

Indian Maritime University
(A Central University, Govt. of India)

End Semester Examinations– June 2023
Programme: MBA (ITL)

Semester: June 2023 End Semester

Subject Code: PG22T2403

Subject: PURCHASING & SUPPLY CHAIN MANAGEMENT

Date: 29.05.2023

Max Marks: 60

Duration: 03 Hrs

Pass Marks: 30

General Instructions

- (i) All Sections (A, B & C) are to be attempted.
- (ii) Options, if any, are specified in respective section.

Section A

Answer all ten MCQs/Fill in the Blanks of 01 Mark each – Choose the correct answer as applicable.
(10 x 01 mark = 10 marks)

1. is the process of identifying cost consideration beyond unit price, transport and tooling.
 - a) Total cost of ownership
 - b) Portfolio analysis
 - c) Cost-price analysis
 - d) Break-even analysis
2. Purchasing cycle begins with the
 - a) Inventory management
 - b) Engineering design
 - c) Selection of suppliers
 - d) Need identification of goods and service
3. can be defined as the amount of an organization's total procurement spend which does not follow the approved purchase policy and procedures.
 - a) Indirect spend
 - b) Direct spend
 - c) E- procurement
 - d) Maverick spending
4. The time between raising purchase requisition (PR) of an item and receiving the same in store from the supplier is known as
 - a) Idle time
 - b) Lead time
 - c) Ordering time
 - d) Delivery time
5. Which of the following is considered to be an outcome of e-procurement?

- a) It promotes efficiency improvements, opens up the market to increased competition, and increase long-term costs.
 - b) It reduces transaction costs, promotes efficiency and reduces competition in the market place.
 - c) It drives efficiency, opens up the market to competition, brings transparency, and improves the ability to manage suppliers.
 - d) It opens up the marketplace to increased competition, but limits the ability to manage suppliers.
6. Which of the following is the right combination of a cross-functional team in strategic sourcing process for mechanical components required by a typical manufacturing organization
- a) Design, manufacturing, finance and IT
 - b) Manufacturing, maintenance, purchase, and marketing
 - c) Purchase, design, manufacturing, and finance
 - d) Purchase, logistics, design, and HR
7. The four quadrants of Portfolio Matrix for Category Management are ...
- a) Critical items, Bottleneck items, Leverage items, and Routine items.
 - b) Vital items, Essential items, Desirable items, and Routine items.
 - c) Fast moving items, Slow moving items, Average moving items, and Non-moving items.
 - d) High Price items, Medium Price items, Average Price items, and Low-Price items.
8. is prepared at the design stage of a product.
- a) Material Requirement Planning (MRP)
 - b) Bill of Materials (BOM)
 - c) Master Production Schedule (MPS)
 - d) None of the above
9. Win- Win negotiation process should have the following characteristics
- a) Understanding each other's needs and wants, focusing on common rather than personal interests, conducting joint efforts to solve problems and develop creative solutions that provide additional value, and engage in open sharing of information.
 - b) Focusing on personal interests rather than common, joint efforts to solve problems, assume rigid negotiating positions, and conservative in sharing of information.
 - c) Compete over a fixed amount of value, reluctance in development activities, pursue adversarial relationships, habit of strict use of power by one party over another.
10. Value analysis is a useful technique to find out the -
- a) Depreciated value of an asset.
 - b) Value of scrap materials
 - c) Ways of cost reduction and cost prevention to the existing product to improve its value.
 - d) Breakeven point when machine requires change.

Section B

Five Questions of 02 Marks each

(5 X 02 mark = 10 Marks)

11. Mention the characteristics (point wise only) of an item to be categorised as 'Critical' in strategic portfolio matrix.
12. Mention the salient points to be checked while certifying suppliers 's invoice for payment.
13. What is the main difference between 'Contract' and 'Agreement'?
14. What are the basic objectives of purchasing i.e. 5 R s in purchasing? (R stands for Right).
15. Mention the four pillars of purchasing and supply chain management.

Section C

(Seven Questions of 08 Marks each of which any 05 questions to be answered.)

(5 x 08 marks = 40 Marks)

16. Draw the P2P Process Map and explain activities of all stages in detail.
17. Explain the strategic sourcing process step by step.
18. What is Total Cost of Ownership (TCO)? Discuss the important factors to be considered including opportunity costs while building a TCO Model with example.
19. What is negotiation in the context of purchasing? What is BATNA? Discuss the negotiation process.
20. Discuss the key supplier evaluation criteria in detail.
21. Global sourcing has become more popular among manufacturing companies. For what segments of the purchasing portfolio would you recommend a global sourcing strategy? Discuss the advantages and disadvantages of global sourcing. Identify reasons for global sourcing of materials. Mention few advantages and disadvantages.
22. Write short notes (Any Two) on –
 - a) Vendor Managed Inventory (VMI)
 - b) Material Requirement Planning (MRP)
 - c) Just in Time supply (JIT)

*****END*****

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