

However, the implementation hasn't gone smoothly: employees report difficulties adapting to the new technologies, and errors in data entry have led to inaccurate stock counts. The company now faces increased training costs and delayed order fulfillment due to these issues.

- (a) How could the EOQ model help ABC Manufacturing manage inventory costs effectively?
- (b) What are the benefits and potential drawbacks of integrating RFID technology with EOQ?
- (c) Suggest solutions for overcoming the challenges ABC is facing with technology adoption.
- (d) How might inaccurate stock counts impact ABC's supply chain efficiency?

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Total No. of Questions: 7

Total No. of Printed Pages:4

Enrollment No.....



Faculty of Management Studies  
End Sem Examination Dec 2024  
MS5EL03 Inventory & Vendor Management  
Programme: MBA 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. Assume suitable data if necessary. Notations and symbols have their usual meaning.

		Marks	BL	PO	CO	PSO
Q.1	i. Which of the following best describes inventory?	1	1	1	1	
	(a) A type of supply chain cost					
	(b) A stock of goods for future use					
	(c) A method for waste reduction					
	(d) A strategy for customer engagement					
	ii. Strategic inventory management aims to achieve which of the following-	1	1	2	1	
	(a) Minimizing inventory levels at all costs					
	(b) Balancing profitability and customer satisfaction					
	(c) Eliminating dependency on suppliers					
	(d) Maximizing variety of stocked products					
	iii. The Economic Order Quantity (EOQ) model is used to-	1	1	2	2	
	(a) Calculate sales revenue					
	(b) Minimize inventory cost					
	(c) Track supply chain logistics					
	(d) Increase customer satisfaction					
	iv. Which inventory model is best suited for items with steady, predictable demand?	1	1	1	2	
	(a) Probabilistic Model					
	(b) Push Model					
	(c) Risk Pooling					
	(d) Deterministic Model					
	v. Barcode technology in inventory management is primarily used to-	1	1	1	3	
	(a) Improve supplier selection					
	(b) Forecast demand trends					
	(c) Track items and manage inventory levels					
	(d) Conduct financial audits					

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vi.	The push inventory control method is best characterized by-	<b>1</b>	1	2	3
	(a) Stocking inventory based on forecasted demand				
	(b) Ordering based on actual demand				
	(c) Minimizing inventory at all locations				
	(d) Directly delivering goods to customers				
vii.	In inventory management, holding costs refer to-	<b>1</b>	1	2	4
	(a) The cost of storing unsold goods				
	(b) Expenses related to sales and marketing				
	(c) Costs from customer returns				
	(d) Expenditure on employee training				
viii.	Negotiation strategies with vendors should ideally focus on-	<b>1</b>	1	2	4
	(a) Achieving short-term gains				
	(b) Minimizing the vendor's profit				
	(c) Establishing a mutually beneficial partnership				
	(d) Emphasizing strict payment terms only				
ix.	Which factor is NOT typically considered in vendor selection criteria?	<b>1</b>	1	1	5
	(a) Supplier's financial stability				
	(b) Supplier's geographic location				
	(c) Employee satisfaction in the supplier's firm				
	(d) Supplier's quality of service				
x.	The primary purpose of supplier audits is to-	<b>1</b>	1	2	5
	(a) Ensure adherence to quality and service standards				
	(b) Optimize customer experience				
	(c) Reduce employee training needs				
	(d) Increase supply chain complexity				
Q.2	i. Discuss the strategic objectives of inventory management.	<b>2</b>	2	3	1
	ii. Explain the importance of customer satisfaction in inventory management.	<b>2</b>	2	7	1
	iii. Explain the importance of competitive advantage in inventory management.	<b>4</b>	2	7	1
OR	iv. Discuss the responsibilities of inventory management and its role in profitability in short.	<b>4</b>	2	1	1

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Q.3	i. Describe the use of RFID technology in inventory management.	<b>3</b>	2	5	2
	ii. Explain the push-pull methods in inventory management.	<b>5</b>	2	5	2
OR	iii. Analyze the benefits and limitations of inventory management software.	<b>5</b>	4	5	2
Q.4	i. Discuss the concept of performance measurement in inventory control systems.	<b>3</b>	2	3	3
	ii. Evaluate the importance of inventory policies in optimizing costs.	<b>5</b>	5	2	3
OR	iii. Describe risk pooling and how it can help in inventory cost reduction.	<b>5</b>	2	2	3
Q.5	i. Explain the importance of vendor relationship management in supply chain management.	<b>2</b>	2	7	4
	Attempt any two:				
	ii. Discuss the conflict resolution in vendor management.	<b>3</b>	2	7	4
	iii. Discuss negotiation strategies in vendor management.	<b>3</b>	2	7	4
	iv. Explain the steps in vendor development	<b>3</b>	2	7	4
Q.6	Attempt any two:				
	i. Evaluate the criteria for vendor selection.	<b>4</b>	5	8	5
	ii. Discuss how scorecards can be used in vendor evaluation.	<b>4</b>	2	8	5
	iii. In short explain the process of supplier audits in vendor management.	<b>4</b>	2	8	5
Q.7	Case Study-	<b>10</b>	5	11,8, 9	5
	ABC Manufacturing Ltd. is a medium-sized company that produces electrical components. Recently, the company has faced inventory management challenges due to fluctuating demand and supply chain delays. To streamline its processes, ABC decided to implement the Economic Order Quantity (EOQ) model. They hope EOQ will optimize order quantities and reduce holding and ordering costs. Additionally, they adopted barcode and RFID technology to improve inventory tracking.				

## Marking Scheme

### MS5EL03 (T) Inventory and Vendor Management (T)

Q.1	i)	b) A stock of goods for future use	1
	ii)	b) Balancing profitability and customer satisfaction	1
	iii)	b) Minimize inventory cost	1
	iv)	d) Deterministic Model	1
	v)	c) Track items and manage inventory levels	1
	vi)	a) Stocking inventory based on forecasted demand	1
	vii)	a) The cost of storing unsold goods	1
	viii)	c) Establishing a mutually beneficial partnership	1
	ix)	c) Employee satisfaction in the supplier's firm	1
	x)	a) Ensure adherence to quality and service standards	1
Q.2	i.	Discuss the strategic objectives of inventory management. At least two points. Each points carry 1 Marks	2
	ii.	Explain the importance of customer satisfaction in inventory management. At least two points. Each points carry 1 Marks	2
	iii.	Explain the importance of competitive advantage in inventory management. At least four points. Each points carry 1 Marks	4
OR	iv.	Discuss the responsibilities of inventory management and its role in profitability in short. responsibilities of inventory management 2 Marks inventory management role in profitability 2 Marks	4
Q.3	i.	Describe the use of RFID technology in inventory management.	3
	ii.	Explain the push-pull methods in inventory management. push methods in inventory management – 2.5 Marks	5

		pull methods in inventory management -2.5 Marks	
OR	iii.	Analyze the benefits and limitations of Inventory Management Software. benefits of Inventory Management Software – 2.5Marks limitations of Inventory Management Software – 2.5 Marks	5
Q.4	i.	Discuss the concept of performance measurement in inventory control systems.	3
	ii.	Evaluate the importance of inventory policies in optimizing costs.	5
OR	iii.	Describe risk pooling and how it can help in inventory cost reduction. Describe risk pooling - 2.5 Marks How it can help in inventory cost reduction - 2.5 Marks	5
Q.5	i.	Explain the importance of vendor relationship management in supply chain management.	2
	ii.	Attempt any two:	
OR	iii.	Discuss the conflict resolution in vendor management.  Discuss negotiation strategies in vendor management. Explain the steps in vendor development	3 3 3
Q.6		Attempt any two:	
	i.	Evaluate the criteria for vendor selection.	4
	ii.	Discuss how scorecards can be used in vendor evaluation.	4
	iii.	In short explain the process of supplier audits in vendor management.	4
Q.7		Case Study questions (4*2.5)	10

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