

(6 pages)

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Code No. : 6072

Sub. Code : KBAE 35

MASTER OF BUSINESS ADMINISTRATION (CBCS)
DEGREE EXAMINATION, NOVEMBER 2017.

Third Semester

Elective — MATERIALS MANAGEMENT

(For those who joined in July 2016 and afterwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer.

1. Value is function divided by
 - (a) profit
 - (b) cost
 - (c) capital
 - (d) credit
2. Keeping safety stock
 - (a) is not essential
 - (b) leads to inefficiency
 - (c) prevents stock outs
 - (d) disrupts production
3. Master schedule
 - (a) is prepared by production department
 - (b) is a production plan
 - (c) helps in determining materials requirements
 - (d) all of the above
4. Purchases need to be initiated, when
 - (a) stock level reaches reorder point
 - (b) stock touches zero level
 - (c) there is a huge stock of raw materials
 - (d) the stock of finished good is very large
5. Follow-up of purchase order
 - (a) is not essential
 - (b) has to be carried out, after order was placed
 - (c) is the first step in purchasing
 - (d) involves payment of invoice
6. Forward buying
 - (a) is buying in excess of requirements
 - (b) is also called tender system
 - (c) related to purchase of low value items
 - (d) does not require inventory



7. Make or buy decision should be based on
(a) quality requirements
(b) price
(c) volume required
(d) all of the above
8. Material handling
(a) ensures movement of materials
(b) facilitates production
(c) both (a) and (b)
(d) is a fore casting method
9. Logistics brings in
(a) competitive advantage
(b) product advantage
(c) value advantage
(d) all of the above
10. MIS reports
(a) are needless
(b) ensure smooth and continuous flow of information
(c) are prepared by workers
(d) are costly and time-consuming

Page 3 Code No. : 6072

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) State the objectives of materials management.

Or

- (b) List out the advantages of value analysis.

12. (a) Discuss the input of MRP system.

Or

- (b) What is a bill of materials? State its importance.

13. (a) What are the advantages of E-procurement?

Or

- (b) Examine the need for vendor appraisal.

14. (a) How can safety be ensured in material handling?

Or

- (b) Describe the significance of lifting equipments in industries.

Page 4 Code No. : 6072
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15. (a) Write a short note on 4PL.

Or

- (b) Examine the uses of computers in materials management.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain the scope of materials management.

Or

- (b) Examine various systems of codification of materials.

17. (a) Discuss quantitative methods of demand forecasting.

Or

- (b) Explain the salient features of MRP II.

18. (a) What are the responsibilities of purchase department? Discuss.

Or

- (b) Discuss the significance of maintaining vendor relations.

Page 5

Code No. : 6072

19. (a) Describe principles of material handling system.

Or

- (b) Enumerate the benefits and risks of out sourcing.

20. (a) Explain the features of just in time manufacture.

Or

- (b) Logic Enterprises, located in south India, has its head office in Chennai. It has three product divisions, electronics, engineering and textiles. Madurai division has been taking care of textiles whereas engineering and electronics divisions are handled by the plants in Coimbatore and Bangalore respectively. The company has been practicing the purchase system in which all material requirements of the units need to be sent to the head office. The head office used to place orders, procure materials, stock them and send them, when they are required by the units from Chennai. Though the company has decided to exercise control over purchases, the decision sparked off protests from the unit managers, as the latter have started experiencing delays in production and failure in meeting customer orders on time.

Advise the company M.D. to overcome the present crisis.

Page 6

Code No. : 6072

