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Fourth Semester MBA Degree Examination, June/July 2015
Supply Chain Management

Time: 3 hrs.

Max. Marks: 100

Note: 1. Answer any THREE questions from Q.No. 1 to Q.No. 6.
2. Question No. 7 and 8 are compulsory.

1.
 - a. What do you mean by strategic fit? (03 Marks)
 - b. Explain and illustrate the cycle view of supply chain process. (07 Marks)
 - c. Explain the factors to be considered while scoring and assessing the suppliers. (10 Marks)

2.
 - a. What do you mean by the term distribution in supply chain management? (03 Marks)
 - b. Explain the condition under which revenue management tactics can be effective. (07 Marks)
 - c. Discuss the role of each drivers in creating strategic fit between the supply chain strategy and competitive strategy. (10 Marks)

3.
 - a. Define the bullwhip effect. (03 Marks)
 - b. What are the factors influencing distribution network design? (07 Marks)
 - c. What modes of transportation are available for shipment of goods? Identify their strengths and weaknesses. (10 Marks)

4.
 - a. Define manufacturing postponement. (03 Marks)
 - b. List the different IT solutions for supply chain management. Explain any one in detail. (07 Marks)
 - c. Explain the various approaches adopted to the analysis of logistic system. (10 Marks)

5.
 - a. Define 3PL and 4PL. (03 Marks)
 - b. Explain the importance of demand forecasting. (07 Marks)
 - c. Explain the various design option available for distribution network. (10 Marks)

6.
 - a. List the benefits of outsourcing. (03 Marks)
 - b. Explain how reduction in lead-time can help supply chain reduce safety inventory without hurting product availability. (07 Marks)
 - c. Write short notes on:
 - i) Continuous replenishment programs (CRP);
 - ii) Aggregate planning. (10 Marks)

7.
 - a. Why has the online channel been more successful in the PC industry compared to the grocery industry? In future, how valuable is the online channel? (05 Marks)
 - b. Why do you think Wal-Mart owns a fleet of trucks, though most retailers do not? What are the advantages Wal-Mart will gain by having own fleet of trucks? (05 Marks)
 - c. Titan offers two brands of Watches-Sonata and Fastrack. Sonata is targeted for a mass market, while Fastrack is targeted at a premium segment. Should Titan manage both brands with the same supply chain? Should they share warehouses, transportation, supply chain software and other assets? Should Titan handle them separately in all areas of business? (05 Marks)
 - d. Compare and contrast issues involved in vehicle routing in the following application:
 - i) Milk collection for a dairy co-operative.
 - ii) Employee pick-up for a software company. (05 Marks)

CASE STUDYWeld Well Company

Weld Well (WW), a leading company, has been buying its office supplies from the same supplier for some time. Jayanta, a salesman of the office supply company, has been calling on WW for over 3 years. Much to Jayanta's dismay, it has always been the practice of WW to buy the smallest size available of a particular for-part preprinted billing form at a cost of Rs.615 for 10,000 forms. These forms contain the WW logo and standard information printed on them. The rationale for the particular buying policy was to spend the least amount of money possible on office stationery items.

Recently, Mr. Thakkar of WW attended a training programme on supply chain management (SCM) arranged by a local business school, which dealt with inventory systems and material management. Thakkar was anxious to save WW money by applying the techniques he learned in the class. When Jayanta contacted Thakkar he was amazed to learn that he wished to purchase the largest lot size of the for-part billing form. It was 30,000 forms at Rs.1750. Jayanta could not believe the sudden change in policy. Upon questioning Thakkar, he found that he used a quantitative model by which the cost of inventory holding and the ordering costs can be balanced, yet maintaining adequate office supplies. Thakkar explained that by analyzing all the relevant variable costs, he could save substantially (on an annual basis) by purchasing the larger quantity of pre-printed billing forms.

Questions:

- a. Explain the rationale of Mr. Thakkar of buying a large quantity. (10 Marks)
- b. What is the annual cost saving of the larger order? (10 Marks)
