Production and Operation Management of Textile Industry

Major TXL 782

Discipline: B.Tech.

Time: 2 hours

Date: 06.05.2017

Max. Marks: 45

1. The expected net cash flows of the two different Projects A and B are given below;

Year	Project A	Project B
1	Rs 10 lakh	Rs 15 lakh
2	Rs 20 lakh	Rs 25 lakh
3	Rs 20 lakh	Rs 30 lakh
4	Rs 20 lakh	Rs 15 lakh
5	Rs 10 lakh	Rs 15 lakh

The cost of capital for the firm is 20%. The initial investment required is Rs 30 lakh. The following risk equivalence coefficient are estimated, to take care of the adjustments for risk:

Year	Project A	Project B
1	0.95	0.85
2	0.90	0.75
3	0.85	0.70
4	0.80	0.60
5	0.95	0.60

PPB IRR NPA PI cost

Which project is preferable for investment?

2. A good product design contributes to TQM in the organisation. Explain how this may happen.

3. The supply of a special component has been the following price schedule.

0 to 99 items: Rs 1000 per unit

100 items and above: Rs 950 per unit

The inventory holding costs are estimated to be 25% of the value of the inventory. The procurement ordering costs are estimated to be Rs. 2000 per order. If the annual requirement of the special component is 300, compute the economic order quantity for the procurement of these items.

Not Everyone can copy

4. Managerial practices that are uniquely designed to take advantages of technology can be copied less easily and hence provides competitive advantages. Justify.

5. What are customer value and satisfaction, and how can companies deliver them?

production

6. Describe the purpose of material classification. "VED analysis is situational and judgemental" Do you agree with this statement? Explain.

7. What are the differences, if any, between the Zero defects and Six Sigma approaches to quality? Explain.

8. What may be the key areas to address when improving the cost of quality?

9. Would operations planning and control in service industries be different from Production Planning and control in manufacturing industries? Discuss.