Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA (TM) – SEMESTER – X - EXAMINATION – SUMMER 2016

Subject Code: 4210101 **Date: 10/05/2016**

Subject Name: Material Management

Time: 10.30 AM TO 01.30 PM **Total Marks: 70**

Instructions:

1. **Attempt all questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

Q.1	**(a)**	Explain the following terms: (a) Blanket purchase order. (b) Speculative buying.	**07**
	(b)	Explain the procedure for International purchase. Explain what is the purpose of Bill of Lading document is in case of international purchase.	**07**
Q.2	**(a)**	Mention the four groups into which the inventory development costs can be categorized. Briefly discuss them	**07**
	(b)	Compare and contrast FIFO and LIFO methods of inventory evaluation	**07**
		OR	
	(b)	Discuss the stages of source selection process. Which is the most critical stage as per your opinion	**07**
Q.3	**(a)**	What do you understand by the term Stock Verification? State the various purposes of stock verification. Explain in detail the various techniques of performing stock verification.	**07**
	(b)	Explain in detail the various factors that material manager has to consider while taking a decision for make or buy material.	**07**
		OR	
Q.3	**(a)**	Explain the purpose and benefits of arranging an adequate insurance cover for materials in transit and storage stage in material management,	**07**
	(b)	Explain the two main categories of material handling equipments. What are the main factors on which the efficiency of material handling depends?	**07**
Q.4	**(a)**	Explain in detail when an organization go for leasing against purchase of an equipment	**07**
	(b)	Asian Paints store stocks paint in its warehouse and sells it online on its Internet website. The store stocks several brands of paints, however its biggest seller is Sharman-Wilson Ironcoat paint. The company wants to determine the optimal order size and total inventory cost for Ironcoat paint given an estimated annual demand of 10,000 gallons of paint, and annual carrying cost of Rs. 0.75 per gallon, and an ordering cost of Rs. 150 per order. They would also like to know the number of orders that will be made annually.	**07**
		OR	
Q.4	**(a)**	What is codification? Discuss the Mnemonic System of codification.	**07**
	(b)	Describe how do you position the materials in a store?	**07**
Q.5	**(a)**	What is classification? Discuss how materials be classified based on their usability	**07**
	(b)	Explain the following:	**07**

(a) Law of Agency
(b) Law of Contract

OR

Q.5 **(a)** What is the basic premise of ABC analysis? Explain the step-by-step procedure of ABC analysis. **07**

(b) The following data are available on consumption pattern of certain materials in an organization: **07**

Group	No. of Items	Monthly consumption (per unit)	Price / item (Rs.)
I	40	3000	90
II	30	170	500
III	20	270	100
IV	60	340	50
V	100	1700	5
VI	200	1500	4
VII	250	2000	2
VIII	300	2500	1

Find out the items when
'A' items account for 85% of consumption value
'B' items account for 10% of consumption value
'c' items account for 5% of consumption value

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