

Enrollment No.....



Faculty of Management Studies

End Sem (Odd) Examination Dec-2019

MS3EG05 Material Management

Programme: BBA

Branch/Specialisation: Management

Duration: 3 Hrs.**Maximum Marks: 60**

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Materials management is also called_____ **1**
 (a) Distribution planning (b) Control and logistics management
 (c) Both (a) and (b) (d) Neither (a) or (b)
- ii. Materials management is a coordinating function responsible for **1**
 planning and controlling materials flow. Its objective(s) is/are:
 (a) Maximize the use of the firm's resources
 (b) Provide the required level of customer service
 (c) Both (a) and (b)
 (d) Neither (a) or (b)
- iii. Which of the following is not a function of purchase management? **1**
 (a) Selecting the source
 (b) Placement of purchase order
 (c) Physical controls of material
 (d) None of these
- iv. The purchase order form is designed by: **1**
 (a) Material Manager (b) Purchase Manager
 (c) Marketing Manager (d) None of these
- v. The following classes of costs are usually involved in inventory **1**
 decisions except:
 (a) Cost of ordering (b) Carrying cost
 (c) Cost of shortages (d) Machining cost
- vi. The order cost per order of an inventory is Rs. 400 with an annual **1**
 carrying cost of Rs. 10 per unit. The Economic Order Quantity
 (EOQ) for an annual demand of 2000 units is
 (a) 400 (b) 440 (c) 480 (d) 500

P.T.O.

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- vii. Finance must keep investment and costs low. This can be done by _____. **1**
 (a) Increasing inventory so inventory investment is at a maximum
 (b) Decreasing the number of plants and warehouses
 (c) Producing small quantities
 (d) Using short production runs
- viii. Storing inventory requires _____ and as inventory increases, so do these costs. **1**
 (a) Space and workers (b) Workers and equipment
 (c) Space and equipment (d) Space, workers, and equipment
- ix. MRP stands for: **1**
 (a) Master Resource Production
 (b) Manufacturing Resource Planning
 (c) Materials Requirements Planning
 (d) Management Reaction Planning
- x. The following eases the process of stock control **1**
 (a) Standardization (b) Simplification
 (c) Both (a) and (b) (d) None of these

Q.2

Attempt any two:

- i. How will you integrate the various activities of material management? **5**
- ii. Explain the objectives of the materials management departments. **5**
- iii. What are the various functions of the materials management? Explain. **5**

Q.3

Attempt any two:

- i. What are the objectives of negotiation? Enumerate different types of negotiation. **5**
- ii. What are the attributes that need to be considered while rating vendors? **5**
- iii. What is weighted point method of vendor rating? **5**

Q.4

Attempt any two:

- i. What are the objectives of inventory management? Explain any five. **5**

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- ii. Explain briefly the costs involved in stores. **5**
- iii. Explain the formula of EOQ with example. **5**

Q.5

Attempt any two:

- i. Define material handling. What is the scope of materials handling? **5**
- ii. Write short notes on: **5**
 (a) Problems associated with stores management
 (b) Types of Material Handling
- iii. How does change of the location of store affects it financially? **5**

Q.6

Attempt any two:

- i. What is Material Requirement planning? What are the primary objectives of an MRP system? **5**
- ii. Explain the MRP system input and MRP system output briefly. **5**
- iii. What are the potential benefits of MRP? Describe any five. **5**

Marking Scheme

MS3EG05 Material Management

Q.1	i.	Materials management is also called_____		1
		(c) Both (a) and (b)		
	ii.	Materials management is a coordinating function responsible for planning and controlling materials flow. Its objective(s) is/are:		1
		(c) Both (a) and (b)		
	iii.	Which of the following is not a function of purchase management?		1
		(d) None of these		
	iv.	The purchase order form is designed by:		1
		(b) Purchase Manager		
	v.	The following classes of costs are usually involved in inventory decisions except:		1
		(d) Machining cost		
Q.2	vi.	The order cost per order of an inventory is Rs. 400 with an annual carrying cost of Rs. 10 per unit. The Economic Order Quantity (EOQ) for an annual demand of 2000 units is		1
		(a) 400		
	vii.	Finance must keep investment and costs low. This can be done by_____.		1
		(b)Decreasing the number of plants and warehouses		
	viii.	Storing inventory requires _____and as inventory increases, so do these costs.		1
		(d) Space, workers, and equipment		
	ix.	MRP stands for:		1
		(c) Materials Requirements Planning		
	x.	The following eases the process of stock control		1
		(c) Both (a) and (b)		
Q.3		Attempt any two:		
	i.	Various activities of material management	(1 mark*5)	5
	ii.	Objectives of the materials management departments.	(1 mark*5)	5
Q.4		Attempt any two:		
	i.	Five objectives	(1 mark*5)	5
	ii.	Costs involved in stores	(Accordingly)	5
Q.5		Attempt any two:		
	i.	Define material handling.	2 marks	5
	ii.	Scope of materials handling	3 marks	
Q.6		Attempt any two:		
	i.	Material Requirement planning	2 marks	5
	ii.	The primary objectives of an MRP system	3 marks	
		Attempt any two:		
	i.	Material Requirement planning	2 marks	5
	ii.	The MRP system input	2.5 marks	
		Attempt any two:		
	i.	Objectives of negotiation	2 marks	5
	ii.	Different types of negotiation.	3 marks	

ii.	Attributes that need to be considered while rating vendors		5
	(As per explanation)		
iii.	Weighted point method of vendor rating		5
	(As per explanation)		
Q.4	Attempt any two:		
	i.	Five objectives	(1 mark*5) 5
	ii.	Costs involved in stores	(Accordingly) 5
Q.5	iii.	Formula of EOQ	2 marks 5
		with example.	3 marks
		Attempt any two:	
Q.6	i.	Define material handling.	2 marks 5
		Scope of materials handling	3 marks
	ii.	Write short notes on:	5
		(a) Problems associated with stores management	
		(As per explanation)	
		(b) Types of Material Handling	
		(As per explanation)	
	iii.	Change of the location of store affects it financially	5 marks 5
Q.6	Attempt any two:		
	i.	Material Requirement planning	2 marks 5
		The primary objectives of an MRP system	3 marks
	ii.	The MRP system input	2.5 marks 5
		MRP system output briefly.	2.5 marks
	iii.	Five Potential Benefits of MRP	(1 mark*5) 5
