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NEW SCHEME

Fourth Semester MBA Degree Examination, July 2007
Business Administration
Logistics and Supply Chain Management

Time: 3 hrs.]

[Max. Marks:100

- Note : 1. Answer any TWO questions from PART-A and any TWO questions from PART - B.**
2. Questions No.8 is compulsory.

PART - A

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|---|---|------------|
| 1 | a. What do you mean by the term logistics? | (03 Marks) |
| | b. Explain different functions of warehouses. | (07 Marks) |
| | c. Explain the elements of customer services. | (10 Marks) |
| 2 | a. What is demand management? | (03 Marks) |
| | b. Explain the various activities coming under logistics. | (07 Marks) |
| | c. Explain various tools used in performance reporting system | (10 Marks) |
| 3 | a. Explain the functions of packaging. | (03 Marks) |
| | b. Explain logistics information system. | (07 Marks) |
| | c. Discuss different model of transportation. | (10 Marks) |

PART - B

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|---|--|------------|
| 4 | a. Explain the meaning of the terms supply chain and supply chain management. | (03 Marks) |
| | b. Explain the factors influencing distribution network design. | (07 Marks) |
| | c. Explain the factors influencing supplier scoring and assessment. | (10 Marks) |
| 5 | a. What is aggregate planning? | (03 Marks) |
| | b. Discuss the drivers of supply chain. | (07 Marks) |
| | c. Explain some typical IT applications in supply chain. | (10 Marks) |
| 6 | a. What are the managerial levers to achieve co-ordination in supply chain? | (03 Marks) |
| | b. Explain different cycle inventory related costs. | (07 Marks) |
| | c. Explain the concept of "manufactures storage with direct shipping and In-transit merge. | (10 Marks) |
| 7 | a. What do you mean by the term distribution? | (03 Marks) |
| | b. Explain cyclic view of supply chain process. | (07 Marks) |
| | c. Explain how information accuracy can be improved at different stages of supply chain. | (10 Marks) |

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8 CASE STUDY :

Farm Equipment Manufacture Ltd.(FEML), established in 1965, is one of the world's leading producers of agricultural equipments. FEML's latest efforts on supplier relationships have their origins in the plant redefining its business strategies during the 1990s. As a result of their redefinition, the factory was focused on sheet steel stampings, welding, assembly and paint as core manufacturing processes. With this strategy purchased past costs began to represent an increasing percentage of the FEMS's manufactured costs. This laid the first corner stone in FEML's re-examination of supplier relations. The second corner stone fell in place when, because of capacity constraints, steel stamping dept was unable to fill the factory's total stamping requirements and this led to the development of external stamping sources.

Now the third corner stone was laid : Discussion began to arise as to whether the internal stamping dept should be treated the same as external stamping suppliers with the implication that the internal dept should compete for business and receive the same level of support at any other outside source.

Typically FEMC's suppliers are small and medium sized manufacturers. Increasingly, such companies have been under industry wide competitive pressure to reduce overhead and trim costs. Many of them have reduced their employees to minimum necessary to run daily operations. Planning and implementation of new manufacturing strategies is beyond the capabilities of these companies because of lack of expertise. This realization led to the fourth and final corner stone. A vigorous debate began on "why don't strategic outside sources receive the level of support provided to FEML's internal sources"?

In 1995, Mr. Sonawala, GM-scm at FEMC's jeadquarters, initiated a pilot supplies development programme. The aim was to resolve the debate via a pilot experiment to support 16 suppliers. An agreement was forged with the pilot suppliers that would entitle FEML to share in any savings obtained from the improvements over next 18 months. FEML's engineers were sent out to work with the suppliers who participated in the project. The result showed price reductions that resulted for FEML enabled it to more than recoup the investment it made.

Based on these results, in 2001, the FEML works formed a dedicated supplier development group on providing resource to assist strategic supplies in implementing SCM. Recent improvement efforts have targeted lead-time reduction in suppliers factories. In addition to providing personnel to work at the supplier's facilities, FEML has provided training and education for supplier's staff. As a result of these efforts, FEML has seen reduction of more than 90% in lead time at some suppliers and resulting price reductions to FEML (after providing suppliers share) have been as much as 15%. The programme has yielded mutual benefits to FEMS and its suppliers.

Questions :

- a. What should be the basis for sharing benefits between FEML and its suppliers?
(05 Marks)
- b. "Managing lead time is more important than reducing the inventory in a supply chain". Defend the statement in the context of FEML. (05 Marks)
- c. Explain the brief performance indicators at FEML and its suppliers end. (05 Marks)
- d. List at least four factors on which suppliers of FEML needs to be evaluated.
(05 Marks)
