
  - d. geographical coverage
- x. The MOST significant result of globalization and increased terrorist threats is:
- a. increased transportation costs
  - b. tighter security requirements and increased restrictions on business transactions
  - c. increased supply chain lead time
  - d. shorter product life cycles

**Attempt Any FOUR from the Remaining SIX Questions**

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

- a. Explain what demand forecasts are and how it impacts production, marketing, finance and personnel department decisions?
- b. How will you reduce impact of bullwhip effect?
- c. What could be the different objectives under consideration while setting up distribution network?

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

- a. What steps you will take to reduce inventory management issues.
- b. In what circumstances you will decide to make a product than buying it.
- c. Explain in brief 5 factors which influence supply chain.

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

- a. What is supply chain? Explain in brief different components of supply chain?
- b. Explain how proper supply chain management helps company.
- c. If you are asked to set up distribution channels, explain the steps you will take.

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

- a. Find out demand for July using 3 months simple moving average method and 5 months simple moving average method.

Month	Jan	Feb	Mar	Apr	May	Jun	Jul
Bottles	1,325	1,353	1,305	1,275	1,210	1,195	?

- b. How ERP has helped supply chain? Explain in brief
- c. Explain giving examples when you will use push, pull or push-pull strategy.

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

Company ILL sells product X for 2200 Rs per unit. Annual demand for this product is 400 units. Company buys it from the manufacturer A for 2000 Rs per unit. Holding cost per unit is 200 Rs. Ordering cost is 100 Rs per order. (Answer any Two of three questions)

- a. Calculate
  - i. Calculate economic order quantity?
  - ii. What will be total profit made by the company in one year
- b. If lead time for product is 7 days then with diagram explain
  - i. Location of Reorder point
  - ii. Explain why safety stock is needed
- c. What is Bullwhip effect? What factors contribute to Bullwhip effect?

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

- a. Explain five reasons why you will go for strategic alliance.
- b. Explain advantages of aligning with Third Party Logistics (3PL) company.
- c. Explain 7 wastes focused in Lean manufacturing.