

**K J Somaiya Institute of Management Studies and Research**  
**Program: MMS + PGDM Operations**  
**Fourth Trimester (Batch2018 - 2020 )**  
**Subject : Materials Management**  
**(End Term Examination)**

**Maximum Marks : 25**

**Time 2 Hours**

**18<sup>th</sup> September 2019**

- 1) What are the various reasons for having a proper Materials Management function in a professional Organisation? What structure would you recommend for a large sized Organisation and what would be the various functions of Materials Department. (5)
- 2) What are some of the recent trends in Purchase Management? (5)
- 3) State the assumptions under the EOQ model.

Calculate the EOQ for a product with following data:

Demand = 360 nits/year, Holding cost per year = \$1.00/unit

Ordering cost = \$100 /order

Assuming a 300-day work year: how many orders should be processed/year? What is the expected time between orders?

What is the total cost under this Inventory policy if the purchase cost/unit is \$2.00 (5)

- 4) Why is Global Sourcing gaining importance in recent times. What are the barriers to overcome for successful Global Sourcing? (5)
- 5) What are the six main Supply Chain Drivers and their role in a Competitive Environment. (5)

-----End of Paper-----