

K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH

Program: PGDM and MMS Operations 4th TriSem (Batch 2016-18)

**Subject: Materials Management
(End Semester examination)**

Maximum Marks: -50

Date: 19th Sep 2017

Duration: 3 hours

Notes:

- 1. Question 1 and 2 are compulsory**
- 2. Answer any 3 out of remaining questions QNo. 3 to QNo. 6**
- 3. Make suitable assumptions if required. Give examples wherever applicable**
- 4. Neatness carries weightage**

Question 1 (10 Marks) (05 marks each)

A. A company that makes pens that sell for INR 15 per piece. The variable cost of the pen is INR 10 . If the fixed cost investment is INR 30000/-what is the Revenue for the company at the Break Even point.

B. Write in brief about any 2 broad steps you think needs to be taken by Indian organizations to have world class Material management practices so that we can compete with global organizations.

Question 2 (10 Marks)

Write Short notes on any 2 of the following (5 marks each)

- 1) Reasons for failed negotiations**
- 2) Value Analysis as a tool of purchasing analysis**
- 3) Benefits of Longer-term supplier relationships**
- 4) Spend Analysis**

Question 3 (10 Marks)

What is Materials Management. Why are top managers recognizing the importance of supply/materials management in running today's organizations.

Question 4 (10 Marks)

What are the steps in the selection and evaluation process of suppliers? When does an organization (buyer) go for supplier evaluation/selection ?

Question 5(10 Marks)

What Does a Purchase Contract Do in terms of the parties involved ? Write in brief about any 4 elements of a Purchase contract.

Question 6(10 Marks)

What are the functions of a Purchasing department of a company ? Explain the process and Benefits of a Reverse Auction.

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