

I. CHOOSE THE BEST ANSWER:

1. A continuing relationship which provides license privileges to do a Business and Provide Training, merchandising for a consideration is called _____.
(a) Franchising (b) Factoring (c) Supply chain Management (d) Exchange
2. A condition where a factor agrees to provide complete set of services like financing, Debt collection, consultancy is called_____.
(a) Maturity Factoring (b) National Factoring
(c) Full service Factoring (d) Recourse factoring
3. Buying and Selling of goods through electronic network is known as____
(a) E-commerce (b) Internet (c) Website (d) Trade
4. An organization carrying out activities to move goods from Producer to Consumer is
(a) Transport (b) Logistics (c) Channels (d) Marketing
5. The role of Government in logistics management is through
(a) Legislations (b) Governance (c) Transport (d) Distribution
6. The main Benefit of Logistics is
(a) Productivity (b) Cost minimization (c) Profitability (d) Storage
7. What aims for an effective management response over the longer run
(a) Logistics (b) Supply chain Management (c) Demand (d) Supply
8. The model that identifies alternatives, criteria for decision making and analyze alternatives to arrive at the best choice is
(a) Routing Model (b) Scheduling Model
(c) Inventory Model (d) Alternative analysis
9. A Company under outsourcing transfers activities which are
(a) Core (b) Non-core (c) Business (d) Non-Business

10. Business units can reduce expenditure by outsourcing front office work like

- (a) Paper Work (b) File Work (c) Billing (d) Manufacture

11. The main benefit of outsourcing is

- (a) Productivity (b) Cost reduction (c) Skill (d) Units

12. Outsourcing job is given to developing countries specifically for

- (a) Cheap labour (b) Land (c) Factor (d) Capital

13. Outsourcing is carried out for the benefit of

- (a) Global Village (b) Transport (c) Factory (d) Time and Money

II. VERY SHORT ANSWER QUESTIONS

1. Who is a franchisee?

The individual who acquires the right to operate the business or use the trademark of the seller is known as the franchisee.

2. State two disadvantages of franchising?

- ❏ Franchising provides an opportunity to expand business.
- ❏ Eliminating the risk of starting a new business.

3. Who is a factor?

The factor is an agent who buys the accounts receivables of a firm and provides finance to a firm to meet its working capital requirements.

4. Define outsourcing

- Recently a new type of business in service sector has become popular in the world.
- It is called the Business Process outsourcing the work which is routine in nature, to an outside agency.

5. What is need for outsourcing?

- ♥ To focus on key function
- ♥ Benefit of specialization
- ♥ Cost cutting
- ♥ Economic growth and development
- ♥ Increasing profit

6. State the importance of BPO.

- ✧ Transferring Non Core Activities to Outsiders

- ✕ Outsourcing Involves Contracting
- ✕ Operational Efficiency through Outsourcing
- ✕ Improved Customers Satisfaction

7. What are the benefits of KPO?

- ✿ Ultimate use of knowledge
- ✿ Usage of best skills
- ✿ Reduction of expenditure
- ✿ Outsources reduces risk

8. Define Logistics.

‘Design and operation of the physical, managerial, and informational systems needed to allow goods to overcome time and space.’

- **Logistics Management**

9. What is the need for Logistics?

- ★ Logistics implies that an integrated view of number of different activities and functions may be required.
- ★ All firms are viewed as a collection of primary and secondary activities.

10. Write about the importance of Logistics.

- ▲ It is also important for creating visibility into a company’s supply chain.
- ▲ It can use this information for process optimization and avoiding potential distributions.

11. What are the types of Logistics Applications?

- ✕ Decision-wise
- ✕ Actor-wise
- ✕ Inbound logistics
- ✕ Outbound logistics

12. What do you mean by e-commerce?

E - Commerce or Electronic Commerce is the buying and selling of goods and services through electronic networks like internet.

II. SHORT ANSWER QUESTIONS:

1. What are the types of franchising?

a) Product/ trade name franchising:

- ✧ In this type, the franchisee exclusively deals with a manufacture’s product.

- ✧ Examples include Kidzee, French Loaf outlets, Bharat Petroleum bunks, Patanjali products, etc.

b) Business format franchising:

- ✧ When a franchisor awards rights covering all business aspects as a complete business package to the franchisee it is called as business format franchising.
- ✧ Examples:
McDonald's, Pizza Hut. KFC, Hot breads, Titan, Color plus, Zodiac, Lakmé beauty parlour.

2. List the steps in factoring process.

- ✧ Goods are sold on credit basis, an invoice is raised and a copy of the same is sent to the factor.
- ✧ The debt amount due to the firm is transferred to the factor through assignment.
- ✧ On the due date, the amount is collected by the factor from the customer.

3. Describe the benefits of Logistics.

- ♥ Decrease in Costly Errors
- ♥ Inventory Management
- ♥ Increased Customer Service
- ♥ Organizational control
- ♥ Scalability and speed.

4. Explain the points of differences between Logistics and Supply Chain Management.

S.No	Logistics Management	Supply Chain Management
1	It deals with the efficient management of a static gap between Demand.	To identify the dynamic nature of the value creation itself such as responsiveness, quality and design.
2	It focus on cost minimization.	It focuses on profit maximization
3	It is supply driven.	It is demand driven.

5. What is the impact of e-commerce on buyers?

- * Buyers could have a global access to information about variety of products and services available in the market
- * They could buy the products/services round the clock from anywhere in world
- * Electronic and software products could be downloaded immediately after purchase through e – commerce mode.

- * Individuals could sell their used products through e – commerce mode with relative ease.
- * Buyers can bargain and negotiate better terms and conditions with respect to buying knowledge products.

IV. LONG ANSWER QUESTIONS:

1. Enumerate the characteristics of franchising.

- ✿ Franchise relationship is based on an agreement which lays down terms and conditions of this relationship.
- ✿ The term of franchise may be for 5 years or more. The franchise agreement may be renewed with the mutual consent of the parties.
- ✿ The franchisee agrees to pay specified royalty to the franchiser, as per terms of the franchise agreement.
- ✿ The franchiser virtually sets up the business for the franchisee.
- ✿ Franchiser may give training to personnel working in the franchisee's organization.

2. Elucidate the features of factoring.

i) Maintenance of book-debts

A factor takes the responsibility of maintaining the accounts of debtors of a business institution.

ii) Credit coverage

The factor accepts the risk burden of loss of bad debts leaving the seller to concentrate on his core business.

iii) Cash advances

Around eighty percent of the total amount of accounts receivables is paid as advance cash to the client.

iv) Collection service

Issuing reminders, receiving part payments, collection of cheques form part of the factoring service.

v) Advice to clients

From the past history of debtors, the factor is able to provide advices regarding the credit worthiness of customers, perception of customers about the products of the client, etc.

3. Describe the benefits of Outsourcing.

i). Focusing on Core Activities

- ✦ Companies can focus on their core competence, a few areas where the company has distinct capability.
- ✦ The rest of the activities can be outsourced to outside agencies.

ii). To Fill up Economic Development

- Outsourcing stimulates entrepreneurship, encourages employment opportunities, expands exports, enables tremendous growth of the economy.

iii). Encourages Employment Opportunities

- ✦ Companies that are outsourcing their non core activities provide chances for other small business units to take up the activities.
- ✦ This paves way for more job opportunities and new employment avenues.

iv). Reduction in Investment

- ◎ Companies through outsourcing avail the services of outsiders which in turn reduces the investment requirements.
- ◎ The amount so available can be utilized productively and this increases the profits.

v). Quest for Excellence

- ✦ Outsourcing enables the firms to pursue excellence in two ways namely excelling themselves in the activities they do and excel outsiders by extending their capabilities through contracting out.

4. Explain the points of differences between BPO and KPO.

i). Business Process Outsourcing (BPO)

Meaning

- ★ BPO means getting contractual services of external companies or group of companies to complete special work or process of a company.
- ★ For example call centers, data entry etc.

Need for BPO

- ✦ To focus on key function
- ✦ Benefit of efficiency
- ✦ Cost cutting
- ✦ Economic growth and development
- ✦ Increasing profit
- ✦ Catering to the dynamic demand

ii). Knowledge Process of Outsourcing (KPO)

Meaning

- ❖ KPO refer to outsourcing of Knowledge based Process.
- ❖ KPO firms get knowledge related, information related, work done from outside firm and it involves high value work carried highly skilled staff.

Need for KPO

- Usage of best skills
- Ultimate use of knowledge
- Reduction of expenditure
- Special focus on principal functions
- Outsources reduces risk

5. Write a note on e-commerce models.

i). Business to Customers (B 2 C)

- ♣ This is fastest growing segment in e – commerce spare.
- ♣ Under this model, business concern sells directly to consumers

ii). Business to Business (B 2 B)

- ⊙ Under the model, business concerns transact with one another through internet.
- ⊙ For instance, Snapdeal, Filipkart, Alibaba, Indamart, Trade India. Com etc.

iii). Consumer to Consumer (C 2 C)

- ❖ Under this model, customers sell directly to other customers through online classified advertisement or through auction or through mobile or through market places.

iv). Customer to Business (C 2 B)

- ★ This model is reverse to auction model.
- ★ Products like automobile, electronic items furniture.
- ★ Example Naukri.com, and Monster.com are examples of Indian companies

v). Business to Government (B 2 G)

- This model envisages selling products and services by business consumer to Government organization.
- For instance TCS operates the passport application process for the Government of India as part off - line process.

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