Subject	Materials Management & Transportation		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	27.10.2015

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

Q1) 20 Marks (Compulsory)

Please read the case carefully. Any assumptions made must be clearly defined in your answer.

Renuka Machines Manufacturing Corporation

Renuka Thomas, president of Renuka Machines Manufacturing Corporation (RMMC), is concerned about company's choice of supplier for cleaning brushes, which are used in the company's data processing equipment. Renuka occasionally plays Tennis with Sheela George, President of George Machine Company (GMC), one of the Company's suppliers of cleaning brushes.

Recently, Sheela complained to Renuka that her company has been having difficulty in getting traditional share of Renuka's brush business. On the last buy, Sheela's company failed to get any business, even though Sheela believed she was the low bidder. Renuka tells Sheela that normally she does not get into the details of procurement, but she promises to ask her purchasing manager Dannis Chako to investigate.

The next day morning Renuka calls Dannis Chako and tells him of Sheela's complaint. He said, he does not want to influence the company's procurement policies, but he does not feel that Renuka should investigate to make sure that Sheela's firm was treated fairly.

Purchasing Manager Dannis discovers that Sheela George Machine Company was indeed low bidder on the last buying. Quotation for on order of 20,000 units were as under:

Sheela George Machine Company	Rs. 2.22
Data Matics Electronics Company	Rs. 2.23
Royal Tools and Machine Company	Rs. 2.25

Royal and Data Matics each got orders for 10,000 pieces. Royal has done considerable development work on brushes, while Sheela and Data Matics have done very little. The quality and delivery records of the three suppliers on the last ten orders for the brush are shown below. Renuka Machine's mfg. quality control development has set an acceptable quality level of 3 percent on the brush:

Supplier	Quality Ordered	Quantity Defective	Delivery
Royal	4,000	122	One week early
Data Matics	4,000	92	One week late
Sheela	3,000	120	On time
Sheela	6,000	162	Two week late
Royal	4,000	38	On time
Data Matics	5,000	29	One week early
Sheela	2,000	88	1000 pieces on time, 1000 pieces four weeks late

Data Matics	6,000	98	Two weeks late
Royal	4,000	45	One week early
Sheela	5,000	162	One week late

Questions:

a) Is Dannic Chaco justified in eliminating Sheela Machine Company as a supplier of brushes? Explain.(5 Marks)

b) In what respect is the complaint from Sheela Machine Company Justified?(8 Marks)

c) Prepare a report for Renuka Thomas explaining the decision to eliminate Sheela Machine Company as a supplier, use quantitative data as much as possible to support your answer?(12 Marks)

Attempt Any FOUR from the Remaining SIX Questions

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

   a) Which are the different costs involved in materials management?
   b) Explain the factors influencing material planning.
   c) Explain advantages & disadvantages of centralized buying.

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

   a) Describe the range of buyer-supplier relationship.
   b) Explain the role of purchasing manager.
   c) what are the common terms of payment in Import.

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

   a) Explain classification of material on the basis of its nature.
   b) Explain the methods for identifying materials.
   c) Write short note Kodak codification system.

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

   a) What are the different types of stock verification?
   b) Explain the activities of materials management covered by computerization.
   c) What are the types of containerizations? Explain advantages & disadvantages of containerization.

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

   a) What is MRP? Explain Inputs & outputs of MRP.
   b) Explain Objectives, advantages & disadvantages of standardization in materials management.
   c) Differentiate between obsolete, surplus & scrap. What are the reasons for the occurrence of obsolete items?

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

   a) Explain functions of materials management.
   b) Explain Carter's 10 C's of Supplier Selection.
   c) Define following terms with an example:
      1. Bill of lading
      2. Certificate of origin
      3. Bill of entry

4. Markings on packages
5. Bill of sight