

**INDIAN MARITIME UNIVERSITY**  
(A Central University, Govt. of India)  
**End Semester Examinations –June/July 2019**  
**Semester-IV**  
**M.B.A**  
(International Transportation & Logistics Management)  
**Purchasing and Supply Chain Management (PG22T2403)**

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**Date: 12.06.2019**  
**Time: 3 Hrs**

**Max Marks :60**  
**Pass Marks: 30**

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**PART-A**  
**(Answer all the questions)      12 X 1 = 12**

1. Face-to-face negotiation is best when all of the following conditions apply *except* \_\_\_\_\_.
  - a. the item is a new or technically complex item with only vague specifications
  - b. the purchase requires agreement about a wide range of performance factors
  - c. the firm does not have a preferred supplier
  - d. the buyer requires the supplier to participate in the development effort
  
2. When firms produce goods in anticipation of future customer orders, they are operating in a/an \_\_\_\_\_ environment.
  - a. assemble-to-order
  - b. make-to-order
  - c. make-to-stock
  - d. just-in-time
  
3. Which of the following is *not* one of the wrong reasons for investing in inventory.
  - a. Poor quality and material yield.
  - b. Extended order-cycle time from global sourcing.
  - c. Hedge against marketplace uncertainty.
  - d. Specifying custom items for standard applications.
  
4. All of the following action support reduced order-cycle time with suppliers *except* \_\_\_\_\_.
  - a. global sourcing
  - b. expanded electronic capability
  - c. supplier development support
  - d. order-cycle time measurement
  
5. \_\_\_\_\_ stems from the instructions and granting of authority to the purchasing manager via the job description provided by the employer.
  - a. Actual authority
  - b. Apparent authority
  - c. Mutual assent
  - d. Personal liability

6. The most basic contractual pricing mechanism is called a/an \_\_\_\_\_ contract.
  - a. firm fixed price
  - b. fixed price with escalation
  - c. cost plus incentive fee
  - d. cost-sharing
7. A \_\_\_\_\_ contract should be used in cases where the parties cannot accurately predict labour or materials costs and quantities to be used prior to the execution of the purchase agreement.
  - a. fixed-price with escalation
  - b. cost sharing
  - c. time and materials
  - d. fixed-price with redetermination
8. Which of the following is *not* one of the potential advantages of using long-term contracts?
  - a. Assurance of supply.
  - b. Volume leveraging.
  - c. Access to cost/price information.
  - d. Supplier opportunism.
9. \_\_\_\_\_ is a negotiation tactic that involves the seller offering an unusually low price to receive a buyer's business.
  - a. Trial balloon
  - b. High ball
  - c. Boulwarism
  - d. Low ball
10. A \_\_\_\_\_ is a move away from a negotiating position that offers something of value to the other party.
  - a. reward
  - b. concession
  - c. coercive manoeuvre
  - d. tactic
11. The most basic contractual pricing mechanism is called a/an \_\_\_\_\_ contract.
  - a. fixed price with escalation
  - b. firm fixed price
  - c. cost plus incentive fee
  - d. cost-sharing
12. The emphasis of the \_\_\_\_\_ is on obtaining sufficient revenue to pay for operating cost rather than on profit.
  - a. price volume model
  - b. revenue pricing model
  - c. promotional pricing model
  - d. market skimming model

## **PART-B**

**(Answer any five questions out of seven) 5 X 4 = 20**

13. Compare features in purchasing different resources like consumables MRO and capital assets.
14. Name examples of products for which the price is set by means of cost-based pricing, market-based pricing and competitive bidding. Which arguments will the buyer use in each of these cases to obtain the lowest possible purchase price?
15. Traditionally services and goods buying differ in four aspects. What are these aspects and what is the relevance of each to the services buyer?
16. What would you consider to be the most important task of purchasing and supply professionals? Why?
17. What are the reasons underlying CSR programmes of companies these days? What do companies mean by responsible purchasing?
18. What would you consider to be the main difference between supply chain management and value chain management?
19. What is a sourcing strategy? What major questions should a sourcing strategy address?

## **PART-C**

**(Question No 20 is compulsory and any three questions to be answered from the remaining) 4 x 7 = 28**

20. 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.
21. What is meant by procure to pay process? Explain various stages in the process.
22. How would you define purchasing performance? What performance measures would you suggest using for a purchasing department of a hospital?
23. What would you consider to be procurement's added value to a company? Mention at least three areas where procurement can contribute. What would you consider to be procurement's core and non-core activities?
24. What is meant by spend analysis? Explain how it influences in category strategy development.
25. What is the total cost of ownership concept? What are some of the challenges that must be overcome when implementing a total cost measurement system?