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Reg. No. :

Code No. : 7854

Sub. Code : HBAM 31

M.B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2013.

Third Semester

Business Administration

PRODUCTION AND MATERIALS MANAGEMENT

(For those who joined in July 2012 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Current trends in operation management include all of the following except
 - (a) just in time performance
 - (b) rapid product development
 - (c) mass customization
 - (d) empowered employees.

2. Which of the following functions is not a core function of an organisation?
 - (a) operations function
 - (b) product/service development function
 - (c) accounting and finance function
 - (d) marketing (including sales) function.
3. Which one of the following layouts is preferred when variety is the requirement?
 - (a) Product
 - (b) Process
 - (c) Combination
 - (d) All the above.
4. Cement industry is a kind of
 - (a) intermittent production
 - (b) flow production
 - (c) assembly line production
 - (d) batch production.
5. Method study and time study together comprise
 - (a) work measurement
 - (b) work study
 - (c) both of the above
 - (d) none of the above.



6. Productivity measurement is complicated by
- (a) the competition's output
 - (b) the fact that precise units of measure are often unavailable
 - (c) stable quality
 - (d) the workforce size.
7. Inventory is _____
- (a) a raw material item used in an operation
 - (b) an item stored for later use in an operation
 - (c) an item in transit for later use in an operation
 - (d) all the above.
8. Product which are completed awaiting despatch to a customer are called _____ inventory.
- (a) pipeline
 - (b) cycle
 - (c) finished goods
 - (d) work in process.
9. A quality criterion which can be assessed and either accepted or rejected is called a _____?
- (a) quality variable
 - (b) quality component
 - (c) quality attribute
 - (d) quality characteristic.

10. Continuous improvement is primarily concerned with which of these criteria?
- (a) cost
 - (b) quantity
 - (c) flexibility
 - (d) dependability.

PART B — (5 × 5 = 25 marks)

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

11. (a) Discuss the importance of production planning and control.

Or

- (b) ABC company predicted the sales for a product as 150 units for February 2013. Actual demand for February 2013 was 158 units. Using a smoothing constant (α) of 0.3, forecast the demand for March 2013.

12. (a) Bring out the comparison between product layout and process layout.

Or

- (b) Discuss the factors affecting materials handling.

13. (a) Describe the importance of time study.

Or

- (b) Explain the main phases of value analysis.



14. (a) Illustrate the working of MRP1 with an examples.

Or

- (b) List down the objectives of purchasing.
15. (a) Explain the various dimension of product quality.

Or

- (b) Write short notes on ISO audits.

PART C — (5 × 8 = 40 marks)

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

16. (a) Enumerate in detail the various objectives of demand forecasting. Also explain the quantitative forecasting techniques.

Or

- (b) Describe how production function is organised in a manufacturing firm.
17. (a) Discuss the suitable location for a new pharmaceutical company. Justify your selection.

Or

- (b) Describe the estimation of capacity requirements.

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18. (a) Explain the process of work measurement. Also bring out the applicability of work measurement in industrial settings.

Or

- (b) Explain the work study techniques.
19. (a) The ABC Fun novelty company buys 80,000 shipping container per year. Price of each container is Re. 0.40. Cost of purchase Rs. 80 per order, cost of holding one container per year Re. 0.10. Bank rate of interest 15% including a charge for taxes and insurance.

Find :

- (i) The EOQ and time between orders based on 220 working days per year
- (ii) The minimum variable cost per year
- (iii) If the company had been following a policy of quarterly ordering, what would have been the increase in the variable cost?

Or

- (b) Describe the classification of inventory with suitable example.

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20. (a) Compare planned maintenance from unplanned maintenance.

Or

- (b) Discuss the procedure for the formation of quality circles. Explain it's working.
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