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12MBA41

Fourth Semester MBA Degree Examination, Dec.2015/Jan.2016
Supply Chain Management

Time: 3 hrs.

Max. Marks: 100

Note: 1. Answer any THREE full questions from PART A.
2. PART B and PART C are compulsory.

PART A

- 1 a. What do you mean by VMI. (03 Marks)
b. Discuss the various drivers of supply chain. (07 Marks)
c. List different distribution network design and explain any two with a neat diagram. (10 Marks)
- 2 a. Define milkrun? (03 Marks)
b. What do you mean 3PL? explain its advantages. (07 Marks)
c. Elaborate various managerial levers to achieve the co ordination in supply chain. (10 Marks)
- 3 a. What do you mean by strategic fit. (03 Marks)
b. What are the factors influence the design of distribution network? Discuss briefly. (07 Marks)
c. Elaborate the supply chain challenges faced by the Indian FMCG sector. (10 Marks)
- 4 a. What do you mean by cycle view of the supply chain? (03 Marks)
b. Briefly discuss the various factors which cause a bullwhip effect in a supply chain. (07 Marks)
c. Discuss in the detail CPFR and its organizational requirement. (10 Marks)
- 5 a. What do you mean by cross docking? (03 Marks)
b. Briefly discuss the trade off between transportation cost and inventory cost. (07 Marks)
c. Elaborate how the third party (out sourcing) will increase the supply chain surplus. (10 Marks)
- 6 a. Define revenue management. (03 Marks)
b. With suitable example explain logistics interface with marketing. (07 Marks)
c. Give an overview of Indian infrastructure for transportation. (10 Marks)

PART B

- a. Price is not the only factor in selecting the supplier justify. (05 Marks)
- b. Automobile manufacturer decides to outsource its engine castings (strategic item). What should be its approach towards supplier relationship? (05 Marks)
- c. Suggest a revenue management strategy for ware house management company and smart mobile phone manufacturing company. (10 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg. 42+8 = 50, will be treated as malpractice.

PART C

8 Case Study :

When Lee Iacocca gave the go ahead to Chrysler's Neon project in 1990, he was taking a big risk. Until that time ; no American subcompact car had been able turn a profit for its manufacturers. But Chrysler's Neon ultimately reversed this trend; mainly because of the unprecedented partnerships Chrysler entered into with its suppliers in the earliest stages of Neon project. Robert Marcell , head of Chrysler's small car division, knew that such partnerships held the key to success. In order to make a profit Marcell had to meet stringent production schedules for which he had to bring suppliers on board early. This is crucial because outside companies furnishing 70% of the value of the car in the form of tyres, sets, suspension and other components.

In an unprecedent move, Marcell allowed engineers from key potential suppliers to drive the first Neon prototype during an October 1990 meeting. His team then issued a cost challenge, inviting suppliers to make use of sensitive Chrysler's financial data and ideas in a mutual effort to cut the costs.

Companies who entered into this unique partnerships found that collaborating with Chrysler was a two way street. For example Johnson controls, Inc, was initially to make the Neon seats with in Chryslers price targets, but Chrysler was unhappy with their safety, weight and comfort. After the supplier partnership agreement, ten Chrysler's engineers moved to Johnson control firm to work with their engineers. After working together for five days, together the partners agreed on new weight, cost and performance standards that were so on target that they didn't have to be changed again.

As a result of this unique partnerships Chrysler was able to accept higher component costs from Johnson controls because of overall savings for Chrysler. At Chrysler request, Johnson designed some rear seats with the capability of folding down to expand trunk space. But Chryslers engineers insisted that Johnson design the special seats so that they could be installed the same way on other seats. This made each seat cost more, but Chrysler ultimately could save about one million dollars in final assembly costs. Thanks to its successful partnerships with Johnson controls and other major suppliers, Chrysler met its stringent cost and time deadline for Neon and came out with Detroit's first profibale subcompact car in the bargain.

- a. Discuss the approach of Chrysler's operations managers in developing, and building Neon. (05 Marks)
- b. What are the benefits of involving suppliers at the early stage of product development? (05 Marks)
- c. Comment on the trust in Chrysler's supply chain. (05 Marks)
- d. Discuss the relevance of case study to the supply chain management. (05 Marks)

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